

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

England & Wales · Charity number 209691

Details

Other names	FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM, FHU
Status	Registered
Legal form	Charitable company
Company number	06350828
Registered	2007-11-21
Register	View on the Charity Commission register

Contact

Address	3rd Floor South Marlborough House 298 Regents Park Road London N3 2SZ
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Activities

Objects: TO PROMOTE THAT WORK OF THE HEBREW UNIVERSITY OF JERUSALEM WHICH IS EXCLUSIVELY CHARITABLE ACCORDING TO THE LAW OF ENGLAND AND WALES.

Activities: The BFHU is a national, non-profit organisation dedicated to supporting, marketing and promoting the Hebrew University of Jerusalem, and to raising awareness of its global contribution.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Sponsors Or Undertakes Research
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Arts/culture/heritage/science, Animals
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE ISRAEL
- Israel

Finances

Period end	Income	Expenditure	Assets	Employees
2025-09-30	£6,484,385	£7,180,053	£41,822,011	7
2024-09-30	£9,633,260	£8,866,712	£40,813,318	6
2023-09-30	£7,717,264	£8,263,687	£35,918,952	6
2022-09-30	£7,286,218	£9,895,726	£34,332,446	4
2021-09-30	£8,344,910	£8,603,644	£41,113,256	5
2020-09-30	£9,808,882	£9,510,303	£35,777,888	4

Trustees

Name	Role	Appointed
ALAN JACOBS	Chair	2021-03-25
Benjamin Harry George Stowe		2022-09-29
DENISE NICOLE JOSEPH		2017-05-24
David Mark Wernick		2016-12-07
Derek Bryan Spitz		2019-05-16
JENNY ARWAS		2012-11-25
JOSEPH SMOUHA KC		2012-11-25
Jeremy Amias		2022-12-05
SIMON TOBELEM		2015-09-16
STEVEN KAYE		2026-03-18

Linked charities

- JOSEPH PORTON TRUST FUND (209691-1)
- ARTHUR DAVIS MEMORIAL FUND (209691-10)
- FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM (209691-11)
- BARON FELIX DE MENASCE FOUNDATION (209691-12)
- THE AUBREY AND BERTHA KREMER AND MARK DERSCH CHARITABLE TRUST (209691-13)
- J M MACHOVER CHARITABLE TRUST (209691-14)
- MICHAEL AND ANNA WIX TRUST (209691-2)
- HARRY AND LEAH COHEN TRUST (209691-3)
- JOHN GOODENHAY TRUST (209691-4)
- HENRY JOSEPH LEVITT SCHOLARSHIP TRUST (209691-5)
- LIONEL COHEN LECTURESHIP TRUST (209691-6)
- JOSEPH AND DEBORAH TAYLOR TRUST FOR THE HEBREW UNIVERSITY (209691-7)
- PHILIP POLLECOFF SCHOLARSHIPS (209691-8)
- ISRAEL ZANGWILL MEMORIAL (209691-9)

Accounts

British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2025



Charity registration number: 209691
Company registration number: 06350828

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

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BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Charity registration number	209691
Company registration number	06350828
Trustees	Jeremy Amias Jenny Arwas MBE Alan Steven Jacobs, Chair Denise Nicole Joseph Isaac Kaye PhD, Hon. President (resigned-11/12/2025) Steven Kaye (appointed-18/03/26) Anthony Graham Page (resigned-12/12/2025) Alan Henry Philipp* (resigned-12/12/2025) Joseph Smouha KC Derek Bryan Spitz Benjamin Stowe Simon Tobelem David Mark Wernick <i>*Hon. Treasurer</i>
Chief Executive Officer	Nigel Salomon
Registered office	3rd Floor, Marlborough House 298 Regents Park Road London N3 2SZ
Independent Auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Solicitors	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Barclays Bank PLC 28 Hampstead High Street Hampstead London NW3 1QB
Investment Managers	Rothschild & Co Wealth Management New Court, St Swithin's Lane London EC4N 8AL Rathbones Investment Management 30 Gresham Street London EC2V 7QN

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

The Trustees present their report and the audited financial statements of the charity for the year ended 30 September 2025.

The financial statements have been prepared under the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) (Second Edition, effective 1 January 2019).

Trustees of the charity

The Directors of the charitable company are its Trustees for charity law. The Trustees who have served during the year and since the year-end were as follows:

Jeremy Amias (IC, G)
Jenny Arwas MBE (RC)
Alan Steven Jacobs, Chair (RC, FAC, IC, G)
Denise Nicole Joseph (FAC, G)
Isaac Kaye PhD Hon. President (RC, G), resigned-11/12/2025
Steven Kaye, appointed-18/03/26
Anthony Graham Page, resigned-12/12/2025
Alan Henry Philipp, Hon. Treasurer (FAC, RC, IC, GC, G), resigned-12/12/2025
Joseph Smouha (KC, G)
Derek Bryan Spitz (GC, G)
Benjamin Stowe (G)
Simon Tobelem (FAC)
David Mark Wernick (GC, G)

FAC = Finance, Audit & Risk Committee
G = Hebrew University Governors
GC = Grants Committee
IC = Investment Committee
RC = Remuneration Committee

Impact Summary

In 2024/25, British Friends raised or facilitated £7.8m for the Hebrew University of Jerusalem. We funded over 300 scholarships and supported 30 postgraduate researchers directly — students working on the problems that matter most: disease, food security, environmental science and technology. For many, particularly those displaced by a second consecutive year of conflict, British Friends funding was the difference between continuing their studies and being forced to abandon them entirely.

Despite the significant challenges of operating during an ongoing conflict, we maintained our programme of events, deepened alumni engagement, and delivered a blended investment return of 5.4% — sustaining our endowment capital for future generations of students and researchers.

Shortly after the year end, a gala dinner was held in London in November 2025 to celebrate the centenary of the Hebrew University, attended by 225 guests including Professor Tamir Sheafer, President of the Hebrew University. That gathering proved to be a catalyst: in December 2025, the Trustees established the British Friends Graduate Scholarship Fund, a £1.6m commitment to support more than 200 postgraduate researchers in the exact sciences over the next decade. The Hebrew University was founded on the belief that developing the intellectual potential of its people is Israel's greatest long-term asset. This fund is a direct expression of that belief — and of a century of British friendship behind it.

Mission and Values

The British Friends of the Hebrew University (BFHU) (the Charity) is a registered charity in England and Wales. The Charity's mission is to support the research of the Hebrew University of Jerusalem and champion academic excellence through effective fundraising, the promotion of its achievements, the support of students, the advancement of academic collaboration, and active engagement within its international network of friends and alumni. In pursuing this mission, the Trustees are guided by core values of professionalism, accountability and reliability, ensuring strong governance and financial stewardship. We are impact-driven and donor-focused in our approach, while maintaining a friendly and collaborative ethos in our engagement with supporters and partners. We operate with respect and integrity, and with a clear commitment to supporting the Hebrew University in a manner consistent with UK charity law and our charitable objects.

Objectives and Activities

The BFHU is dedicated to advancing the goals of the Hebrew University of Jerusalem by means of the following activities:

1. fundraising in support of the academic development of the Hebrew University, including research, scholarships, and capital projects that drive academic excellence.
2. promoting awareness and standing of the Hebrew University on the local and international stage including through the facilitation of research and student exchange relationships with leading UK universities.
3. undertaking events and activities to generate awareness and, in turn, funds for the Hebrew University.
4. serving as a bridge between the Hebrew University and its UK-based supporters, leveraging understanding of the local market, cultural nuances, and regulatory frameworks, to represent the interests and intentions of both parties, enhancing mutual engagement and support.
5. managing and distributing endowment funds in a manner that aligns with donors' wishes. This stewardship ensures that funds continue to support the University's goals as donors intended whilst ensuring fund longevity.
6. establishing and nurturing a vibrant Hebrew University UK-based alumni community, unlocking opportunities for supporters and the University.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

BFHU aims to operate to the highest professional standards, especially in areas of donor care, marketing, financial management, reputation, and governance.

Achievements and performance

Charitable activities

During the year, the Charity made grants totalling £3.2m (2024: £4.9m) to the Hebrew University and, in certain cases, directly to students. In the face of a second consecutive year of conflict — which displaced students, disrupted campus life, and constrained international travel — these grants ensured that academic activity could continue with greater consistency than the previous year. For the students supported, many of whom might otherwise have been forced to abandon their studies entirely, this funding represented a direct intervention in their futures and, in many cases, in the communities and countries they will return to serve.

A portion of these grants, amounting to £549,800 (2024: £309,197), was awarded to Hebrew University undergraduate and postgraduate students studying in the UK, as well as to UK-based students undertaking courses at the Hebrew University, and directly to 30 postgraduate students at the Hebrew University. Many of these scholarships support students from developing nations studying public health, agricultural sciences, and international development — skills they take back to communities facing real challenges in nutrition, disease and food security. Others support minority students within Israel — Israeli Arabs, East Jerusalemites, Haredi, and Ethiopian students — for whom a Hebrew University education represents a first step into higher education for their entire family.

Financial Report

Income totalled £7.8m, including donations remitted directly to the Hebrew University (see page 15). BFHU's investment portfolio achieved a positive blended net return of 5.4% in the 12 months to 30 September 2025. Historically, over a period of 10 years, the organisation has achieved a 6.4% per annum total return, which is above the annual target of 5%. This has allowed the Charity to maintain a 3.5% annual distribution to the Hebrew University, supporting the objectives of the BFHU-held endowments whilst maintaining capital growth.

Governance

At the instigation of BFHU Chair Alan Jacobs, BFHU lay leadership was further strengthened with changes to the Board of Trustees in this period. The resignation of long-serving trustees (two of whom became Patrons after the year-end) has enabled the appointment of one new trustee bringing fresh experience and perspectives to the Board. These changes took place after the year-end. Further appointments are expected in the coming year.

Year in review - the Hebrew University of Jerusalem

In common with other universities in Israel, multi-front conflict dominated and permeated every facet of the Hebrew University for the second year in succession. Despite many students being displaced, and the challenges of international travel, academic activity continued with a greater level of consistency than the previous year.

Experts from the Faculty of Law increased activity confronting widespread global academic and research BDS (Boycott, Divestment and Sanctions). On campus the University's leadership remained focused on maintaining a collaborative, diverse, multicultural campus community. Programmes and workshops continued helping to ensure a harmonious environment and respect for diverse views in an emotionally highly charged atmosphere.

The Hebrew University's global Friends community responded robustly to university appeals for support programmes, providing additional academic teaching, injury and bereavement counselling and pastoral care for students and their families. A growing need for trauma and resilience services, coordinated through the Dean of Students' office, was also addressed.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Student numbers increased marginally to 23,200, still below the pre-conflict level of 23,500. Faculty numbers remained stable at 1,034.

Despite the challenges presented by tensions within Israel's complex societal make-up, the Hebrew University remained committed to securing and retaining minority sector students: Israeli Arabs and East Jerusalemites, Jewish ultra-orthodox students, Ethiopians, those from the periphery of the country along with first-time family members in advanced education. The Hebrew University *mechinot* preparatory schools and the support of the Office of the Dean of Students play a vital role in this undertaking. The University maintained funding to cover Israeli Government funding cuts. Without University intervention numerous students might have been forced to discontinue their studies, leaving them with few viable options. This would in turn have served to undermine efforts to strengthen 'shared society'.

Visitor numbers to the Hebrew University, especially donors, remained broadly flat. This was true also of UK visitors which was largely attributable to UK Government travel advice in place for most of the year, along with insurance constraints and concerns regarding personal safety. The 12-day conflict with Iran resulted in the last minute cancellation of the Hebrew University's six-day international centenary Friends gathering in Jerusalem due to start on 13 June 2025.

Despite the difficult environment, the University improved its position in the global top 100 ranking in the respected ARWU international index and secured a place in the top 50 in mathematics, law, communication and public administration.

After 2 terms of office totalling 8 years, HU President Prof Asher Cohen was succeeded by the Rector Prof Tamir Scheafer whose own role was filled by Prof Oron Shagrir, former VP International Affairs.

Amongst other leadership changes, Naama Kaufman-Fass was appointed CEO in September 2025, replacing Yishai Fraenkel, marking a significant transition in the organisation's leadership. Yishai Fraenkel is credited with several substantial achievements during his tenure, including the delivery of major infrastructure projects, the development of new research facilities and technology campuses, and the expansion of industry partnerships, particularly in areas such as artificial intelligence and quantum technologies.

In contrast, Naama Kaufman-Fass's tenure is at an early stage, with her stated priorities focusing on strengthening research and teaching, expanding public and community engagement, and promoting a diverse, equitable, and forward-looking institutional environment.

In addition to maintaining a strong emphasis on academic and research excellence, the University has identified the following strategic priorities:

- Delivering meaningful societal impact within Israel and strengthening public engagement, reflected in the creation of a new Vice-President role for Social Impact and Engagement.
- Deepening collaboration with industry partners to support innovation and economic development in Jerusalem, including the establishment of the Gav Yam high-tech business park on the Safra campus.
- Embedding artificial intelligence and AI-enabled tools across teaching and research activity.
- Expanding investment in computer science and electrical engineering to reinforce technological leadership.
- Increasing the number of medical graduates using advanced simulation-based teaching methods.
- Actively addressing and countering academic boycott initiatives.

Year in review – British Friends of the Hebrew University

The conflict inevitably permeated all aspects of the organisation's work and had a significant impact on the organisation and its staff, many of whom have close personal ties to family and friends in Israel as well as longstanding relationships with colleagues at the Hebrew University.

Despite the significant upheaval and constraints experienced over the past six years, beginning with Covid, the professional team has remained focused and adaptable in the face of ongoing challenges. Changes in team membership have been managed smoothly and efficiently.

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YEAR ENDED 30 SEPTEMBER 2025

The marketing and events programme were adapted to reflect the operating environment during the period.

Key events in the UK during the year:

- Alumni group (UK Israeli community): Hebrew-language, topic-focused events exploring the University's global impact, with a major gathering in January 2026 to mark the centenary of the Hebrew University.
- Archaeology: In partnership with the Anglo Israel Archaeology Society, an event on Hazor led by Dr Igor Kreimerman.
- Agriculture: The annual Birk Prize Awards recognising achievement in agriculture and law.
- Law: In conjunction with JW3, a panel on the international rule of law featuring Professor Philippe Sands KC, HU Professor Yuval Shany and Professor Anat Scolnicov, chaired by Lord Pannick KC. A further discussion between Lord Pannick KC and Dame Vivienne Rose explored judicial careers and the experience of becoming a judge.
- HU/BFHU@100: A special centenary webinar featuring HU Vice President for External Relations, Ambassador (ret.) Yossi Gal, in partnership with UCL's Institute of Jewish Studies.
- Legators: Several meetings, including a late-summer tea attended by Hebrew University alumni pursuing postgraduate studies supported by British Friends scholarships.
- Medical science: The BFHU medical group hosted a cohort of elite HU medical students during a short internship at a leading UK university.
- Collaboration: Numerous virtual events hosted jointly with other Friends organisations and the University on a range of academic and cultural topics.
- Social sciences: Construction of one floor of the BFHU-funded business complex was completed; formal naming has been deferred to 2026.

Fundraising

Fundraising efforts supported the priority needs of the Dean of Students office: provision of extra academic teaching, injury and bereavement counselling including to student families and, a growing requirement for trauma and resilience support. For most donors, the need to ensure the long-term status of the University remained central to sustaining donor support.

The team continues to follow principles of professionalism, respect, integrity, open communication, and sensitivity to all donor needs recognising the pressures on donors in the current environment. We encourage encounters with the Hebrew University, ideally campus visits which are generally highly effective in strengthening engagement with Hebrew University students, researchers and faculty. Such visits were very limited during the year.

The Charity is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice.

The British Friends is a long-established charity with donor relationships that are often complex and multi-generational. Voluntary funds are generated through several means, including a periodic gala dinner, biannual mailed appeals, specialised events, legacies, and major giving from individual or institutional foundations, including family trusts.

Approaches to new major potential foundations are coordinated with the Hebrew University who in some circumstances are best placed to lead such approaches.

The Hebrew University is a seven-faculty, interdisciplinary institution with diverse needs all aimed at growing academic and research excellence on an international level. Evolving circumstances continued to create new immediate student needs for the Hebrew University for which British supporters have continued to provide significant support.

More generally, British Friends donors have, over many years, developed their own diverse interests. Maintaining close engagement with donors and aligning their priorities with those of the University has been essential in fostering long-term relationships, particularly during challenging times.

Annual donations, along with the distribution made from restricted endowment funds, helped to support many hundreds of scholarships, including, in line with the University's priorities, to minorities such as Haredi, Israeli Arab and East Jerusalemite, Ethiopian and 'first generation' students.

Significant support comes from the UK for International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe, learning new skills and techniques to support their local communities in health, nutrition, and community development. BFHU and the Hebrew University gratefully acknowledge the support of the Pears Foundation along with other UK donors.

Research donations addressed most Faculties of the Hebrew University with particular emphasis on medical science, computer science, AI, and Deep tech, sustainability and law (the latter, an area of collaboration dating back to the early 1950s).

British Friends supported new programmes addressing coexistence and understanding under the umbrella of 'shared society' and significant needs around trauma, mental health counselling and resilience.

Fundraising & Ceremonies

During the fundraising year, Hebrew University of Jerusalem and British Friends of the Hebrew University were required to cancel several planned ceremonies due to the ongoing conflict, including the Board of Governors centenary gathering scheduled for June. The following prizes were awarded:

- The Kaye Prize awards for scientific innovation
- The Polonsky Prizes for creativity and originality in the Humanistic Disciplines

Other ceremonies took place either in person or virtually

- The Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding
- The annual Lionel Cohen lecture – a discussion between Dorit Beinisch former President of Israel's Supreme Court and Lord Pannick KC
- The annual Thea Zucker memorial lecture at JW3 with Prof Asher ben Arie, Dean of the School of Social Work

Marking the centenary of the Hebrew University of Jerusalem, a gala dinner was held in London in November 2025, attended by 225 guests, including Professor Tamir Sheafer, President of the University.

In seeking to maximise long-term impact and to build on this momentum to encourage further UK philanthropy, the Trustees agreed a new project with the University aligned to shared strategic priorities. The British Friends Graduate Scholarship Fund was established in December 2025 to support multiple postgraduate scholarships in the exact sciences over a minimum period of 10 years.

An initial allocation of up to £1.4 million from the general reserves of British Friends of the Hebrew University has been supplemented by funds raised at the November 2025 gala, bringing the total funds committed to £1.6 million.

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YEAR ENDED 30 SEPTEMBER 2025

An agreement was finalised with the Hebrew University in February 2026, setting out the number of annual scholarships, as well as arrangements for reporting, PR and recognition. This strategic flagship fund is recognised as a major initiative by the British Friends, timed to coincide with the charity's 100th anniversary. Professor Tamir Sheafer, President of the Hebrew University, described the fund as coming "at a critical moment for research", reflecting the Hebrew University's founding belief that developing the intellectual potential of its people represents Israel's greatest long-term asset.

Legacy campaign

BFHU established its legacy programme in 1998, centred on organised visits to the Hebrew University to provide donors with direct insight into its academic and research environment. These visits support the development of long-term relationships and legacy commitments aligned with donor interests.

The most recent mission took place in 2022, with the next planned for 2026 in partnership with the Australian Friends. BFHU continues to engage members of its Honours Club, comprising individuals who have pledged a legacy in support of the University.

Impact of charitable activities at the Hebrew University

In 2024/25, the Hebrew University aimed to balance the many needs of displaced students while returning to 'business as usual' supporting core academic and research activities along with engagement with the local community.

GDPR

The British Friends' donor relations and communications activities comply with the Data Protection Act 2018, General Data Protection Regulations (GDPR) and the Privacy & Electronic Communications

Regulations (PECR) via mail, email and through social media and advertising. Consent is obtained where required and recorded appropriately. All information is stored securely. Rights are outlined in the Privacy Policy; changes and opting out can be made at any time.

During the period, there were no GDPR complaints received, nor safeguarding issues reported. Procedures are in place, complying with the Charity Commission regulations and the Fundraising Regulator guidelines.

Operational activities

The Charity implemented enhancements to cyber security, cloud-based services and data storage and a programme of documents digitisation.

Major professional team changes took place with the retirement of 2 team members; one maternity leave cover and one rotation after a 2-year contract.

Strategic Risks

Risk Policy

The Trustees are responsible for overseeing risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Management of the Charity through the Finance, Audit & Risk Committee. Risks are identified, assessed, and controls throughout the year. A formal review of the charity's risk management processes is undertaken annually.

The Board confirms that the significant risks to which the Charity is exposed have been reviewed, reassessed, and updated. Where practicable, systems have been established that are intended to mitigate those risks.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

A risk analysis table summarising the key risks is monitored by the Chief Executive and Head of Finance and is brought to the attention of the Board on at least an annual basis. This process forms an integral part of the Charity's annual review of its strategic plan and budget. The key risks are noted below:

Human Resource risks such as loss of key staff members with localised and specialised knowledge and disaffection arising from rapid organisational changes.

Management mitigation: ensure the team is professionally managed and, motivated, competitively remunerated with annual appraisal reviews and orderly progressive changes.

Data & IT Integrity risks include data protection, support and maintenance services, fire risk, and fraud.

Management mitigation: measures included the use of secure cloud-hosted IT platforms, insured risk coverage, professional IT support, and strengthened password protocols alongside adherence to fire and security best practices. A cyber audit has been completed, and a document digitisation programme has been implemented.

Investment risks such as poor returns and foreign exchange exposure.

Management mitigation: Maintain a diversified investment portfolio managed externally by two prominent international fund managers, overseen by the BFHU board investment sub-committee, and benchmarking including international benchmarking across other Hebrew University Friends.

The Trustees believe that the challenging macroeconomic outlook, including inflationary pressures, could have a negative financial effect beyond the short term. They also recognise that, although annual endowment grants are made in sterling, Hebrew University expends money mainly in Shekels.

The portfolios have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the foreign exchange risks.

Although income may reduce, the Trustees maintain that the accumulated total return is sufficient to sustain the annual 3.5% distribution to the Hebrew University, which is now fixed in US dollars. This arrangement between the Charity and the Hebrew University was formalised in a Memorandum of Understanding in January 2024.

The British Friends maintains a strong reserve position to support operational needs and to respond to emerging Hebrew University needs.

Income risk arises from reliance on a relatively small number of major donors and the potential for shifting philanthropic priorities.

Management mitigation includes strengthening donor retention strategies, broadening the supporter base, and increasing engagement with new foundations and family offices. The Charity continues to enhance its profile through targeted events, improved digital engagement, and closer collaboration with the Hebrew University and other Friends organisations.

Governance risks such as poor compliance with well-established processes and accounting standards.

Management mitigation: maintain a strict routine of monthly management accounting and reporting reinforcing a culture of compliance with robust annual auditing stipulations and statutory accounts. The Finance and Risk Committee oversees these processes.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Reserves Policy

The Trustees recognise the importance of maintaining adequate reserves to ensure the Charity's financial resilience, support ongoing commitments, and enable flexibility in responding to emerging needs.

In setting the reserves policy, the Trustees have considered the Charity's risk profile, the reliability and timing of income streams, committed and planned expenditure, and the extent to which costs can be reduced or deferred if required. The Charity also considers the need to fund working capital requirements and to manage timing differences between income receipts and expenditure.

The Trustees have determined that free reserves should be maintained at a level sufficient to cover at least 12 months of budgeted operating costs, together with an allowance for the cost of sustaining fundraising activities. On this basis, the target level of free reserves is £760k.

At 30 September 2025, free reserves amounted to £3.1m (2024: £3.2m), which is above the target level. This position reflects the accumulation of prior year surpluses and provides the Charity with strategic flexibility.

The Trustees have approved the allocation of up to £1.4m of these reserves to establish the British Friends Graduate Scholarship Fund, a long-term strategic initiative aligned with the Charity's objectives and the Hebrew University's priorities. Following this allocation, free reserves are expected to move closer to the target range.

The Trustees will continue to keep the level of reserves under close review to ensure it remains appropriate in the context of the Charity's evolving activities, funding environment and strategic commitments.

Future priorities

Philanthropic giving continues to be shaped by competing priorities, both within local communities and in Israel. The British Friends anticipates ongoing challenges for the Hebrew University and will maintain a strong focus on mainstream fundraising to support core research and scholarships, alongside targeted initiatives responding to emerging needs.

The Hebrew University Friends network has successfully completed its seven-year, \$1 billion global fundraising campaign, of which 8% was attributable to the British Friends. Key campaign themes included Human Health, a Better World, High-Tech Jerusalem, and a Sustainable Planet.

With the appointment of a new Hebrew University President, a new campaign is expected to be launched in due course. The British Friends will align its priorities accordingly.

The Charity encourages visits to the Hebrew University and works to help build the Hebrew University's reputation and academic collaboration with leading UK institutions. These will include both current and new potential supporters.

The organisational development plan is now in its final phase of implementation, with focus on the following areas:

- Professional team development – following an orderly transition, integrating four new team members while ensuring continuity of institutional knowledge and operational stability.
- Lay leadership development – continuing the search for new trustees who can bring fresh perspectives and address identified skills and experience gaps, alongside strengthening and expanding the body of Patrons.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Ensuring smooth and auditable processes remains key and will include a review of the execution of the stipulations of endowments against original purposes.

The organisation remains committed to consistent professional engagement with current donors and to securing new support wherever possible in line with the Hebrew University's priorities. The Charity will maintain investment in new resources to help diversify income streams into charitable foundation and family offices.

Enhancing digital marketing and building the UK Hebrew University alumni community are firm priorities going forward.

A continued strategic approach to events, in some cases with high-profile organisational partners, will guide our efforts in promotional activity to include leading faculty members from the Hebrew University. A major gala dinner took place marking the centenary of the Hebrew University and the launch of a marketing programme themed around the centenary year of the British Friends.

We anticipate that the legacy mission programme will resume, with a delegation planned for late 2026

The organisation will also mark the centenary of the British Friends of the Hebrew University throughout 2026.

Where the British Friends can add value, guided by the Hebrew University's priorities, efforts will continue to facilitate bilateral university collaboration, both research and student exchanges with Russell Group universities.

Mindful of the many continuing local and global challenges, Trustees welcomed the performance of 2024/25.

Financial review

Total statutory income for the year amounted to £3.0m (2024: £6.2m), comprising £2.35m of donations and £0.68m of investment and other income. In addition, the British Friends facilitated a further £4.8m (2024: £3.4m) of donations made directly by UK donors to the Hebrew University. Including these amounts, the total contribution attributable to the British Friends for the year was £7.8m (2024: £9.6m).

The reduction in statutory income compared with the prior year reflects the absence of exceptional legacy receipts recognised in 2024. Underlying donation levels remain broadly consistent.

Total expenditure on charitable activities amounted to £3.2m (2024: £4.9m), comprising grants to the Hebrew University and directly to students in line with donor intent. Fundraising and support costs remained well controlled at £0.5m (2024: £0.5m).

The Charity reported a net movement in funds of £1.0m (2024: £4.9m), driven primarily by investment gains of £1.7m (2024: £4.1m). Excluding investment gains, the underlying position reflects a small operating deficit, consistent with the Trustees' approach of utilising reserves to support strategic priorities where appropriate.

The investment portfolio delivered a blended total return of 5.4% over the year. While this was below the ARC Charity Steady Growth index of 7.24%, performance is considered satisfactory in the context of the Charity's long-term investment strategy, which maintains a bias towards high-quality, globally diversified assets. Over a ten-year period, the portfolio has delivered an average annual return of 6.4%, exceeding the long-term target of 5% and supporting a sustainable annual distribution of 3.5% to the Hebrew University.

BFHU's Contribution to the Hebrew University of Jerusalem

<u>Income</u>	Note	2025			2024	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Total income as presented		250,934	2,667,071	117,028	3,035,033	6,183,908
Direct donations to the Hebrew University (HU)		-	4,753,989	-	4,753,989	3,449,352
Total income attributable to the BFHU by the HU	18	250,934	7,421,060	117,028	7,789,022	9,633,260

<u>Expenditure</u>	Note	2025			2024	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Grants funding activities as presented	6	-	3,219,389	-	3,219,389	4,910,368
Direct donations to the Hebrew University (HU)		-	4,753,989	-	4,753,989	3,449,352
Total grants attributable to the BFHU by the HU	18	-	7,973,378	-	7,973,378	8,359,720

At the year-end the Charity held unrestricted funds of £3.1m, restricted funds of £1.1m and available expendable endowment resources of £37.6m.

Structure, Governance and Management

Nature of Governing Document

The British Friends have been supporting the Hebrew University since 1926 through various linked charities. The British Friends of the Hebrew University was incorporated on 22 August 2007 and is governed by its memorandum and articles of association, as amended by special resolution(s) dated 9 May 2013.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Organisational structure (Structure, Governance and Management)

The Charity is controlled by the Directors/Trustees; the full time Chief Executive Officer reports to the Trustees monthly. Support staff are split by function, such as donor support operations, marketing and communications, alumni, finance and fundraising all reporting directly to the CEO in a flat organisational structure.

Recruitment and appointment of Trustees

Board members are selected with regard to their core competencies, breadth of skills, relevant sector experience and overall commitment to the Charity's mission. The Board seeks, where practicable, to maintain a balanced mix of expertise, including:

- legal expertise
- financial, accounting and investment expertise
- insight into emerging and high-growth sectors
- experience in education and academic research environments
- senior managerial and commercial leadership experience

Induction and training of Trustees

All newly appointed Trustees receive a comprehensive induction, including meetings with staff and fellow Trustees and engagement with senior University officials, including the President. Trustees are encouraged to visit the University in Israel. Ongoing engagement and development form part of the Trustee role, and Trustees are encouraged to attend relevant external training to support their understanding of their responsibilities. Trustees are appointed for initial three-year terms, renewable up to a maximum of three such terms, after which any further appointments are for one year at a time, subject to the retirement and appointment provisions set out in the Memorandum.

Diversity, Equity & Inclusion

The Trustees are committed to fostering an inclusive culture across the organisation. In recruiting trustees and staff, the Board actively seeks candidates from diverse backgrounds, recognising that a breadth of perspectives strengthens governance and decision-making. During the year, the Board undertook a skills and diversity audit to inform its trustee recruitment priorities. The Charity's staffing reflects a range of professional backgrounds, and we remain committed to ensuring that our workplace is welcoming and equitable for all.

Arrangements for setting key management personnel remuneration

The pay of senior staff is reviewed annually by the remuneration committee. The review is performed using benchmarks from similar organisations and against the performance of personal objectives.

Safeguarding

The Charity takes its safeguarding responsibilities seriously. The Board has adopted a formal Safeguarding Policy, reviewed annually by the Trustees, which sets out our commitment to protecting the welfare of students, volunteers, beneficiaries and all individuals with whom we work. A designated Safeguarding Lead has been appointed from within the senior team, and all staff receive safeguarding awareness training as part of their induction and ongoing development.

The Charity works closely with the Hebrew University, whose own safeguarding and student welfare frameworks govern activity on campus. Where BFHU funds student activity directly — including UK-based internships and postgraduate placements — appropriate checks and supervision arrangements are in place. No safeguarding concerns were reported or escalated during the year.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Investment policies & performance

The British Friends adheres to the Charity Commission's investment guidance. The Charity's investment strategy is agreed with the investment managers in accordance with the Charity's investment policy and is overseen by the Investment Committee, which meets regularly to review performance, strategy and compliance.

The Charity's investment policy explicitly excludes companies whose activities are inconsistent with our charitable objectives, or which could reasonably damage our reputation. Our investment managers, Rothschild & Co and Rathbones, are both signatories to the UN Principles for Responsible Investment and integrate ESG factors into their portfolio management processes. The Investment Committee reviews ESG compliance annually as part of its oversight of manager performance.

The Charity's investment portfolios are managed in accordance with an agreed long-term strategy and are benchmarked on a total return basis against a global asset allocation of approximately 75% equities, 15% bonds, and 10% in other assets and cash.

Over the 12 months to 30 September 2025, global financial markets delivered positive returns, supported by moderating inflation, interest rate adjustments, and resilient economic growth. Equity markets performed strongly, particularly in the United States, driven by continued investment in technology and artificial intelligence-related sectors. UK equities also produced solid returns, while government bonds delivered modest negative performance over the period.

Within this context, the Charity's portfolios delivered total net returns of 5.37% (Rathbones) and 5.35% (Rothschild & Co), after fees. While this performance was below the ARC Charity Steady Growth index of 7.24%, it reflects the portfolios' positioning towards high-quality, globally diversified assets and a disciplined, long-term investment approach. Over a ten-year period, the portfolio has delivered an average annual return of 6.4%, exceeding the long-term target of 5% and supporting a sustainable annual distribution of 3.5% to the Hebrew University.

The Trustees, supported by the Investment Committee, continue to monitor performance closely. The current strategy remains focused on achieving sustainable long-term returns to support the Charity's distribution policy, while managing risk through diversification and maintaining sufficient liquidity to meet operational requirements.

In addition, both managers complete an annual governance questionnaire designed to review compliance, risk controls, safeguarding arrangements, and operational resilience. The findings inform ongoing improvements to governance practices and internal oversight.

Grant making policies

Grants are made from restricted funds and income, and, in some cases, the capital derived from endowment funds in a manner as closely aligned as possible with the original wishes of the donor.

The Charity makes extensive grants to the Hebrew University for buildings, equipment, research programmes and scholarships.

A total of £50,000 was allocated after the year end for BFHU discretionary scholarships in 2025/26, with awards made both to the Hebrew University and to Hebrew University students extending their postgraduate studies in the UK.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Going concern

The Trustees have evaluated that there are no conditions or events that raise doubt about the Charity's ability to continue as a going concern.

Relationship with donors

The British Friends adheres to the Code of Fundraising Practice and is registered with the Fundraising Regulator. This shows commitment to good fundraising practices.

Public benefit statement

The Directors and Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 by giving due regard to the public benefit guidance issued by the Charity Commission for England and Wales. The Charity's grants, monitored through ongoing audit and reporting processes, support the Hebrew University in delivering high-quality higher education, advancing knowledge through teaching and contributing to world-class academic research. The Charity also promotes access for minority groups while encouraging the pursuit of the highest academic standards, thereby delivering wider benefit to society.

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2025

Trustees' responsibilities statement

The Trustees of the British Friends (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing 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 (FRS 102).
Make judgements and estimates that are reasonable and prudent.
State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:
there is no relevant audit information of which the charitable company'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.
In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. This report was approved by the board and signed on behalf of the Board by:

Alan Jacobs

.....
Alan Jacobs
Trustee

Date: 19 May 2026

Denise Joseph

.....
Denise Joseph
Trustee

Date: 19 May 2026

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2025

Opinion

We have audited the financial statements of British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2025 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 Trustees' 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 significant doubt on the charitable company'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 Trustees' Annual Report. 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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2025

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 21-22 the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2025

of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety requirements, GDPR, employment law, charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP) and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

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 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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tom Brain (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: 3 June 2026

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 SEPTEMBER 2025

		2025				2024
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	2	190,291	2,046,185	117,028	2,353,504	5,544,545
Other activities	3	-	1,850	-	1,850	8,200
Investments	4	60,643	619,036	-	679,679	631,163
Total income and endowments		250,934	2,667,071	117,028	3,035,033	6,183,908
Expenditure on:						
Raising funds	5	(300,544)	(716)	(210,052)	(511,312)	(506,992)
Charitable activities	6	-	(3,219,389)	-	(3,219,389)	(4,910,368)
Total expenditure		(300,544)	(3,220,105)	(210,052)	(3,730,701)	(5,417,360)
Net gains/(losses) on investments	14	-	-	1,704,361	1,704,361	4,127,818
Net income		(49,610)	(553,034)	1,611,337	1,008,693	4,894,366
Transfers between funds	18	(15,195)	765,117	(749,922)	-	-
Net movement in funds	18	(64,805)	212,083	861,415	1,008,693	4,894,366
Reconciliation of funds:						
Total funds brought forward	18	3,184,341	886,737	36,742,240	40,813,318	35,918,952
Total funds carried forward	18	3,119,536	1,098,820	37,603,655	41,822,011	40,813,318

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 25 to 43 form part of these financial statements.

BALANCE SHEET

YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £	2024 £
Fixed assets			
Tangible assets	13	3	3
Investments	14	41,207,506	39,491,225
		<u>41,207,509</u>	<u>34,491,228</u>
Current assets			
Debtors	15	341,854	2,142,319
Cash at the bank and in hand		801,940	467,951
		<u>1,143,794</u>	<u>2,610,270</u>
Creditors: amounts falling due within one year	16	(529,291)	(1,288,180)
Net current assets		<u>614,503</u>	<u>1,322,090</u>
Total Assets less current liabilities		<u>41,822,011</u>	<u>40,813,318</u>
Creditors: amounts falling due after more than one year	16	-	-
Net assets		<u>41,822,011</u>	<u>40,813,318</u>
Charity Funds			
Expendable endowments	18	37,603,655	36,742,240
Restricted funds	18	1,098,820	886,737
Unrestricted funds	18	3,119,536	3,184,341
Total charity funds		<u>41,822,011</u>	<u>40,813,318</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board on .

Signed on behalf of the Board of Trustees

Alan Jacobs

Alan Jacobs
Trustee
Date: 19 May 2026

Denise Joseph

Denise Joseph
Trustee
Date: 19 May 2026

The notes on pages 25 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2025

	Note	2025 £	2024 £
Cash flow from operating activities	22	(123,719)	(394,403)
Net cash flow from operating activities		<u>(123,719)</u>	<u>(394,403)</u>
Cash flow from investing activities			
Withdrawals from/ (additions to) the Investment Portfolio		1	(41,448)
Payments to acquire investments		(9,787,578)	(8,091,897)
Receipts from sales of investments		9,565,606	7,224,424
Interest received		91,944	71,886
Dividends received		587,735	559,277
Net cash flow from investing activities		<u>457,708</u>	<u>(277,758)</u>
Net increase in cash and cash equivalents		333,989	(672,161)
Cash and cash equivalents at 1 October		467,951	1,140,113
Cash and cash equivalents at 30 September		<u>801,940</u>	<u>467,952</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2024 £	Cash flow £	At 30 September 2025 £
Cash and bank	<u>467,951</u>	<u>333,989</u>	<u>801,940</u>

The notes on pages 25 to 43 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

1 Summary of significant accounting policies

(a) General information and basis of preparation

British Friends of the Hebrew University of Jerusalem is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 209691) and Registrar of Companies (Company Registration Number 06350828) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are to support research, scholarships and capital projects of the Hebrew University whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

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 (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 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 presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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.

(b) Going concern

The financial statements have been prepared on a going concern basis, and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. 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 are sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors, or which have been raised by the Charity for specific purposes.

The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

The Charity's endowment funds are classified as expendable endowment funds, meaning they can be spent in accordance with the Charity's objectives while preserving capital where possible. Income generated from these funds is treated as unrestricted income, and any capital gains or losses from investments are retained within the fund. Investment management fees and legal costs related to the fund are deducted as necessary.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

(d) Income recognition

All incoming resources are 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. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- we have confirmation from the representatives of the estate(s) that probate has been granted.
- the executors have established that there are sufficient assets in the estate to pay the legacy. and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

Income from fundraising events to raise funds for the Charity is recognised when received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

(e) Expenditure recognition

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 include costs incurred seeking voluntary contributions through donations, investment management costs and the running of fundraising events during the year.
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

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

Grants made to third parties fall within the Charity's objectives. Unconditional grants are recognised as an accrual once the recipient has been notified, as this creates a valid expectation that the grant will be paid. Conditional grants linked to performance are only accrued when any outstanding conditions are no longer within the Charity's control.

(f) 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 specific headings, they have

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The land in Israel was valued on 19th January 2017 at £26,000. The Trustees believe that it is prudent to amortise this as the Charity has been unable to sell it.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% straight line
Fixtures and fittings	20% straight line
Phone system	20% straight line

(h) Investments

The Charity has equity investments in listed entities. Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All unrealised gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors and creditors receivable / payable within one year

Debtors are recognised 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.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

(j) Leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

(k) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(l) Tax

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

(m) Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Listed investments – Listed investments are held at fair value.

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost, as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure.

(n) Judgements and key sources of estimation uncertainty

The judgements that have had the most significant effect on amounts recognised in the financial statements are the estimation of legacies receivable, allocation of support costs and depreciation rates. The estimates and associated assumptions are based on historical experience and other relevant factors and recent communications from the executors or their legal and professional representatives. The underlying assumptions which affect these judgements are reviewed on an ongoing basis.

2 Income from donations and legacies

	2025	2024
	£	£
Legacies	267,795	2,788,520
Regular giving	2,085,709	2,756,025
Total	<u>2,353,504</u>	<u>5,544,545</u>

Income from donations and legacies was £2,353,504 (2024: £5,544,545), of which £117,028 (2024: £899,531) was attributable to endowments, £2,046,185 (2024: £2,576,886) was attributable to restricted, and £190,291 (2024: £2,068,128) was attributable to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

3 Restricted donations from events – Raising Funds

	2025 £	2024 £
Events income – Conferences and similar events	1,850	8,200
Total	<u>1,850</u>	<u>8,200</u>

Donations from events in 2025 and 2024 were attributable to restricted funds.

4 Income from investments

	2025 £	2024 £
Dividends – equities	587,735	559,277
Interest - fixed interest securities	75,731	52,036
Interest – deposits	16,213	19,850
Total	<u>679,679</u>	<u>631,163</u>

Income from investments was £679,679 (2024: £631,163), of which £619,036 (2024: £584,128) was attributable to restricted funds, and £60,643 (2024: £47,035) was attributable to unrestricted funds. The British Friends portfolio at Rothschild does not have any individual Fixed Interest holding; the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund, and the income received is paid as a dividend.

5 Costs of raising funds

	2025 £	2024 £
Support costs	301,260	309,742
Investment management costs	210,052	197,250
Total	<u>511,312</u>	<u>506,992</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

6 Analysis of expenditure on charitable activities

	Grant funding of activities	Support costs	Total
	£	£	£
Grants to students	549,800	-	549,800
Grants to the Hebrew University	2,454,156	215,433	2,669,589
2025 total	3,003,956	215,433	3,219,389

	Grant funding of activities	Support costs	Total
	£	£	£
Grants to students	309,197	-	309,197
Grants to the Hebrew University	4,401,108	200,063	4,601,171
2024 total	4,710,305	200,063	4,910,368

All the above grants to the Hebrew University were attributable to restricted funds £2,454,156 (2024: £4,401,108) and so were the grants to students £549,800 (2024: £309,197). Total support costs of £215,433 (2024: £200,063) are analysed in Note 7.

The British Friends remitted approximately £2m to Hebrew University, mainly from annual gifts but sends just over £1.2m from existing Endowment Funds. It was also involved in securing a further £4.8m (2024: £3.5m) in donations that go directly to the Hebrew University.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2025 £
Salaries & other staff costs	Staff time	229,577	98,390	327,967
Establishment costs	Staff time	39,608	16,975	56,583
Printing, advertising, and administration	Direct	(27,551)	58,318	30,767
Travelling expenses	Direct	5,753	2,465	8,218
Event costs	Direct	716	-	716
Governance costs	Direct	23,784	10,193	33,977
Information technology	Direct	29,373	29,092	58,465
Total 2025		301,260	215,433	516,693

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2024 £
Salaries & other staff costs	Staff time	216,107	92,617	308,724
Establishment costs	Staff time	37,454	16,052	53,506
Printing, advertising, and administration	Direct	19,514	54,337	73,851
Travelling expenses	Direct	10,459	4,482	14,941
Event costs	Direct	485	-	485
Governance costs	Direct	13,565	18,893	32,458
Information technology	Direct	12,157	13,682	25,839
Total 2024		309,741	200,063	509,804

In 2025 & 2024 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2025 & 2024 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

8 Governance costs

	2025 £	2024 £
Auditors' remuneration – UK & Israel	30,000	24,192
Legal fees	491	706
Other	3,486	7,560
Total	33,977	32,458

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

9 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Grants to students at the Hebrew University	-	194,000	194,000
	-	355,800	355,800
Grants to Hebrew University students who study abroad			
Grants to the Hebrew University:	2,454,872	-	2,454,872
Designated projects	£1,022,746		
Scholarships	£1,328,552		
Prizes	£37,707		
Institute for Medical Research	£65,867		
2025 total	2,454,872	549,800	3,004,672
Grants to students at the Hebrew University	-	194,000	194,000
	-	115,197	115,197
Grants to Hebrew University students who study abroad			
Grants to the Hebrew University:	4,401,569	-	4,401,569
Designated projects	£2,149,081		
Scholarships	£2,136,958		
Prizes	£40,000		
Institute for Medical Research	£75,529		
2024 total	4,401,569	309,197	4,710,766

Further details of the charitable activities supported by the grants made in the year are provided in the Trustees Report.

Scholarships

Pears Foundation is a significant major donor funding students undertaking International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development. The current cohorts across the 3 programmes include students from most continents of the world.

Without such scholarships, they could not attend the Hebrew University. The social impact of these students is demonstrated in their home countries where they become active in the field of Public Health, often at policy-making level. Alumni are also in regular contact with their global peers.

Other scholarships are specifically awarded to disadvantaged students who would not be able to attend HU without such external help. They include students with disabilities, Arab Students (Israeli Arab and East Jerusalemite), Charedi (Religious Jews) and those of Ethiopian backgrounds.

The British Friends Graduate Scholarship Fund is anticipated to show material impact.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

Research

The Carew Shaw Endowment Fund distributed £280,000 in 22/23 (2022 £265,000) for a HU Distinguished Medical Faculty Award. This is normally given to encourage very bright researchers to come to HU, often after post-Doctoral work in the USA. Several of these have subsequently won European Research Council awards which recognise the contribution that their research is making internationally. This also enhances the reputation of Hebrew University.

Prizes

The Kaye Innovation Awards for scientific innovation and the Polonsky Prizes for creativity & originality in Humanistic Disciplines recognise excellence and important research or teaching at the Hebrew University. Such prizes help to enhance the reputation not only of the individual recipients but also the Hebrew University as a whole.

Lectures

Several British Friends funds help to support important lectures including in the legal and medical fields facilitating HU campus visits and events in the UK.

10 Net income for the year

Net income is stated after charging / (crediting):

	2025 £	2024 £
Depreciation/Impairment of tangible fixed assets	-	-
Auditors' remuneration - Audit fees – UK	30,000	20,160
Finance charges payable	1,731	2,495
Operating lease rentals	39,518	39,518
Net (gains) / losses on foreign exchange	(33,865)	2,595

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2024: £Nil).

The remuneration of the Chief Executive, the Charity's only Key full time Management Personnel, is reviewed annually by the Remuneration Committee using benchmarking data from comparable fundraising charities. Total employee benefits for the year, including employer National Insurance contributions of £24,241 and performance bonus approved on 17th December 2025 amounted to £173,146 (2024: £172,108), representing an increase of 0.6% year-on-year. The Committee is satisfied that remuneration reflects both the responsibilities of the role and the Charity's commitment to attracting and retaining high-calibre leadership. The Charity considers its Key Management personnel to comprise the Trustees and the Chief Executive.

The Trustees did not receive any expenses reimbursed during the year (2024: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

12 Staff costs and employee benefits

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

	2025 Number	2024 Number
Raising funds	4	3
Charitable activities	2	2
Governance	1	1
	<u>7</u>	<u>6</u>

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	2025 Number	2024 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	<u>4</u>	<u>4</u>

The total staff costs and employees' benefits were as follows:

	2025 £	2024 £
Wages and salaries	277,312	272,521
Social security	27,382	27,362
Other staff costs	10,973	8,840
	<u>315,667</u>	<u>308,723</u>

Related Parties paid no staff costs or employee benefits.

The number of employees who received total employee benefits of more than £60,000 (excluding employer pension costs but including employer NI costs of £24,241) is as follows:

	2025 Number	2024 Number
£60,001 - £70,000	0	0
£170,001 - £180,000	1	1
	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation:				
At 1 October 2024	26,000	6,234	25,884	58,118
Additions/(Disposals)	-	-	-	-
At 30 September 2025	26,000	6,234	25,884	58,118
Depreciation/Impairment:				
At 1 October 2024	25,998	6,233	25,884	58,115
Disposals	-	-	-	-
At 30 September 2025	25,998	6,233	25,884	58,115
Net book value:				
At 30 September 2025	2	1	-	3
At 30 September 2024	2	1	-	3

Land in Israel

The Trustees consider it appropriate to recognise an impairment of the land in Israel, as the Charity has been unable to realise value from the asset as the plot forms part of a larger parcel of scrub land and cannot be sold separately.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2024	39,491,225
Additions at cost	9,787,578
Disposals proceeds	(9,565,606)
Revaluations	1,704,361
Investment management fees	(210,052)
At 30 September 2025	<u>41,207,506</u>
 <u>Historical Cost:</u>	
At 30 September 2025	<u>32,231,382</u>

Listed Investments at fair value comprise:

	2025 £	2024 £
Investment Funds	8,238,688	2,152,308
UK listed investments	2,923,097	4,139,890
UK cash deposits	2,321,754	3,005,305
Fixed income	5,838,939	5,553,886
UK other investments	1,825,417	3,059,886
Overseas investments	<u>20,059,611</u>	<u>21,579,950</u>
	<u>41,207,506</u>	<u>39,491,225</u>

The fair value of listed investments is determined by reference to bid prices from the appropriate Stock Exchange, market makers or relevant fund managers. Where fund managers publish a single price, i.e., for OEICS, the valuation has been prepared based on the published price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

15 Debtors

	2025 £	2024 £
Trade Debtors	18,167	145,165
Legacies due	225,193	1,967,353
Prepayments	82,954	23,716
Gift aid recoverable	15,540	6,085
	<u>341,854</u>	<u>2,142,319</u>

16 Creditors: amounts falling due within one year

	2025 £	2024 £
Trade creditors	41,659	22,827
Grant commitments	326,663	1,131,127
Other tax and social security	2,302	7,777
Other creditors	34,000	-
Accruals	124,667	126,449
	<u>529,291</u>	<u>1,288,180</u>

17 Financial commitments

The operating lease represents a premises lease signed on 19th July 2023 and expiring on the 18th July 2028.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Not later than one year	39,516	39,516
Later than one and not later than five years	70,799	110,315
	<u>110,315</u>	<u>149,831</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

18 Fund reconciliation

Fund descriptions

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for designated purposes. The aim and use of each designated fund are set out below.

Restricted funds relate to donated income or grants that have been specified by the donor or granted for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified by the donor or granted for a specific purpose and where it has been stipulated that income, gains and original capital are to be distributed over several years.

Unrestricted funds

	Balance at 1 October 2024	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2025
	£	£	£	£	£	£
Unrestricted – General	3,184,341	250,934	(300,544)	(15,195)	-	3,119,536
Total 2025	3,184,341	250,934	(300,544)	(15,195)	-	3,119,536

	Balance at 1 October 2023	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2024
	£	£	£	£	£	£
Unrestricted – General	1,731,142	2,115,163	(309,256)	(352,708)	-	3,184,341
Total 2024	1,731,142	2,115,163	(309,256)	(352,708)	-	3,184,341

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

- Transfers of £15,195 were made from unrestricted funds to restricted funds regarding the charity's contribution towards matching scholarships and a special grant for urgent academic needs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

Restricted funds

		Balance at 1 October 2024	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2025 £
		£	£	£	£	£	
Restricted		886,737	2,667,071	(3,220,105)	765,117	-	1,098,820
		886,737	2,667,071	(3,220,105)	765,117	-	1,098,820
Expendable Endowment funds	19	36,742,240	117,028	(210,052)	(749,922)	1,704,361	37,603,655
		36,742,240	117,028	(210,052)	(749,922)	1,704,361	37,603,655
2025 Total		37,628,977	2,784,099	(3,430,157)	15,195	1,704,361	38,702,475

		Balance at 1 October 2023	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2024 £
		£	£	£	£	£	
Restricted		1,073,443	3,169,214	(4,910,854)	1,554,935	-	886,737
		1,073,443	3,169,214	(4,910,854)	1,554,935	-	886,737
Expendable Endowment funds	19	33,114,368	899,531	(197,250)	(1,202,227)	4,127,818	36,742,240
		33,114,368	899,531	(197,250)	(1,202,227)	4,127,818	36,742,238
2024 Total		34,187,811	4,068,745	(5,108,104)	352,708	4,127,818	37,628,977

Restricted Funds

Due to the considerable volume and the immaterial nature of each individual fund, it is not practical to report on each fund activity.

At the year-end, the charity held £695k (2024: £725k) worth of donations for restricted projects within the Hebrew University, and £404k (2024: £161k) for scholarships. Both were awaiting confirmation of students and projects.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

In total, £1,153,524 grants were made from the expendable endowment funds for the year (2024 £1,586,292).

Endowment Funds

The Trustees have authorised a disbursement totalling £1,227K from the endowment funds, which includes 3.5% of the primary balance of the Expendable Endowment funds at the start of the year; fixed grants from other funds, such as the Carew Shaw Endowment and additionally, £3k annually from smaller funds, typically valued under £100,000 enabling a gradual reduction in their balances. The endowment funds have experienced a growth rate of 5.4% over the past year.

19 Expendable Endowment Funds

	Balance at 1 October 2024	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2025
	£	£	£	£	£	£
1. Main Fund - 38 funds	6,374,941	102,465	48	(328,949)	365,389	6,513,894
2. Polonsky Fund	133,552	-	-	-	(9,500)	124,052
3. Archie Sherman Fund	45,460	-	-	(25,000)	2,644	23,104
4. Joels Fund	1,321,909	-	-	(39,160)	55,426	1,338,175
5. Gestetner Fund	662,280	-	-	(19,619)	27,769	670,430
6. BFHU Research & Teaching	2,141,345	-	-	(28,672)	73,001	2,185,674
7. BFHU Scholarship & Student Aid	6,411,096	447	-	30,547	226,962	6,669,052
8. Main fund – 41 Funds	6,346,866	1,050	-	(163,633)	266,116	6,450,399
9. Emily Erskine Fund	4,131,533	13,066	-	(121,767)	173,230	4,196,062
10. Carew Shaw Fund	9,101,277	-	-	(53,883)	310,256	9,357,650
11. Porjes Fund	71,981	-	(48)	214	3,016	75,163
2025 Total	36,742,240	117,028	-	(749,922)	1,494,309	37,603,655

The gains and fund charges column above reflects investment gains net of investment management fees of £210,052 (2024: £197,250), which are presented gross in the Statement of Financial Activities and within expenditure on raising funds. The gross gain per the SOFA of £1,704,361 less investment management fees of £210,052 reconciles to the net gains of £1,494,309 shown in this note.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

Expendable Endowment Funds

	Balance at 1 October 2023	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2024
	£	£	£	£	£	£
1. Main Fund - 38 funds	5,203,091	891,827	49	(533,478)	813,452	6,374,941
2. Polonsky Fund	116,802	-	-	-	16,750	133,552
3. Archie Sherman Fund	63,485	-	-	(25,000)	6,975	45,460
4. Joels Fund	1,215,838	-	-	(38,315)	144,386	1,321,909
5. Gestetner Fund	609,138	-	-	(19,196)	72,338	662,280
6. BFHU Research & Teaching	1,959,395	-	-	(24,888)	206,838	2,141,345
7. BFHU Scholarship & Student Aid	6,007,155	250	-	(239,112)	642,803	6,411,096
8. Main fund – 41 Funds	5,815,530	7,454	-	(166,736)	690,618	6,346,866
9. Emily Erskine Fund	3,786,994	-	-	(105,182)	449,721	4,131,533
10. Carew Shaw Fund	8,272,654	-	-	(50,437)	879,060	9,101,276
11. Porjes Fund	64,285	-	(49)	116	7,628	71,981
2024 Total	33,114,368	899,531	-	(1,202,227)	3,930,568	36,742,238

1. The Main Expendable Endowment Fund comprises 38 individual funds that distribute a fixed amount annually. These distributions serve various purposes aligned with the charitable objectives of the organisation.

2. The Polonsky Endowment Fund is a gift of shares from the Polonsky Foundation. This fund generates income used specifically to fund grants made to the Hebrew University on behalf of the foundation. The grants serve designated purposes in line with the foundation's philanthropic mission.

3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income for the British Friends.

4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.

5. The Gestetner Fund is utilised to support the operating budget of the Harry S Truman Research Institute for the advancement of peace.

6-7 The small endowment funds have been amalgamated into larger pools of Research and Teaching and Scholarship endowment funds to enhance flexibility in supporting the Hebrew University's research and scholarship initiatives. The distributions made from these funds are under the discretion of the Hebrew University.

8. The main variable distribution endowment Fund comprises 41 individual funds and sends variable sums to the Hebrew University, supporting diverse needs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2025

9. The Emily Erskine Fund was created to establish a Research Foundation in Physics or Mathematics fostering advanced study and innovation.

10. The Carew Shaw Fund was established to fund a Distinguished Faculty Award in medicine and to fund scholarships preferably within the Faculty of Medicine, in memory of Edward Carew Shaw.

11. The Porjes Fund was established for supporting the general charitable purposes of the Friends, with a priority on promoting the ongoing legacies campaign.

20 Analysis of net assets between funds – As at 30 September 2025

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	3	-	-	3
Fixed asset investments	3,603,851	-	37,603,655	41,207,506
Current assets	44,973	1,098,820	-	1,143,793
Current / non-current liabilities	(529,291)	-	-	(529,291)
Total 2025	3,119,536	1,098,820	37,603,655	41,822,011

Analysis of net assets between funds – As at 30 September 2024

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	3	-	-	3
Fixed asset investments	2,748,985	-	36,742,240	39,491,225
Current assets	1,723,533	886,737	-	2,610,270
Current / non-current liabilities	(1,288,180)	-	-	(1,288,180)
Total 2024	3,184,341	886,737	36,742,240	40,813,318

21 Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 8.

The total amount of donations made by the Trustees was £257,230 (2024: £235,786). The only other related party transaction in the current year was £42,175 paid to Tony Page Limited in advance for the Gala dinner catering (2024: £0).

NOTES TO THE FINANCIAL STATEMENTS

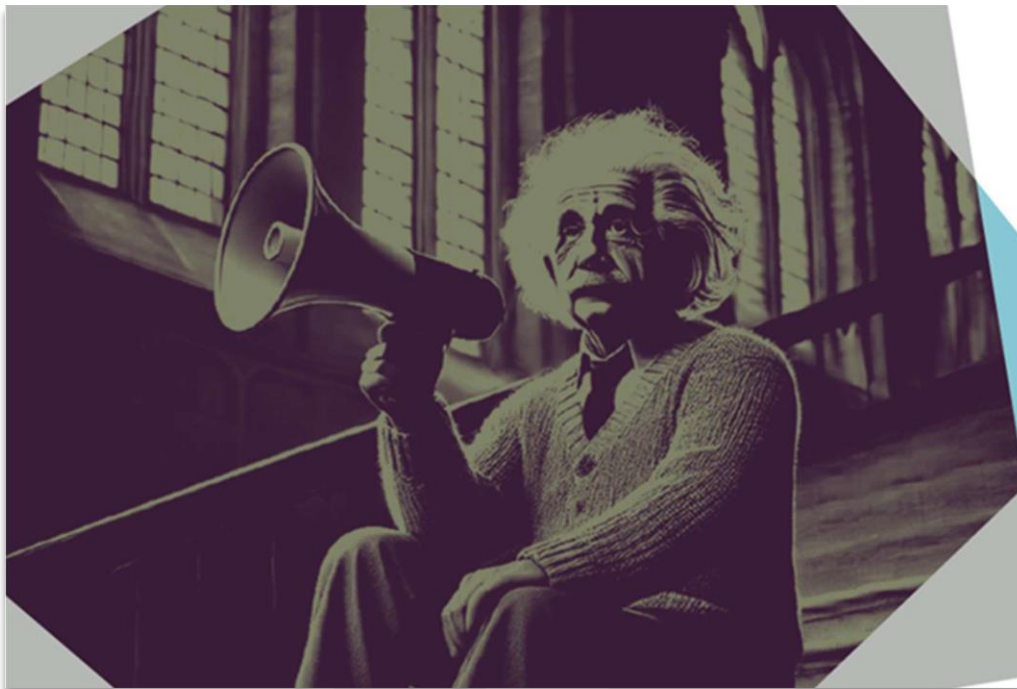
YEAR ENDED 30 SEPTEMBER 2025

22 Reconciliation of net income to net cash flow from operating activities

	2025 £	2024 £
Net income for the year	1,008,693	4,894,366
Dividends receivable	(587,735)	(559,277)
Interest receivable	(91,944)	(71,886)
(Gains) / losses on investments	(1,704,361)	(4,127,818)
(Increase) / decrease in debtors	1,800,465	(930,930)
Increase / (decrease) in creditors	(758,889)	203,892
Investment managers fees	210,052	197,250
Net cash flow from operating activities	(123,719)	(394,403)

Accounts

**British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2024**



Charity registration number: 209691
Company registration number: 06350828

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

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BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

REFERENCE AND ADMINISTRATION DETAILS

YEAR ENDED 30 SEPTEMBER 2024

Charity registration number	209691
Company registration number	06350828
Trustees	Jeremy Amias Jenny Arwas MBE Alan Steven Jacobs, Chair Denise Nicole Joseph Isaac Kaye PhD, Hon President Jonathan Andrew David Marks (resigned 24/5/24) Anthony Graham Page Alan Henry Philipp, Hon Treasurer Joseph Smouha KC Derek Bryan Spitz Benjamin Stowe Simon Tobelem David Mark Wernick
Chief Executive Officer	Nigel Salomon
Registered office	3rd Floor, Marlborough House 298 Regents Park Road London N3 2SZ
Independent Auditors	HaysMac LLP 10 Queen Street Place London EC4R 1AG
Solicitors	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Barclays Bank PLC 28 Hampstead High Street Hampstead London NW3 1QB

The Trustees present their report and the audited financial statements of the charity for the year ended 30th September 2024.

The financial statements have been prepared under the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) (Second Edition, effective 1 January 2019).

Trustees of the charity

The Directors of the charitable company are its Trustees for charity law. The Trustees who have served during the year and since the year-end were as follows:

Jeremy Amias (IC, G)
Jenny Arwas MBE (RC)
Alan Steven Jacobs, Chair (RC, FAC, IC, G)
Denise Nicole Joseph (FAC, G)
Isaac Kaye PhD Hon, President (RC, G)
Jonathan Andrew David Marks (G) (resigned 24/5/24)
Anthony Graham Page
Alan Henry Philipp, Hon, Treasurer (FAC, RC, IC, GC, G)
Joseph Smouha KC
Derek Bryan Spitz (G)
Benjamin Stowe (G)
Simon Tobelem (FAC)
David Mark Wernick (GC, G)

FAC = Finance, Audit & Risk Committee
G = Hebrew University Governors
GC = Grants Committee
IC = Investment Committee
RC = Remuneration Committee

Objectives and Activities

The British Friends of the Hebrew University (BFHU) is a registered national charity in England and Wales dedicated to advancing the goals of the Hebrew University of Jerusalem.

The purposes of BFHU are:

1. fundraising in support of the academic development of the Hebrew University, including research, scholarships, and capital projects that drive academic excellence.
2. promoting awareness and standing of the Hebrew University on the local and international stage including through the facilitation of research and student exchange relationships with leading UK universities.
3. undertaking events and activities to generate awareness and, in turn, funds for the Hebrew University.
4. serving as a bridge between the Hebrew University and its UK-based supporters, leveraging understanding of the local market, cultural nuances, and regulatory frameworks, to represent the interests and intentions of both parties, enhancing mutual engagement and support.
5. managing and distributing endowment funds in a manner that aligns with donors' wishes. This stewardship ensures that funds continue to support the University's goals as donors intended whilst ensuring fund longevity.
6. establishing and nurturing a vibrant Hebrew University UK-based alumni community, unlocking opportunities for supporters and the University.

BFHU aims to operate to the highest professional standards, especially in areas of donor care, marketing, financial management, reputation, and governance.

Achievements and performance

Charitable activities

During the year, the Charity made grants to the Hebrew University and to some students directly in the amount of £4.9m (2023: £4.4m). A small number of grants totalling £309,197 (2023: £244,000) were made to Hebrew University undergraduate students and those continuing postgraduate studies in the UK and to UK-based students undertaking courses at the Hebrew University. In addition, some 30 post graduate students at the Hebrew University received these grants directly.

Financial Report

Income totalled £9.6m, including donations remitted directly to the Hebrew University.- see page 16. BFHU's investment portfolio achieved a blended total positive net return of 13.11% in the 12 months to 30 September 2024. Historically, over a period of 10 years, the organisation has achieved a 5.5% per annum total return, which is above the annual target of 5%. This has allowed the charity to maintain a 3.5% annual distribution to the Hebrew University, supporting the objectives of the BFHU-held endowments whilst maintaining capital growth.

Governance

Under the direction of BFHU Chair, Alan Jacobs, BFHU lay leadership was further strengthened with the addition of two new members of the investment committee bringing fresh experience and gender balance to the committee. The new members joined after year-end.

2023 -24– the Hebrew University of Jerusalem

War dominated and permeated every facet of the Hebrew University starting with the

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7 October terrorist incursion and massacre and the subsequent multi-front conflict. The Hebrew University in common with all Israeli institutions of higher education found itself unable to start teaching in the new semester nor continue many research activities. As a result, the 2023/24 academic year, after several target dates were put back, opened on 31 December but with a disjointed academic programme given the absence of many new and continuing students. This situation largely continued in this manner for the entire period and into the new academic year 2024/25.

Amid an environment characterised by trauma, the Hebrew University became part of significant and widespread volunteerism efforts supporting all sectors of society. At the same time, specialist skills and knowledge were deployed by the Hebrew University especially in the fields of medicine, dentistry, veterinary science, social work and social welfare. In addition, the Hebrew University has also helped to support displaced communities. Experts from the Faculty of Law were involved in confronting widespread global academic and research BDS (Boycott, Divestment and Sanctions) activity.

On campus the University's leadership turned its attention to its very diverse multi-campus community with programmes and workshops helping to ensure a harmonious environment, and respect for diverse views in an emotionally highly charged atmosphere. All faculty members participated in efforts to embed a sense of 'shared society' both within and beyond campus. These programmes and workshops continue on an ongoing basis.

The Hebrew University also quickly established and partnered with Friends organisations across the globe, in a fundraising campaign, 'We Are One'. The financial goal was overtaken thanks to many generous donations and reached \$6m, some 5% from British Friends. Funds were devoted to financial support, provision of extra academic teaching, injury and bereavement counselling and pastoral care including to student families and, a growing requirement for trauma and resilience support led by the Dean of Students office.

Student numbers reduced from 23,500 to just over 23,000 driven by diversions of conflict and conscious decisions to delay studies.

The University, despite the challenges presented by tensions within Israel's complex societal make-up, remains committed to securing and retaining minority sector students: Israeli Arabs and East Jerusalemites, Jewish ultra-orthodox students, Ethiopians, those from the periphery of the country along with first-time family members in advanced education. The Hebrew University *mechinot* preparatory schools and the support of the Office of the Dean of Students play a vital

role in this undertaking. The University has intervened to offset Israeli Government funding cuts, by providing financial support from internal sources to aid these students. Without University intervention numerous students might have been forced to discontinue their studies, leaving them with few viable options. This would in turn have served to undermine efforts to strengthen 'shared society'.

The Hebrew University is committed to contributing in practical ways to the rebuilding of Israel with outreach projects in Ofakim in the South, a town that suffered murder, destruction and trauma on 7 October. Support includes creating an AgriTech centre in the agricultural college also helping to bring employment to the area and medical training in Sapir College.

Faculty numbers remained stable at 1,040.

With limited and expensive flights, government travel advisories in place, coupled with issues around insurance and fears for personal safety, University visitor numbers especially donors, tumbled. Nonetheless, some visitors did make the trip: solidarity groups including academics, committed individuals including from the UK along with ambassadorial delegations who wished to display solidarity and commit to ongoing collaboration with their country's own universities.

The 87th annual International Board of Governors gathering themed ‘We Are One’ took place in June in Jerusalem with over 22 Friends Associations represented, including from Israel. Members of the Hebrew University community including alumni victims of the conflict were honoured. Hopes were expressed for the safe return of Carmel Gat, a Masters student, and Sagui Dekel-Chen, son of Prof Jonathan Dekel-Chen. At each of the Board of Governors events their pictures were placed on a pair of yellow chairs on the stage. Sadly Carmel was brutally murdered by Hamas terrorists in August, one of 6 hostages in a Gaza tunnel. Sagui was released in February ’25.

The Board gathering was sombre and included visits to the South such as the site of the Nova music festival. Yet Hebrew University President, Prof Asher Cohen, urged hope in the future of the Hebrew University and the positive impact of pluralism, tolerance and collaboration.

The largest delegation to the 4-day gathering came from the UK, with 22 participants.

The gathering acknowledged important ongoing major capital projects including:

- the André Cohen Deloro Building for Computational Medicine
- the 270,000 m² High-Tech HUJI Park
- NEQST Innovation Building – a hub for Quantum Computing and Nanotechnology
- the Centre for Climate Studies
- the Institute of Archaeology building renovation
- the Saul & Joyce Brandman Science Laboratories
- the Saul & Joyce Brandman Faculty Residence
- the Einstein House
- the John Poulson Foundation Computer Science Building
- the Faculty of Social Sciences expansion in which the Business School area is funded by the British Friends.

A strategic 10-year plan 6-point plan continued to be developed based on key principles but with a new 7th point.

1. academic & research excellence
2. internationalisation
3. a tolerant and pluralist campus environment
4. engagement with the local community
5. disseminating knowledge across borders
6. ‘green campus’ meeting the UN’s sustainable development goals (SDGs)
7. *closer engagement in Israeli society helping in the recovery of Israel’s ‘Gaza envelope’*

Fundraising remained centred on seven core themes underpinning the University’s 7-year \$1bn centenary campaign. Despite the conflict, the campaign is ahead of schedule with British Friends’ share currently accounting for 8% of the total.

2023-2024– the British Friends

The conflict has inevitably enveloped the organisation, impacting the office team in light of their many direct personal connections to murdered and captured families and friends as well as close colleagues at the Hebrew University. It also quickly became clear that many donors with family and personal connections to Israel were also impacted and the professional team has maintained close connections throughout this traumatic period. The complex environment derailed well-laid plans of the British Friends operating year 2023-24 forcing aspects of the plan to be reassessed. This meant both taking account of extraordinary demands on philanthropists and their rethinking around priorities along with new urgent needs of the Hebrew University.

For many supporters, the long-term security and vitality of the University remained a priority. As a result donor commitment largely persisted across all faculties.

The planned schedule of events was significantly changed in part to reflect the prevailing tragedy and trauma and insight into the response of the Hebrew University community. Many webinars featured Hebrew University leadership and experts involved with the response to societal upheaval, to community support and to international issues affecting victims and survivors of 7 October. Additional focus has been on hostages, Israel on the world stage and the growing challenges of the BDS (Boycott, Divestment and Sanctions) Movement.

Travel restrictions and personal considerations meant few University representatives could attend in-person events abroad, however, interactions between Hebrew University donors and students continued, often marked by stories of hardship, resilience and academic perseverance.

Other events included:

- Alumni group (UK Israeli community); in Hebrew: several topic-specific events on the University's global impact, the group also providing pastoral care for HU alumni.
- Archaeology; in partnership with the Anglo Israel Archaeology Society, on the topic of the History of the Alef Bet.
- Law; Prof Yuval Shany interviewed at JW3, Prof Richard Susskind for the BFHU Legal Group on the Impact of AI on the professions.
- Jewish Studies; four Hebrew University speakers virtual and in person on a variety of topics at Jewish Book Week in a partnership arrangement with BFHU.
- Legators; several meetings including a late summer tea attended by Hebrew University alumni pursuing postgraduate studies having received scholarship grants from the British Friends.
- Medical science; BFHU medical group hosting a cohort of HU elite medical students during their short internship at a leading UK university.
- Multiculturalism; in partnership with JW3 a discussion on shared society on campus with Prof Mona Khoury HU VP Diversity & Strategy and Edward Isaacs, President UJS.
- Science; Prof Hanoch Gutfreund and Daniel Libeskind on the legacy of Einstein and the new 'Einstein House' being constructed on the HU Safra campus in Jerusalem and a well-attended event held at JW3 facilitated by Vivienne Stern, CEO UUK. Their London visit included several other events including a donor lunch gathering.
- Collaboration; at the June international Board gathering in Jerusalem, a 100-guest cocktail event with friends from the UK, Europe, Latin & South America and Australia.

Fundraising

The team continues to follow principles of professionalism, respect, integrity, open communication, and sensitivity to all donor needs. We encourage encounters with the Hebrew University, ideally campus visits which are generally transformative in connecting with Hebrew University students, researchers, and faculty. Such visits were extremely limited during the year.

The organisation is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice.

The British Friends is a long-established charity with donor relationships that are often complex and multi-generational. Voluntary funds are generated through several means, including a periodic gala dinner, biannual mailed appeals, special events, legacies, and major giving from individual or institutional foundations, including family trusts. Approaches to new major potential foundations are coordinated with the Hebrew University who in some circumstances are best placed to lead such approaches.

The Hebrew University is a seven-faculty, interdisciplinary institution with diverse needs all aimed at growing academic and research excellence on an international level. The impact of conflict continues to create new immediate student needs for the Hebrew University for which British supporters have responded generously.

More generally, British Friends donors have, over many years, developed their own diverse interests. Maintaining close engagement with donors and aligning their priorities with those of the University has been essential in fostering long-term relationships, particularly during challenging times.

Annual donations, along with the distribution made from restricted endowment funds, helped to support over 500 scholarships, including, in line with the University's priorities, to minorities such as Haredi, Israeli Arab and East Jerusalemite, Ethiopian and 'first generation' students.

Significant support comes from the UK around International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development. Despite a delayed opening of the semester, all international programmes were fully subscribed in this period; BFHU trustees agreed special financial support to ensure travel for public health students from African nations on the very limited number of flights to Israel. This action ensured that the 2023-24 academic year operated with a full cohort for these programmes.

Research donations similarly addressed most Faculties of the Hebrew University with particular emphasis on medical science, computer science, AI, and deep technology. and the field of sustainability.

During and beyond the period of the Hebrew University's global 'We Are One' campaign, donors have been asked to support students, programmes addressing tolerance and understanding under the umbrella of 'shared society' and significant needs around trauma, mental health counselling and resilience.

Fundraising & Ceremonies

During the fundraising year, the Hebrew University and British Friends sought to maintain continuity of donor ceremonies, mainly on campus, although reduced in numbers:

- The Kaye Prize awards for scientific innovation
- The Polonsky Prizes for creativity and originality in the Humanistic Disciplines
- The Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding
- The Wall of Life commemoration of the Lux family
- The annual Lionel Cohen lecture given by Lady Vivien Rose

The Charity's gala dinner is typically a biennial event, last held in 2022 and is next planned for 2025 marking the Hebrew University's centenary.

Legacy campaign

Since 1998, BFHU has pioneered a legacy campaign centred around missions to the Hebrew University, offering participants a firsthand experience of the university's dynamic environment. These week-long missions serve as a platform for building enduring connections and securing legacy commitments aligned with the donors' interests.

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In this period, the Charity was informed of a significant unrestricted legacy, circa £1.6m. Due to the complexity of the estate, not all funds were received in the period. Trustees agreed to an immediate distribution in line with the request of the HU for discretionary support for talented Hebrew University post-graduate students. The Trustees wish to make maximum impact over time deploying the remainder of the legacy and to leverage the gift for future UK donations. The Trustees have agreed to continue to support several annual generous postgraduate scholarships for major projects.

The most recent legacy mission took place in May 2022, amid lingering Covid restrictions. Ongoing uncertainty around security along with travel restrictions made it impractical to commit to the next mission, but it is hoped that it might take place late 2025 or early 2026. Several participants have expressed ongoing interest.

BFHU continues to curate tailored events for our esteemed Honours Club, comprising individuals who have pledged a legacy in support of the Hebrew University.

Impact of charitable activities at the Hebrew University

In 2024, the Hebrew University focused heavily on the impact of the global We Are One campaign with its multiple designations. In addition, mainstream support continued in the core areas of scholarships, research, research equipment and capital projects.

GDPR

BFHU's donor relations and communications activities comply with the Data Protection Act 2018, General Data Protection Regulations (GDPR) and the Privacy & Electronic Communications Regulations (PECR) via mail, email and through social media and advertising. Consent is obtained where required and recorded appropriately. All information is stored securely. Rights are outlined in the Privacy Policy; changes and opting out can be made at any time.

During the period, there were no GDPR complaints received, nor safeguarding issues reported. Procedures are in place, complying with the Charity Commission regulations and the Fundraising Regulator guidelines.

Strategic Risks

Risk Policy

The Trustees are responsible for overseeing risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Management of the Charity through the Finance, Audit & Risk Committee. Risks are identified, assessed, and controls are established throughout the year. A formal review of the charity's risk management processes is undertaken annually.

The Board confirms that the significant risks to which the Charity is exposed have been reviewed, reassessed, and updated as part of the charity's ongoing risk management

framework. Where practicable, systems and controls have been implemented to mitigate these risks effectively.

A risk analysis table summarising the key risks is monitored by the Chief Executive and Head of Finance and is brought to the attention of the Board on at least an annual basis. This process forms an integral part of the Charity's annual review of its strategic plan and budget. The key risks are noted below:

Human Resource risks such as loss of key staff members with localised and specialised knowledge and disaffection arising from rapid organisational changes.

Management mitigation: BFHU ensures that the team is professionally managed, well-motivated, and competitively remunerated. Annual performance reviews are conducted, and changes are implemented in an orderly and transparent manner to promote continuity and retention.

Data & IT Integrity risks include data protection, support and maintenance services, fire risk, and fraud. A draft disaster recovery plan has been prepared and will be inserted into the staff handbook. This plan will also be shared with all staff members to ensure awareness and preparedness.

Management mitigation: We operate cloud-based IT platforms with external professional IT support and secure, insured risk coverage. Robust password protocols are enforced, and best practices in fire safety and physical security are followed. A draft disaster recovery plan has been prepared and will be finalised and distributed to all staff during 2025. A cyber audit and document digitisation programme are also scheduled for implementation.

Investment and foreign exchange risks such as under performance of investments and particularly given that grants are made in sterling while the Hebrew University's expenditure is primarily in shekels.

Management mitigation: We maintain a diversified investment portfolio managed externally by two prominent international fund managers, overseen by the BFHU board investment sub-committee in place, and benchmarking including international benchmarking across other Hebrew University Friends.

The Trustees believe that the challenging macroeconomic outlook, including inflationary pressures, could have a negative financial effect beyond the short term. They also recognise that, although annual endowment grants are made in sterling, Hebrew University expends money mainly in Shekels.

The portfolios have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the foreign exchange risks.

Although income may reduce, the Trustees maintain that the accumulated total return is sufficient to sustain the annual 3.5% distribution to the Hebrew University, which is now fixed in

US dollars. This arrangement between the Charity and the Hebrew University was formalised in a Memorandum of Understanding in January 2024.

BFHU maintains a strong reserve position to support operational needs and to respond to emerging Hebrew University needs.

Income risks arising from the dependence on a small number of ageing key donors, legacy income and philanthropists who may shift their support to other, more pressing causes.

Management mitigation: BFHU is actively diversifying income by strengthening donor retention strategies and engaging new prospects, including charitable foundations and family offices. Donor relationships are nurtured through regular engagement, including tailored communications and direct interactions with Hebrew University leadership. The database is being expanded with GDPR-compliant opt-ins, and new digital marketing initiatives are being developed. Strategic collaboration with the Hebrew University and other Friends organisations, alongside the support of new lay leadership, underpins a broader effort to enhance long-term financial sustainability.

Governance risks such as poor compliance with well-established processes and accounting standards. Management mitigation: The Charity maintains a robust internal control environment, including a routine of monthly management reporting and oversight. Annual statutory accounts are prepared in accordance with the Charities SORP and subject to external audit. The Finance, Audit and Risk Committee maintains direct responsibility for ensuring financial governance and compliance remain consistently high.

Reserves Policy

The Trustees are keenly aware of the need to secure the Charity's future beyond immediate day-to-day requirements and to continue to honour its commitments to the University. To achieve this the Charity needs to have sufficient funds to absorb periodic setbacks in its ability to raise funds and to take advantage of opportunities as situations arise. The Charity management also considers it prudent that some reserves should be maintained to finance working capital requirements.

The Charity has reviewed the risk profile of income streams along with past expenditure patterns, anticipated changes and committed expenditure and the extent to which the Charity can curtail or change the timing of cash outflows. The Charity has also looked at timing the cash outflows to match the timing of cash inflows. Where this is not possible, reserves needed to fund expenditure in advance of income receipts or expenditure delayed are estimated.

The charity maintains the position that it will need reserves to cover a least 12 months overheads plus sufficient funds to cover the cost of funding fundraising activities and a gala event marking the Universities centenary where the income is received after the event has taken place. Accordingly, as at 30 September 2024, the targeted free reserves position is £1m.

The Trustees continue to maximise unrestricted income to cover operating costs but recognise that operating losses may occur in some years.

At year end, the charity held total funds of £40,813,318 (2023: £35,918,952). Most of these funds are endowed or restricted and therefore do not form part of the free reserves.

Excluding these funds and those funds held as tangible fixed assets, the free reserves stood at £3,184,341 (2023: £1,731,142).

The current level of free reserves exceeds the target. The establishment of a British Friends Graduate Scholarship Fund is expected to consume up to £1.5 million. Trustees maintain regular communication with the university to assess priorities and identify impactful projects that BFHU can support, either directly or through opportunities for matched funding.

Future priorities

Philanthropists have many demands on their generosity, especially humanitarian. The British Friends envisages ongoing challenges for the Hebrew University and will rigorously focus on ensuring mainstream fundraising for vital research and scholarships, along with special projects resulting from the conflict, which might require funding from time to time.

The Charity encourages visits to the University when the situation is safe and will also work to help build the University's reputation and academic collaboration with leading UK institutions.

The 3-year BFHU organisational development plan is now in its final year of implementation with attention to professional team development. With the 2023 office move now complete generating immediate operating cost savings, the charity will continue to enhance cyber security, cloud-based services and data storage and a programme of documents digitisation.

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The Hebrew University's centenary in 2025 will provide many opportunities for enhanced communications, especially given the strong British roots in the University's founding and development.

The organisation remains committed to consistent professional engagement with current donors and to securing new support wherever possible in line with the Hebrew University's priorities. Co-funding with other partners, including other Hebrew University Friends, will remain an area of focus. BFHU has invested in new resources to help diversify income streams into charitable foundations and family offices, enhance digital marketing and establish a UK Hebrew University alumni community. BFHU is building a new leadership cohort in collaboration with the American Friends with the 2025 University international centenary gathering acting as a springboard. The UK group will join the mainly American Friends-led programme which has been curated in partnership with the University.

A continued strategic approach to events, in some cases with high-profile organisational partners, will guide our efforts in promotional activity.

Encouraging Hebrew University campus visits will continue when the situation permits. The Charity nonetheless hopes for a sizeable delegation to the June 2025 centenary gathering in Jerusalem when several UK donors will be honoured.

Where BFHU can add value, guided by the University's priorities, efforts will continue to facilitate bilateral university collaboration, both research and student exchanges with Russell

Group universities. To this end, Prof Mona Khoury visited 3 major universities in London in this period with the goal of ensuring continuity of dialogue.

Mindful of the many unprecedented challenges, Trustees welcome the performance of 2023/24.

Financial review

During the year under review, as a result of exceptional legacy income the Charity generated an unrestricted net surplus of £1,453,199 (2023: deficit of (£19,911), leaving a retained balance on general funds of £3,184,341 as of 30th September 2024 (2023: £1,731,142).

Additionally, the value of expendable funds increased due to exceptional legacies and gains achieved throughout the year.

Donations remain at the same level as last year when including those that are remitted directly to the Hebrew University.

Total income for the year amounted to £6,183,908 (2023: £4,520,780) of which £5,544,545 (2023: £3,920,978) was donated by our generous supporters and £639,363 (2023: £599,802) was generated from other activities and our investment funds. The Charity made grants to the University and students totalling £4,910,368 (2023: £4,389,196).

The donations made directly by donors associated with BHFU to the Hebrew University are significant and are independently audited. To enable the readers of the accounts to appreciate the broader contribution that the Charity makes to the University, the value of these donations and the corresponding donation expenditure are set out in the memorandum of income and expenditure analysis. The Trustees consider this a valuable measure of the scale of funding to the HU that the charity generates.

BFHU's Contribution to the Hebrew University of Jerusalem

<u>Income</u>	Note	2024				2023
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Total income as presented		2,115,163	3,169,214	899,531	6,183,908	4,520,780
Direct donations to the Hebrew University (HU)		-	3,449,352	-	3,449,352	3,196,484
Total income attributable to the BFHU by the HU	18	2,115,163	6,618,566	899,531	9,633,260	7,717,264
<u>Expenditure</u>	Note	2024				2023
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Grants funding activities as presented	6	-	4,910,368	-	4,910,368	4,389,196
Direct donations to the Hebrew University (HU)		-	3,449,352	-	3,449,352	3,196,484
Total grants attributable to the BFHU by the HU	18	-	8,359,720	-	8,359,720	7,585,680

At the year-end the Charity held unrestricted funds of £3.2m, restricted funds of £886k and available expendable endowment resources of £36.7m.

Structure, Governance and Management

Nature of Governing Document

The British Friends have been supporting the Hebrew University since 1926 through various linked charities. The British Friends of the Hebrew University was incorporated on 22 August 2007 and is governed by its memorandum and articles of association, as amended by special resolution(s) dated 9 May 2013.

Organisational structure (Structure, Governance and Management)

The Charity is controlled by the Directors/Trustees; the full time Chief Executive Officer reports to the Trustees monthly.

Support staff are split by function, such as donor support operations, marketing and communications, alumni, finance and fundraising all reporting directly to the CEO in a flat organisational structure.

Recruitment and appointment of Trustees

Members of the Board are recruited based on their core competencies, a mix of skills, their experience in the sector and general commitment to the cause. Where possible, the Board considers that the skills of the members should provide a mix of the following:

- A Trustee with a legal background.
- A Trustee with a financial/accounting background.
- A Trustee with new skills and experience from emerging sectors
- A Trustee with educational and academic research sector experience.
- A Trustee with senior managerial or business experience

Induction and training of Trustees

All new Board members receive a full induction including meeting with staff and other Board members as well as visiting University officials such as the President. Members of the Board are encouraged to visit the University in Israel. Trustee engagement is an ongoing process. Trustees are encouraged to attend appropriate external training events, which facilitate the understanding of their role. All new Board members are appointed on 3-year terms, with a maximum of 3 such terms following which, subsequent terms of office are of one year duration. This is subject to the retirement and appointment rules within the Memorandum.

Arrangements for setting key management personnel remuneration

The pay of senior staff is reviewed annually by the remuneration committee. The review is performed using benchmarks from similar organisations and against the performance of personal objectives.

Investment policies & performance

BFHU adheres to Charity Commission guidance on ethical investments. The Investment Committee may, from time to time, where it is consistent with that advice, direct the investment managers not to make direct investments in specific companies.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding investments which might damage the Charity's reputation.

The investment portfolios are benchmarked for total return against the FTSE 100 and other relevant indexes.

Our portfolios made good progress over the 12 months to the end of September 2024 helped by the rate of increase in prices in much of the western world coming back down to closer to Central Bank targets. This in turn benefitted equity markets as they looked forward to interest rates being cut and towards the end of our financial year Central Banks did begin to cut rates. This factor coupled to further progress in the field of artificial intelligence meant that equity markets, particularly in the UK and US, produced double digit returns.

Over the 12 months US equities produced a total return of 24% in sterling terms, UK equities a return of 14% and UK government bonds a return of 8%.

Against the background balanced portfolios generally rose with Investec Wealth & Investment which combined with Rathbones (and became incorporated within it) producing a total net return (after fees) of 13.03%, Rothschild & Co (after fees) of 13.17%.

By comparison, the FTSE 100 Share index produced a total return of 8.27%.

The performance of the fund managers is kept under close review by the Investment Committee and is satisfactory considering the market conditions and portfolio exposure to high quality businesses which the fund managers believe will outperform the market over the long term.

Grant making policies

Grants are made from restricted funds and income, and, in some cases, the capital derived from endowment funds in a manner as closely aligned as possible with the original wishes of the donor. Grants are approved by a BFHU committee, the Board's delegated authority.

The Charity makes extensive grants to the Hebrew University for buildings, equipment, research programmes and scholarships.

A sum of £40k was allocated for BFHU discretionary scholarships in 2023/24, some at the Hebrew University and some awarded to Hebrew University students extending their studies at postgraduate level in the UK. The unused budget of £30,000 for 2023/2024 has been carried forward to 2024/25.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

Going concern

The Trustees have evaluated that there are no conditions or events that raise doubt about the Charity's ability to continue as a going concern.

Relationship with donors

BFHU adheres to the Code of Fundraising Practice and is registered with the Fundraising Regulator. This shows commitment to good fundraising practices.

There were no complaints from donors during the year.

Public benefit statement

The Directors & Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. Our charitable grants, monitored through ongoing auditing and reporting contribute to the Hebrew University continuing to provide university education of a high standard, advancing knowledge, and learning by teaching and contributing to world-class academic research; the Charity also supports access to minorities while encouraging the achievement of the highest academic standards, benefitting society as a whole.

Trustees' responsibilities statement

The Trustees of the BFHU (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing 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 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to resume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. This report was approved by the board and signed on behalf of the Board on 22 May 2025.

Alan Jacobs

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Alan Jacobs
Trustee

Denise Joseph

.....
Denise Joseph
Trustee

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2024

Opinion

We have audited the financial statements of British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2024 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 Trustees' 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 significant doubt on the charitable company'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 Trustees' Annual Report. 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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2024

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 19-20 the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2024

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety requirements, GDPR, employment law, charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP) and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2024

assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tom Brain (Senior Statutory Auditor)
For and on behalf of HaysMac LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: **11 June 2025**

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 SEPTEMBER 2024

		2024				2023
		Unrestricted funds	Restricted funds	Endowment funds	Total	Total
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	2,068,128	2,576,886	899,531	5,544,545	3,920,978
Other activities	3	-	8,200	-	8,200	80,658
Investments	4	47,035	584,128	-	631,163	519,144
Total income and endowments		2,115,163	3,169,214	899,531	6,183,908	4,520,780
Expenditure on:						
Raising funds	5	(309,256)	(486)	(197,250)	(506,992)	(678,007)
Charitable activities	6	-	(4,910,368)	-	(4,910,368)	(4,389,196)
Total expenditure		(309,256)	(4,910,854)	(197,250)	(5,417,360)	(5,067,203)
Net gains/(losses) on investments	14	-	-	4,127,818	4,127,818	2,132,930
Net income		1,805,907	(1,741,640)	4,830,099	4,894,366	1,586,507
Transfers between funds	18	(352,708)	1,554,935	(1,202,227)	-	-
Net movement in funds	18	1,453,199	(186,705)	3,627,872	4,894,366	1,586,507
Reconciliation of funds:						
Total funds brought forward	18	1,731,142	1,073,442	33,114,368	35,918,952	34,332,445
Total funds carried forward	18	3,184,341	886,737	36,742,240	40,813,318	35,918,952

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 25-43 form part of these financial statements.

BALANCE SHEET

YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	13	3	3
Investments	14	39,491,225	34,651,736
		<u>39,491,228</u>	<u>34,651,739</u>
Current assets			
Debtors	15	2,142,319	1,211,389
Cash at the bank and in hand		467,951	1,140,112
		<u>2,610,270</u>	<u>2,351,501</u>
Creditors: amounts falling due within one year	16	(1,288,180)	(257,842)
Net current assets		<u>1,322,090</u>	<u>2,093,659</u>
Total Assets less current liabilities		<u>40,813,318</u>	<u>36,745,398</u>
Creditors: amounts falling due after more than one year	16	-	(826,446)
Net assets		<u>40,813,318</u>	<u>35,918,952</u>
Charity Funds			
Expendable endowments	18	36,742,240	33,114,368
Restricted funds	18	886,737	1,073,442
Unrestricted funds	18	3,184,341	1,731,142
Total charity funds		<u>40,813,318</u>	<u>35,918,952</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board and signed on behalf of the Board of Trustees

Alan Jacobs

Alan Jacobs

Trustee

Date: 22 May 2025

Denise Joseph

Denise Joseph

Trustee

Date: 22 May 2025

The notes on pages 25-43 form part of these financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2024

	Note	2024 £	2023 £
Cash flow from operating activities	22	(394,403)	(1,818,169)
Net cash flow from operating activities		<u>(394,403)</u>	<u>(1,818,169)</u>
Cash flow from investing activities			
Withdrawals from/ (additions to) the Investment Portfolio		(41,448)	(1,971,528)
Payments to acquire investments		(8,091,897)	(21,202,815)
Receipts from sales of investments		7,224,424	20,338,594
Interest received		71,886	72,429
Dividends received		559,277	446,715
Net cash flow from investing activities		<u>(277,758)</u>	<u>(2,316,605)</u>
Net increase in cash and cash equivalents		(672,161)	(4,134,774)
Cash and cash equivalents at 1 October		1,140,113	5,274,887
Cash and cash equivalents at 30 September		<u>467,952</u>	<u>1,140,113</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2023 £	Cash flow £	At 30 September 2024 £
Cash and bank	<u>1,140,113</u>	<u>(672,161)</u>	<u>467,952</u>

The notes on pages 25-43 form part of these financial statements.

1 Summary of significant accounting policies

(a) General information and basis of preparation

British Friends of the Hebrew University of Jerusalem is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 209691) and Registrar of Companies (Company Registration Number 06350828) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are to support research, scholarships and capital projects of the Hebrew University whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

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 (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 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 presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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.

(b) Going concern

The financial statements have been prepared on a going concern basis and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. 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 are sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes.

The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

The Charity's endowment funds are classified as expendable endowment funds, meaning they can be spent in accordance with the Charity's objectives while preserving capital where possible. Income generated from these funds is treated as unrestricted income, and any capital gains or losses from

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

investments are retained within the fund. Investment management fees and legal costs related to the fund are deducted as necessary.

(d) Income recognition

All incoming resources are 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. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- we have confirmation from the representatives of the estate(s) that probate has been granted.
- the executors have established that there are sufficient assets in the estate to pay the legacy. and
- all the conditions attached to the legacy have been fulfilled or are within the charity's control.

Income from fundraising events to raise funds for the Charity is recognised when received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

(e) Expenditure recognition

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 include costs incurred seeking voluntary contributions through donations, investment management costs and the running of fundraising events during the year.
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

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 a grant. 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.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

(f) 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 conducted at Headquarters. Where support costs cannot be directly attributed to specific headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The land in Israel was valued on 19th January 2017 at £26,000. The Trustees believe that it is prudent to amortise this as the Charity has been unable to sell it.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% straight line
Fixtures and fittings	20% straight line
Phone system	20% straight line

(h) Investments

The Charity has equity investments in listed entities. Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All unrealised gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors and creditors receivable / payable within one year

Debtors are recognised 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.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

(j) Leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

(k) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(l) Tax

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

(m) Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Listed investments – Listed investments are held at fair value.

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost, as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure.

(n) Judgements and key sources of estimation uncertainty

The judgements that have had the most significant effect on amounts recognised in the financial statements are the estimation of legacies receivable, allocation of support costs and depreciation rates. The estimates and associated assumptions are based on historical experience and other relevant factors and recent communications from the executors or their legal and professional representatives. The underlying assumptions which affect these judgements are reviewed on an ongoing basis.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

2 Income from donations and legacies

	2024	2023
	£	£
Legacies	2,788,520	782,138
Regular giving	2,756,025	3,138,840
Total	5,544,545	3,920,978

Income from donations and legacies was £5,544,545 (2023: £3,920,978), of which £899,531 (2023: £463,355) was attributable to endowments, £2,576,886 (2023: £3,035,169) was attributable to restricted, and £2,068,128 (2023: £422,454) was attributable to unrestricted funds.

3 Restricted donations from events – Raising Funds

	2024	2023
	£	£
Events income – Conferences and similar events	8,200	80,658
Total	8,200	80,658

Donations from events in 2024 and 2023 were attributable to restricted funds.

4 Income from investments

	2024	2023
	£	£
Dividends – equities	559,277	446,715
Interest - fixed interest securities	52,036	50,936
Interest – deposits	19,850	21,493
Total	631,163	519,144

Income from investments was £631,163 (2023: £519,144), of which £584,128 (2023: £470,730) was attributable to restricted funds, and £47,035 (2023: £48,414) was attributable to unrestricted funds. The BFHU portfolio at Rothschild does not have any individual Fixed Interest holding; the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund, and the income received is paid as a dividend.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

5 Costs of raising funds

	2024 £	2023 £
Support costs	309,741	495,948
Investment management costs	197,250	182,059
Total	506,991	678,007

6 Analysis of expenditure on charitable activities

	Grant funding of activities £	Support costs £	Total £
Grants to students	309,197	-	309,197
Grants to the Hebrew University	4,401,594	200,063	4,601,657
2024 total	4,710,791	200,063	4,910,854

	Grant funding of activities £	Support costs £	Total £
Grants to students	244,000	-	244,000
Grants to the Hebrew University	3,955,337	189,859	4,145,196
2023 total	4,199,337	189,859	4,389,196

All the above grants to the Hebrew University were attributable to restricted funds £4,401,594 (2023: £3,955,337) and so were the grants to students £309,197 (2023: £244,000). Total support costs of £200,063 (2023: £189,859) are analysed in Note 7.

The BFHU remits approximately £4.4m each year to Hebrew University, mainly from annual gifts but also budgets just over £1m from existing Endowment Funds. It was also involved in securing a further £3.5m (2023: £3.2m) in donations that go directly to the Hebrew University.

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant- making £	Total 2024 £
Salaries & other staff costs	Staff time	216,107	92,617	308,724
Establishment costs	Staff time	37,454	16,052	53,506
Printing, advertising, and administration	Direct	19,514	54,337	73,851
Travelling expenses	Direct	10,459	4,482	14,941

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

Event costs	Direct	485	-	485
Governance costs	Direct	13,565	18,893	32,458
Information technology	Direct	12,157	13,682	25,839

Total 2024		309,741	200,063	509,804
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Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2023 £
Salaries & other staff costs	Staff time	256,225	109,811	366,036
Establishment costs	Staff time	86,505	44,131	130,636
Printing, advertising, and administration	Direct	31,875	35,917	67,792
Travelling expenses	Direct	18,850	-	18,850
Event costs	Direct	32,772	-	32,772
Governance costs	Direct	41,683	-	41,683
Information technology	Direct	28,038	-	28,038
Total 2023		495,948	189,859	685,807

In 2024 & 2023 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2024 & 2023 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

8 Governance costs

	2024 £	2023 £
Auditors' remuneration – UK & Israel	24,192	23,040
Legal fees	706	11,145
Other	7,560	7,498
Total	32,458	41,683

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

9 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	115,197	115,197
Grants to the Hebrew University:	4,401,569	-	4,401,569
Designated projects	£2,149,081		
Scholarships	£2,136,958		
Prizes	£40,000		
Institute for Medical Research	£75,529		
2024 total	4,401,569	309,197	4,710,766
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	3,955,338	-	3,955,338
Designated projects	£1,350,444		
Scholarships	£2,509,370		
Prizes	£54,000		
Institute for Medical Research	£41,523		
2023 total	3,955,338	244,000	4,199,338

Further details of the charitable activities supported by the grants made in the year are given in the Trustees Report.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

Scholarships

Pears Foundation is a significant major donor funding students undertaking International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development. The current cohorts across the 3 programmes include students from most continents of the world.

Without such scholarships, they could not attend the Hebrew University. The social impact of these students is demonstrated in their home countries where they become active in the field of Public Health, often at policy-making level. Alumni are also in regular contact with their global peers.

Other scholarships are specifically awarded to disadvantaged students who would not be able to attend HU without such external help. They include students with disabilities, Arab Students (Israeli Arab and East Jerusalemite), Charedi (Religious Jews) and those of Ethiopian backgrounds.

Research

The Carew Shaw Endowment Fund distributed £280,000 in 22/23 (2022 £265,000) for a HU Distinguished Medical Faculty Award. This is normally given to encourage very bright researchers to come to HU, often after post-Doctoral work in the USA. Several of these have subsequently won European Research Council awards which recognise the contribution that their research is making internationally. This also enhances the reputation of Hebrew University.

Prizes

The Kaye Innovation Awards for scientific innovation and the Polonsky Prizes for creativity & originality in Humanistic Disciplines recognise excellence and important research or teaching at the University. Such prizes help to enhance the reputation not only of the individual recipients but also the University as a whole.

Lectures

Several BFHU funds help to support important lectures including in the legal and medical fields facilitating HU campus visits and events in the UK.

10 Net income for the year

Net income is stated after charging / (crediting):

	2024 £	2023 £
Depreciation/Impairment of tangible fixed assets	-	1,234
Auditors' remuneration - Audit fees – UK	20,160	19,200
Finance charges payable	2,495	3,765
Operating lease rentals	39,518	92,990
Net (gains) / losses on foreign exchange	2,595	21,798

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2023: £Nil).

The total amount of employee benefits received by Key Management Personnel is £172,108 (2023: £169,291) and includes the current year performance bonus approved on 20th December 2024, plus the

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

employer's National Insurance contributions at 13.8% and accrued. The Charity considers its Key Management personnel to comprise the Trustees and the Chief Executive. The Chief Executive is the only full-time member of staff.

The Trustees did not have any expenses reimbursed during the year (2023: £Nil).

12 Staff costs and employee benefits

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

	2024 Number	2023 Number
Raising funds	3	3
Charitable activities	2	2
Governance	1	1
	<u>6</u>	<u>6</u>

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	2024 Number	2023 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	<u>4</u>	<u>4</u>

The total staff costs and employees' benefits were as follows:

	2024 £	2023 £
Wages and salaries	272,521	324,280
Social security	27,362	31,173
Other staff costs	8,840	10,583
	<u>308,723</u>	<u>366,036</u>

Related Parties paid no staff costs or employee benefits.

The number of employees who received total employee benefits (excluding employer pension costs) but including employer NI costs of more than £60,000 is as follows:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

	2024 Number	2023 Number
£60,001 - £70,000	0	1
£160,001 - £170,000	1	1
	<u>1</u>	<u>2</u>

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation:				
At 1 October 2023	26,000	7,308	63,609	96,917
Additions/(Disposals)	-	(1,074)	(37,725)	(38,799)
At 30 September 2024	26,000	6,234	25,884	58,118
Depreciation/Impairment:				
At 1 October 2023	25,998	7,307	63,609	96,914
Disposals	-	(1,074)	(37,725)	(38,799)
At 30 September 2024	25,998	6,233	25,884	58,115
Net book value:				
At 30 September 2024	2	1	-	3
At 30 September 2023	2	1	-	3

Land in Israel

The Trustees have re-assessed the value of the land in Israel as negligible due to the nature and location of the plot (It is part of a much larger parcel plot of scrub land and cannot be sold separately) and therefore, we have recognised an impairment loss accordingly.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2023	34,651,736
Additions at cost	8,133,345
Disposals proceeds	(7,224,424)
Revaluations	4,127,818
Investment management fees	(197,250)
At 30 September 2024	<u>39,491,225</u>
<u>Historical Cost:</u>	
At 30 September 2024	<u>30,008,061</u>

Listed Investments at fair value comprise:

	2024 £	2023 £
Investment Funds	2,152,308	2,183,109
UK listed investments	4,139,890	3,528,467
UK cash deposits	3,005,305	1,059,117
Fixed income	5,553,886	4,788,458
UK other investments	3,059,886	1,848,696
Overseas investments	<u>21,579,950</u>	<u>20,426,926</u>
	<u>39,491,225</u>	<u>33,834,773</u>

The fair value of listed investments is determined by reference to bid prices from the appropriate Stock Exchange, market makers or relevant fund managers. Where fund managers publish a single price, i.e., for OEICS, the valuation has been prepared based on the published price.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

15 Debtors

	2024 £	2023 £
Trade Debtors	145,165	9,698
Legacies due	1,967,353	1,171,273
Prepayments	23,716	26,547
Gift aid recoverable	6,085	3,871
	<u>2,142,319</u>	<u>1,211,389</u>

16 Creditors: amounts falling due within one year

	2024 £	2023 £
Trade creditors	22,827	21,758
Grant commitments	1,131,127	102,372
Other tax and social security	7,777	7,738
Other creditors	-	-
Accruals	126,449	125,974
	<u>1,288,180</u>	<u>257,842</u>

16 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Grants commitments	-	826,446
	<u>-</u>	<u>826,446</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

17 Financial commitments

The operating lease represents a premises lease signed on 19th July 2023 and expiring on the 18th July 2028.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Not later than one year	39,516	39,516
Later than one and not later than five years	110,315	149,831
	<u>149,831</u>	<u>189,347</u>

18 Fund reconciliation**Fund descriptions**

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for designated purposes. The aim and use of each designated fund are set out below.

Restricted funds relate to donated income or grants that have been specified by the donor or granted for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified by the donor or granted for a specific purpose and where it has been stipulated that income, gains and original capital are to be distributed over several years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

Unrestricted funds

	Balance at 1 October 2023	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2024
	£	£	£	£	£	£
Unrestricted – General	1,731,142	2,115,163	(309,256)	(352,708)	-	3,184,342
Total 2024	1,731,142	2,115,163	(309,256)	(352,708)	-	3,184,342

	Balance at 1 October 2022	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2023
	£	£	£	£	£	£
Unrestricted – General	1,751,052	470,868	(463,175)	(27,603)	-	1,731,142
Total 2023	1,751,052	470,868	(463,175)	(27,603)	-	1,731,142

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

- Transfers of £352,708 were made from unrestricted funds to restricted funds regarding the charity's contribution towards matching scholarships and a special grant for urgent academic needs.

Restricted funds

	Balance at 1 October 2023	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2024
	£	£	£	£	£	£
Restricted	1,073,442	3,169,214	(4,910,854)	1,554,935	-	886,737
	1,073,442	3,169,214	(4,910,854)	1,554,935	-	886,737
Expendable Endowment funds	33,114,368	899,531	(197,250)	(1,202,227)	4,127,818	36,742,240
	33,114,368	899,531	(197,250)	(1,202,227)	4,127,818	36,742,238
2024 Total	34,187,811	4,068,745	(5,108,104)	352,708	4,127,818	37,628,977

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

		Balance at 1 October 2022	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2023
		£	£	£	£	£	£
Restricted		871,332	3,586,557	(4,421,968)	1,037,521	-	1,073,442
		871,332	3,586,557	(4,421,968)	1,037,521	-	1,073,442
Expendable Endowment funds	19	31,710,060	463,355	(182,059)	(1,009,918)	2,132,932	33,114,368
		31,710,060	463,355	(182,059)	(1,009,918)	2,132,932	33,114,368
2023 Total		32,581,492	4,049,912	(4,604,027)	27,603	2,132,932	34,187,810

Restricted Funds

During the year, the charity received many restricted donations, all of which were applied in strict accordance with the donor's wishes. Due to the considerable volume and the immaterial nature of each individual fund, it is not practical to report on each fund activity.

At the year-end, the charity held £725k (2023: £757k) worth of donations for restricted projects within the Hebrew University, and £126k (2023: £316k) for scholarships. Both were awaiting confirmation of students and projects.

In total, £1,202,227 grants were made from the expendable endowment funds for the year (2023 £1,009,918).

Endowment Funds

The Trustees have authorised a disbursement totalling £1,107K from the endowment funds, which includes 3.5% of the primary balance of the Expendable Endowment funds at the start of the year; fixed grants from other funds, such as the Carew Shaw Endowment and additionally, £3k annually from smaller funds, typically valued under £100,000 enabling a gradual reduction in their balances. The endowment funds have experienced a growth rate of 6% over the past year. Any financial surplus is allocated to cover management fees and help counteract the effects of inflation.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

19 Expendable Endowment Funds

	Balance at 1 October 2023	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2024
	£	£	£	£	£	£
1. Main Fund - 38 funds	5,203,091	891,827	-	(533,478)	813,452	6,374,892
2. Polonsky Fund	116,802	-	-	-	16,750	133,552
3. Archie Sherman Fund	63,485	-	-	(25,000)	6,975	45,460
4. Joels Fund	1,215,838	-	-	(38,315)	144,386	1,321,909
5. Gestetner Fund	609,138	-	-	(19,196)	72,338	662,280
6. BFHU Research & Teaching	1,959,395	-	-	(24,888)	206,838	2,141,345
7. BFHU Scholarship & Student Aid	6,007,155	250	-	(239,112)	642,803	6,411,096
8. Main fund – 41 Funds	5,815,530	7,454	-	(166,736)	690,618	6,346,866
9. Emily Erskine Fund	3,786,994	-	-	(105,182)	449,721	4,131,533
10. Carew Shaw Fund	8,272,654	-	-	(50,437)	879,060	9,101,277
11. Porjes Fund	64,285	-	-	116	7,628	72,029
2024 Total	33,114,368	899,531	-	(1,202,227)	3,930,568	36,742,240

Expendable Endowment Funds

	Balance at 1 October 2022	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2023
	£	£	£	£	£	£
1. Main Fund - 38 funds	4,958,338	35,450	-	(354,162)	563,465	5,203,091
2. Polonsky Fund	89,026	-	-	526	27,250	116,802
3. Archie Sherman Fund	127,698	1	-	(68,860)	4,646	63,485
4. Joels Fund	1,145,655	-	-	(43,760)	113,943	1,215,838
5. Gestetner Fund	573,975	-	-	(21,923)	57,086	609,138
6. BFHU Research & Teaching	1,929,949	-	-	(20,638)	50,084	1,959,395
7. BFHU Scholarship & Student Aid	6,056,182	250	-	(134,586)	85,308	6,007,155
8. Main fund – 41 Funds	5,464,481	5,384	-	(197,817)	543,481	5,815,530
9. Emily Erskine Fund	3,168,089	422,270	-	(118,454)	315,089	3,786,994

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

10. Carew Shaw Fund	8,138,037	-	-	(50,070)	184,687	8,272,654
11. Porjes Fund	58,629	-	-	(175)	5,831	64,285
2023 Total	31,710,060	463,355	-	(1,009,918)	1,950,871	33,114,368

1. The Main Expendable Endowment Fund comprises 38 individual funds that distribute a fixed amount annually. These distributions serve various purposes aligned with the charitable objectives of the organisation.

2. The Polonsky Endowment Fund is a gift of shares from the Polonsky Foundation. This fund generates income used specifically to fund grants made to the University on behalf of the

foundation. The grants serve designated purposes in line with the foundation's philanthropic mission.

3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income for BFHU.

4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.

5. The Gestetner Fund is utilised to support the operating budget of the Harry S Truman Research Institute for the advancement of peace.

6-7 The small endowment funds have been amalgamated into larger pools of Research and Teaching and Scholarship endowment funds to enhance flexibility in supporting the University's research and scholarship initiatives. The distributions made from these funds are under the discretion of the University.

8. The main variable distribution endowment Fund comprises 41 individual funds and sends variable sums to the University, supporting diverse needs.

9. The Emily Erskine Fund was created to establish a Research Foundation in Physics or Mathematics fostering advanced study and innovation.

10. The Carew Shaw Fund was established to fund a Distinguished Faculty Award in medicine and to fund scholarships preferably within the Faculty of Medicine, in memory of Edward Carew Shaw.

11. The Porjes Fund was established for supporting the general charitable purposes of the Friends, with a priority on promoting the ongoing legacies campaign.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2024

20 Analysis of net assets between funds – As at 30 September 2024

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	3	-	-	3
Fixed asset investments	2,748,985	-	36,742,240	39,491,225
Current assets	1,723,533	886,737	-	2,610,270
Current / non-current liabilities	(1,288,180)	-	-	(1,288,180)
Total 2024	3,184,341	886,737	36,742,240	40,813,318

Analysis of net assets between funds – As at 30 September 2023

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	3	-	-	3
Fixed asset investments	1,537,368	-	33,114,368	34,651,736
Current assets	1,278,059	1,073,442	-	2,351,501
Current / non-current liabilities	(1,084,288)	-	-	(1,084,288)
Total 2023	1,731,142	1,073,442	33,114,368	35,918,952

21 Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 8.

The total amount of donations made by the Trustees was £235,786 (2023: £339,067). There were no other related party transactions in the current or prior year.

22 Reconciliation of net income to net cash flow from operating activities

	2024 £	2023 £
Net income for the year	4,894,366	1,586,507
Donations received	(631,163)	(519,144)
Depreciation and impairment of tangible fixed assets	-	1,234
(Gains) / losses on investments	(4,127,818)	(2,132,930)
(Increase) / decrease in debtors	(930,930)	(100,822)
Increase / (decrease) in creditors	203,892	(835,072)
Investment managers fees	197,250	182,059
Net cash flow from operating activities	(394,403)	(1,818,169)

Accounts

British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2023

Charity registration number: 209691
Company registration number: 06350828

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

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BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

REFERENCE AND ADMINISTRATION DETAILS

YEAR ENDED 30 SEPTEMBER 2023

Charity registration number	209691
Company registration number	06350828
Trustees	Jeremy Amias Jenny Arwas MBE Alan Steven Jacobs, Chair Denise Nicole Joseph Isaac Kaye PhD, Hon President Jonathan Andrew David Marks Anthony Graham Page Alan Henry Philipp, Hon Treasurer Joseph Smouha KC Derek Bryan Spitz Benjamin Stowe Simon Tobelem David Mark Wernick
Chief Executive Officer	Nigel Salomon
Registered office	3rd Floor, Marlborough House 298 Regents Park Road London N3 2SZ
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitor	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Barclays Bank PLC 28 Hampstead High Street Hampstead London NW3 1QB

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2023

The Trustees present their report and the audited financial statements of the charity for the year ended 30th September 2023.

The financial statements have been prepared under the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) (Second Edition, effective 1 January 2019).

Trustees of the charity

The Directors of the charitable company are its Trustees for charity law. The Trustees who have served during the year and since the year-end were as follows:

Jeremy Amias (IC)
Jenny Arwas MBE (RC)
Alan Steven Jacobs, Chair (RC, FAC, IC, G)
Denise Nicole Joseph (FAC)
Isaac Kaye PhD Hon, President (RC, G)
Jonathan Andrew David Marks (G)
Anthony Graham Page
Alan Henry Philipp, Hon, Treasurer (FAC, RC, IC, GC, G)
Joseph Smouha KC
Derek Bryan Spitz
Benjamin Stowe
Simon Tobelem (FAC)
David Mark Wernick (GC, G)

FAC = Finance, Audit & Risk Committee
G = Hebrew University Governors
GC = Grants Committee
IC = Investment Committee
RC = Remuneration Committee

Objectives and Activities

The British Friends of the Hebrew University (BFHU) is a registered national charity in England and Wales dedicated to advancing the goals of the Hebrew University of Jerusalem.

The purposes of BFHU are:

1. fundraising in support of the academic development of the Hebrew University, including research, scholarships, and capital projects that drive academic excellence.
2. promoting awareness and standing of the Hebrew University on the international stage.
3. undertaking events and activities to generate awareness and, in turn, funds for the Hebrew University.
4. serving as a bridge between the Hebrew University and its UK-based supporters, leveraging understanding of the local market, cultural nuances, and regulatory frameworks, to represent the interests and intentions of both parties, enhancing mutual engagement and support.
5. managing and distributing endowment funds in a manner that aligns with donors' wishes. This stewardship ensures that funds continue to support the University's goals as donors intended whilst ensuring fund longevity.
6. establishing and nurturing a vibrant HU UK-based alumni community, unlocking opportunities for supporters and the University.

BFHU aims to operate to the highest professional standards, especially in areas of donor care, marketing, financial management, reputation, and governance.

Achievements and performance

Charitable activities

During the year, the Charity made grants to the Hebrew University and to some students directly in the amount of £4.4m (2022: £5.6m). In addition, a small number of grants totalling £244,000 (2022: £244,000) were made to Hebrew University students continuing postgraduate studies in the UK and to UK-based students undertaking courses at the Hebrew University.

Financial Report

Income totalled £7.7m, including donations remitted directly to the Hebrew University.

BFHU's investment portfolio achieved a blended total positive net return of 8.11% in the 12 months to 30 September 2023. Historically, over a period of 10 years, the organisation has achieved a 5.5% per annum total return, which is above the annual target of 5%. This has allowed the charity to maintain a 3.5% annual distribution to the Hebrew University, supporting the objectives of the BFHU-held endowments whilst maintaining capital growth.

Highlights of the Year – the Hebrew University of Jerusalem

In the first full academic year post-Covid, Hebrew University teaching and research operated fully face to face including for students from over 70 nationalities at the Rothberg International School. Visitor numbers increased significantly, including a broad spectrum of individual donors, groups, diplomatic and government delegations. Academics and researchers renewed their overseas travel, rebuilding collaborative relationships which had been badly impacted during the period of Covid. The University's leadership and faculty made several visits to Friends organisations including to the UK.

In common with other universities in post-Covid Israel, student numbers reduced, in the case of the Hebrew University by 1000 to 24,000, driven mainly by the areas of nursing and education as the period of Covid is believed to have created an artificial 'bubble' of demand, since when Israelis have returned to the customary period of travel ahead of university, especially those taking up vocational studies.

The University remains committed to securing and retaining minority sector students: Israeli Arabs and East Jerusalemites, Jewish ultra-orthodox students, Ethiopians, those from the periphery of the country along with first-time family members in advanced education. The Hebrew University *mechinot* preparatory schools and the support of the Office of the Dean of Students play a vital role in this undertaking. The University intervened to offset Israeli Government funding cuts, by providing financial support from internal sources to aid these students for one year. Without University intervention numerous students might have been forced to discontinue their studies, leaving them with few viable options.

Faculty numbers remained stable at 1,034.

Following the signing of the Abraham Accords in September 2020, the University continues to deepen bilateral relationships with academia from Morocco, Bahrain, and the Gulf States, in a variety of fields including robotics, AI, biotech, water-tech and agriculture.

The 86th annual International Board of Governors gathering themed 'Sustainable Planet' took place in June in Jerusalem with over 22 Friends Associations represented, including from Israel.

Ongoing major capital projects include:

- the André Cohen Deloro Building for Computational Medicine
- the 150,000 sq. m. High-Tech HUJI Park
- NEQST Innovation Building – a hub for Quantum Computing and Nanotechnology
- the Centre for Climate Studies
- the Institute of Archaeology building renovation
- the Saul & Joyce Brandman Science Laboratories
- the Kennedy Leigh Complex for Ecosystems in Agriculture
- the Einstein House
- the Faculty of Social Sciences expansion in which the Business School component is funded by the British Friends. To view [click here](https://www.bfhu.org/wp-content/uploads/2024/02/business-school-building.png):
<https://www.bfhu.org/wp-content/uploads/2024/02/business-school-building.png>

A strategic 10-year plan continued to be developed based on key principles.

- academic & research excellence
- internationalisation
- a tolerant and pluralist campus environment
- engagement with the local community
- disseminating knowledge across borders
- 'green campus' meeting the UN's sustainable development goals (SDGs)

Fundraising maintained focus on seven significant themes underpinning the University's 7-year \$1bn centenary campaign: human health, leadership for tomorrow, a better world, internationalisation & collaboration, building capacity, hi-tech Jerusalem, and sustainable planet. At the time of writing, the 'Swords of Iron' war has led to additional needs and reassessment of university priorities (see below).

Highlights of the Year – the British Friends

Although local and international Zoom meetings and encounters continued, we saw a welcome return to face to face gatherings with over 30 individual visits to the Hebrew University during the year in addition to larger delegations such as ELNET (European Leadership Network) and the annual HU international Board of Governors gathering in Jerusalem.

Under the direction of chair, Alan Jacobs, BFHU lay leadership was further strengthened. The investment committee chair Alan Philipp was succeeded by Jeremy Amias. A new committee member Jonathan Herbert, joined. To enhance governance the Finance, Audit & Risk committee was established headed by trustee Denise Joseph, reporting to the main BFHU board. Reflecting involvement of trustees, patrons and UK governors, nine members attended the June 2023 HU international Board gathering in Jerusalem as part of a larger UK delegation.

Many events took place during the year both virtual and face to face, including with other Friends organisations enhancing the sense of the 'HU international family'. The increasingly popular donor encounters with students and researchers provided further opportunities for much closer and more meaningful relationships, overcoming the challenges of distance.

- Archaeology: in partnership with the Anglo Israel Archaeology Society, on the topic of Advances in DNA Technology and their Contribution to Archaeology in Israel
- Law: in collaboration with Limmud, Prof Yuval Shany speaking on Human Rights for the Digital Age
- Veterinary Science: the HU Veterinary Teaching Hospital: providing care and compassion to animals
- Jewish Studies: the Barbara Sieratzki z"l Memorial Class: A Second Exodus in The Prophets
- Environment: The Food Revolution: HU and the Future of Food
- Politics: first in an events partnership series with JW3, Israel's Constitution - Where Now? With Lord Pannick KC and Prof Yuval Shany

- History: Britain, Palestine, and the Holocaust, held on campus, David Joseph KC
- Design: The London Design Biennale, Somerset House, the Hebrew University's display: 'self-morphing through physics, design and architecture' – supported by the British Friends
- Collaboration: at the June international Board gathering in Jerusalem, a cocktail event of 120 guests with friends from the UK, Europe, Latin and South America

Fundraising

Against the backdrop of almost 100 years of fundraising the team continues to follow principles of professionalism, respect, gratitude, open communication, and sensitivity to individual donor needs. We encourage encounters with the Hebrew University, ideally campus visits which are generally transformative in connecting with Hebrew University students, researchers, and faculty. The organisation is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice.

The British Friends is a long-established charity with donor relationships that are often complex and multi-generational. Voluntary funds are generated in several ways, including biannual mailed appeals, special events, estates, and major giving from individual or institutional foundations, including family trusts.

The Hebrew University is a seven-faculty, interdisciplinary institution with diverse needs all aimed at growing academic and research excellence on an international level. British Friends donors have, over many years, developed their own diverse interests. Close engagement with donors and reconciling their interest with the University's priorities have proved fundamental to sustaining long-term relationships.

Annual donations, along with the distribution made from restricted endowment funds, helped to support over 500 scholarships, including, in line with the University's priorities, to minorities such as Haredi, Israeli Arab and East Jerusalemite, Ethiopian and 'first generation' students. These scholarships play a vital role in enabling students to study at the Hebrew University who might otherwise be unable to attend due to financial constraints, especially in the ongoing challenging environment.

Significant support comes from the UK around International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development.

Research donations similarly addressed most Faculties of the Hebrew University with particular emphasis on medical science, HUJI hi-tech and the field of sustainability.

Fundraising & Ceremonies

During the fundraising year, several donor ceremonies took place, mainly on campus, helping to create profile for the specific cause whilst providing financial benefit to the awardees.

- The Kaye Prize awards for scientific innovation
- The Polonsky Prizes for creativity and originality in the Humanistic Disciplines
- The Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding
- The conferring of an Honorary Fellowship on The Hon. Sir Jonathan Cohen KC
- The Wall of Life commemoration of the Sieratzki Family
- The Barbara Sieratzki z"l memorial lecture
- The Albert & Lilian Neuberger memorial lecture given by Prof Simon Baron-Cohen
- The unveiling of the Shaw accessibility ramp at the Faculty of Law in memory of Judith Shaw z"l
- The unveiling of the Persian Carpet in memory of the Lichtigfeld family
- The dedication of the Pears Garden in the Faculty of Agriculture, Nutrition and Environment
- The annual BFHU Legal Group dinner honouring the Lord Chief Justice Ian Burnett
- The annual Lionel Cohen lecture given by Prof Richard Susskind

The Charity's gala dinner is typically a biennial event, last held in 2022 and next planned for 2025.

Legacy campaign

Since 1998, BFHU has pioneered a legacy campaign centred around missions to the Hebrew University, offering participants a firsthand experience of the university's dynamic environment. These week-long missions serve as a platform for building enduring connections and securing legacy commitments aligned with the donors' intentions.

The most recent legacy mission occurred in May 2022, amid lingering Covid restrictions, with plans for the next mission slated for October or November 2024.

BFHU continues to curate tailored events for our esteemed Honours Club, comprising individuals who have pledged a legacy in support of the Hebrew University.

Impact of charitable activities at the Hebrew University

In 2022, the Hebrew University was the first Israeli institution of higher education to conduct a study to explore its impact of financial aid provided to 2,000 students.

In 2023, the Hebrew University extended its impact analysis into the realm of academia and worked to integrate the UN's Sustainable Development Goals (SDGs) into university courses, enriching the educational experience and fostering a deeper understanding of global challenges. It demonstrates impact beyond academia to the lives of students.

The Hebrew University prioritises engagement with Jerusalem's community and fosters civic responsibility by driving innovation through technology transfer and entrepreneurship.

The report can be found [here](#)

<https://www.storydoc.com/47495ff00abf235a33fca47f1ed40b8b/9beab53f-9482-45c2-a4dd-68b56e2da19d/647f059e5d4eb9000b125484>

GDPR

BFHU's donor relations and communications activities comply with the Data Protection Act 2018, General Data Protection Regulations (GDPR) and the Privacy & Electronic Communications Regulations (PECR) via mail, email and through social media and advertising. Consent is obtained where required and recorded appropriately. All information is stored securely. Rights are outlined in the Privacy Policy; changes and opting-out can be made at any time. During the period, there were no GDPR complaints received, nor safeguarding issues reported. Procedures are in place, complying with the Charity Commission regulations and the Fundraising Regulator guidelines.

Strategic Risks

Risk Policy

The Trustees are responsible for overseeing risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Management of the Charity through the Finance, Audit & Risk Committee. Risks are identified, assessed, and controls are established throughout the year. A formal review of the charity's risk management processes is undertaken annually.

The Board confirms that the significant risks to which the Charity is exposed have been reviewed, reassessed, and updated. Where practicable, systems have been established that are intended to mitigate those risks.

A risk analysis table summarising the key risks is monitored by the Chief Executive and is brought to the attention of the Board on at least an annual basis. This process forms an integral part of the Charity's annual review of its strategic plan and budget.

Human Resource risks such as loss of key staff members with localised and specialised knowledge.

Management mitigation: ensure the team is professionally managed and, motivated, competitively remunerated with annual appraisal reviews.

Data & IT Integrity risks include data protection, support and maintenance services, fire risk, and fraud.

Management mitigation: Utilise cloud-hosted IT platforms, secure insured risk cover, employ professional IT support, enforce multiple password protection, adherence to fire & security best practices.

Investment risks such as poor returns and foreign exchange exposure.

Management mitigation: Maintain a diversified investment portfolio managed externally by two prominent international fund managers, and overseen by the BFHU board investment sub-committee in place, and international benchmarking across other Hebrew University Friends.

The Trustees believe that the challenging macroeconomic outlook, including inflationary pressures, could have a negative financial effect beyond the short term. They also recognise that, although annual endowment grants are made in sterling, Hebrew University expends money mainly in Shekels.

The portfolios have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the foreign exchange risks.

Although income may reduce, the Trustees maintain that the accumulated total return is sufficient to sustain the annual 3.5% distribution to the Hebrew University, which is now fixed in US dollars. This arrangement between the Charity and the Hebrew University was formalised in an MoU in January 2024.

Maintain a strong reserve position to support operational needs.

Income risks such as disproportionate reliance on key donors.

Management mitigation: focus on donor retention strategies; income diversification through new foundations and family offices; conduct tailored Zoom meetings with the Hebrew University; activities to grow the database with GDPR opt-in; attractive events, creative marketing to maintain engagement; establish third-party partnerships, close collaboration with the Hebrew University Division for External Relations and other Friends organisations.

Governance risks such as poor compliance with well-established processes and accounting standards.

Management mitigation: maintain a strict routine of monthly management accounting and reporting reinforcing a culture of compliance with robust annual auditing stipulations and statutory accounts.

Reserves Policy

The Trustees are keenly aware of the need to secure the Charity's future beyond immediate day-to-day requirements and to continue to honour its commitments to the University. To achieve this the Charity needs to have sufficient funds to absorb periodic setbacks in its ability to raise funds and to take advantage of opportunities as situations arise. The Charity management also considers it prudent that some reserves should be maintained to finance working capital requirements.

The Charity has reviewed the risk profile of income streams along with past expenditure patterns, anticipated changes and committed expenditure and the extent to which the charity

can curtail or change the timing of cash outflows. The Charity has also looked at timing the cash outflows to match the timing of cash inflows. Where this is not possible, reserves needed to fund expenditure in advance of income receipts or expenditure delayed are estimated.

The charity believes that it will need reserves to cover a least 12 months' overheads plus £150,000 to cover the cost of funding fundraising activities where the sponsorship is received after the event has taken place. Accordingly, as at 30 September 2023, the targeted free reserves position is £760,000.

The Trustees continue to maximise unrestricted income to cover operating costs but recognise that operating losses may occur in some years.

At the close of the financial year, the charity held total funds of £35,918,952 (2022: £34,332,446). Most of these funds are endowed or restricted and therefore do not form part of the free reserves. Excluding these funds and those funds held as tangible fixed assets, the free reserves stood at £1,731,142 (2022: £1,751,054).

The current level of free reserves is above the target level even after accounting for the remaining grant commitment of \$1m towards a capital project of \$8m relating to the construction of an additional floor at the Faculty of Social Science building which will be completed in 2023-24. Trustees are regularly in touch with the University exploring priorities to identify projects that can be funded by the BFHU.

War – 7th October massacre and the aftermath

The deadly terrorist incursion into Israel, mass hostage-taking and ensuing military conflict with Hamas in Gaza has impacted the entire State of Israel, across all sectors of society. After the initial shock, a mix of determination, trauma and horror set in. On the military front, mass mobilisation of reservists took place while on the home front, volunteerism in every sector swung into action.

For the Hebrew University, over 5,000 students and some faculty staff were mobilised. In common with other institutes of higher education, the start of the 2023/24 academic year was delayed. In the immediate aftermath Hebrew University leadership reacted in a number of ways to provide dedicated support to students, including all those called up for military service, students, faculty members and staff along with Israeli Arabs and East Jerusalemites; Trustees are especially proud of faculty members in medicine, social work, psychology who have contributed their considerable skills at this time and the University's support for those working in agriculture. In addition, faculty members are providing dedicated support for reservists and displaced families.

A global fund-raising campaign 'We Are One' involving all Friends organisations, including the British Friends, has raised over \$5.5m designated to provide financial support for student reservists, enhanced studies support and trauma counselling. BFHU raised more than \$200,000 from generous and concerned donors wishing to address immediate University needs resulting

from the tragic events of 7th October 2023 and the longer-term sustainability of Israel's foremost centre of advanced learning.

The University's in memoriam page includes over 30 names – students, and alumni who have fallen on the battlefield or have been murdered by terrorists – may the memory of each and every one be a blessing (z"l)

The Hebrew University finally re-opened on 31 December 2023 adopting a revised teaching timetable which will extend into July, and with many protocols in place to accommodate a new reality designed to ensure harmony and rebuild inter-community trust.

Future priorities

Philanthropists have many demands on their generosity, especially humanitarian. Nonetheless, the British Friends envisages ongoing challenges for the Hebrew University and will rigorously focus on ensuring mainstream fundraising for core research and scholarships, along with special projects resulting from the war, that might require funding from time to time.

The Charity encourages visits to the University when the situation is safe and will also work to help build the University's reputation and academic collaboration with leading UK institutions.

Faced with a changing philanthropic environment, BFHU trustees, with the support of an external consultant, met and undertook a strategic review of the organisation. This included purpose and priorities, a board skills audit, governance and structure, diversifying income streams, attracting next-generation supporters, engaging alumni, growing bilateral traffic (visitors to HU, faculty to the UK), expanding collaboration with Friends internationally and reviewing current positioning and messages, including greater use of digital communications.

A review of the organisation's professional structure, skills and cost-base also take place to ensure the ability to deflect threats and take advantage of potential new opportunities, particularly those concerning philanthropic foundations. This work, which is now complete, represents the most fundamental organisational review for many years.

As an output, a 3-year organisational development plan was created with 9 workstreams which is now being implemented.

The organisation remains committed to consistent professional engagement with current donors and to securing new support wherever possible in line with the Hebrew University's priorities. Co-funding with other partners, including other HU Friends, will remain an area of focus. New resource was hired to help diversify income streams into charitable foundations and family offices, enhance digital marketing and establish a UK Hebrew University alumni community.

A continued strategic approach to events, in some cases with high-profile organisational partners, will guide our efforts in promotional activity.

Encouraging Hebrew University campus visits will continue. Experience has proven how transformative this experience can be.

Where BFHU can add value, guided by the University's priorities, efforts will continue to facilitate bilateral university collaboration with Russell Group universities.

Mindful of the many macro-economic and other challenges, Trustees welcome the performance of 2022/23.

Financial review

During the year under review, the Charity showed an unrestricted net deficit of £19,911 (2022: deficit of (£1,976,549), leaving a retained balance on general funds of £1,731,142 as of 30th September 2023 (2022: £1,751,053).

Total income for the year amounted to £4,520,780 (2022: £3,670,143), £3,920,978 (2022: £3,020,532) of which was donated by our generous supporters and £599,802 (2022: £649,611) was generated from other activities and our investment funds. The Charity made grants to the University and students totalling £4,389,196 (2022: £5,560,886).

During the year the organisation successfully moved office; and despite the disruption, business continuity was maintained. The new, smaller but more modern facility in the same office park, benefits from lower annual operating costs with savings of approximately £100k over 5 years. The relocation incurred one-off expenditure totalling £60,000 which included legal costs and dilapidations payments.

The donations made directly by donors associated with BHFU to the Hebrew University are significant and are independently audited. To enable the readers of the accounts to appreciate the broader contribution that the Charity makes to the University, the value of these donations and the corresponding donation expenditure are set out in the memorandum of income and expenditure analysis. The Trustees consider this a valuable measure of the scale of funding to the HU that the charity generates.

BFHU's Contribution to the Hebrew University of Jerusalem

<u>Income</u>	Note	2023			2022
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Total income as presented		470,868	3,586,557	463,355	4,520,780
Direct donations to the Hebrew University (HU)		-	3,196,484	-	3,196,484
Total income attributable to the BFHU by the HU	18	470,868	6,783,041	463,355	7,717,264
<u>Expenditure</u>	Note	2023			2022
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Grants funding activities as presented	6	-	4,389,196	-	4,389,196
Direct donations to the Hebrew University (HU)		-	3,196,484	-	3,196,484
Total grants attributable to the BFHU by the HU	18	-	7,585,680	-	7,585,680

At the year-end the Charity had unrestricted funds of £1.8m, restricted funds of £1.1m and available expendable endowment resources of £33.1m.

Structure, Governance and Management

Nature of Governing Document

The British Friends have been supporting the Hebrew University since 1926 through various linked charities. The British Friends of the Hebrew University was incorporated on 22 August 2007 and is governed by its memorandum and articles of association, as amended by special resolution(s) dated 9 May 2013.

Organisational structure (Structure, Governance and Management)

The Charity is controlled by the Directors/Trustees; the full time Chief Executive Officer reports to the Trustees monthly.

The support staff are split by function, such as donor support operations, marketing and communications, finance and fundraising all reporting directly to the CEO in a flat organisational structure.

Recruitment and appointment of Trustees

Members of the Board are recruited based on their core competencies, a mix of skills, their experience in the sector and general commitment to the cause. Where possible, the Board considers that the skills of the members should provide a mix of the following:

- A Trustee with a legal background.
- A Trustee with a financial/accounting background.
- A Trustee with new skills and experience from emerging sectors
- A Trustee with educational and academic research sector experience.
- A Trustee with senior managerial or business experience; and
- At least one female Trustee and at least one male Trustee

Induction and training of Trustees

All new Board members receive a full induction including meeting with staff and other Board members as well as visiting University officials such as the President. Members of the Board are encouraged to visit the University in Israel. Trustee engagement is an ongoing process. Trustees are encouraged to attend appropriate external training events, which facilitate the understanding of their role. All new Board members are appointed on 3-year terms, with a maximum of 3 such terms following which, subsequent terms of office are of one year duration. This is subject to the retirement and appointment rules within the Memorandum.

Arrangements for setting key management personnel remuneration

The pay of senior staff is reviewed annually by the remuneration committee. The review is performed using benchmarks from similar organisations and against the performance of personal objectives.

Investment policies & performance

BFHU adheres to Charity Commission guidance on ethical investments. The Investment Committee may, from time to time, where it is consistent with that advice, direct the investment managers not to make direct investments in specific companies.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding investments which might damage the Charity's reputation.

The investment portfolios are benchmarked for total return against the FTSE 100 and other relevant indexes.

Portfolios made steady progress in 2022-23 with fears about the ingrained nature of inflation continuing to impact on bond markets and assets that produce a high or fixed level of income. Equities fared better having suffered in the previous year and with parts of the market, particularly within US equities, benefitting from strong advances in artificial intelligence.

Against the background balanced portfolios generally rose with Investec funds producing a total net return (after fees) of 5.1%, Rothschild & Co (after fees) of 11.1%

By comparison, the FTSE 100 Share index produced a total return of 10.36%.

The performance of the fund managers is kept under close review by the Investment Committee and is satisfactory considering the market conditions and portfolio exposure to high quality businesses which the fund managers believe will outperform the market over the long term.

The cash balances were reduced by £3 million and transferred to Investec. The cash was previously de-invested from Rothschild & Co and reallocated to Investec to equalize funds at the fund managers.

Investec was requested to reorganise the portfolio on a global basis, resulting in increased activity and transactions. This included moving equity holdings out of pooled funds and into direct holdings in the US and Europe, as well as transitioning to a global equity investment approach.

Grant making policies

Grants are made from restricted funds and income, and, in some cases, the capital derived from endowment funds in a manner as closely aligned as possible with the original wishes of the donor. Grants are approved by a BFHU committee, the Board's delegated authority.

The Charity makes extensive grants to the Hebrew University for buildings, equipment, research programmes and scholarships.

A sum of £60K was allocated for BFHU discretionary scholarships in 2022/23, some at the Hebrew University and some awarded to Hebrew University students extending their studies at postgraduate level in the UK. The same sum has been allocated for these purposes for 2023/24. The unused budget of £29,400 for 2022/2023 is carried forward to 2023/24.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

Going concern

The Trustees have evaluated that there are no conditions or events that raise doubt about the Charity's ability to continue as a going concern.

Relationship with donors

BFHU adheres to the Code of Fundraising Practice and is registered with the Fundraising Regulator. This shows commitment to good fundraising practices.

There were no complaints from donors during the year.

Public benefit statement

The Directors & Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. Our charitable grants, monitored through ongoing auditing and reporting contribute to the Hebrew University continuing to provide university education of a high standard, advancing knowledge, and learning by teaching and contributing to world-class academic research; the Charity also supports access to minorities while encouraging the achievement of the highest academic standards, benefitting society as a whole.

Trustees' responsibilities statement

The Trustees of the BFHU (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2023

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to resume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. This report was approved by the board and signed on behalf of the Board.



.....
Alan Jacobs
Trustee



.....
Denise Joseph
Trustee

Date:

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2023

Opinion

We have audited the financial statements of British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2023 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 Trustees' 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 significant doubt on the charitable company'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.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2023

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2023

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 18-19 the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety requirements, GDPR, employment law, charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practice for Charities (SORP) and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2023

- Inspecting correspondence with regulators and tax authorities.
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Evaluating management's controls designed to prevent and detect irregularities.
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tom Brain (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: 24 May 2024

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 SEPTEMBER 2023

		2023				2022
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	2	422,454	3,035,169	463,355	3,920,978	3,020,532
Other activities	3	-	80,658	-	80,658	181,621
Investments	4	48,414	470,730	-	519,144	467,990
Total income and endowments		470,868	3,586,557	463,355	4,520,780	3,670,143
Expenditure on:						
Raising funds	5	(463,176)	(32,772)	(182,059)	(678,007)	(718,765)
Charitable activities	6	-	(4,389,196)	-	(4,389,196)	(5,560,886)
Total expenditure		(463,176)	(4,421,968)	(182,059)	(5,067,203)	(6,279,651)
Net gains/(losses) on investments	14	-	-	2,132,930	2,132,930	(4,171,302)
Net income		7,692	(835,411)	2,414,226	1,586,507	(6,780,810)
Transfers between funds	18	(27,603)	1,037,521	(1,009,918)	-	-
Net movement in funds	18	(19,911)	202,110	1,404,308	1,586,507	(6,780,810)
Reconciliation of funds:						
Total funds brought forward	18	1,751,053	871,332	31,710,060	34,332,445	41,113,256
Total funds carried forward	18	1,731,142	1,073,442	33,114,368	35,918,952	34,332,446

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 27 to 49 form part of these financial statements.

BALANCE SHEET

YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	3	1,237
Investments	14	34,651,736	29,865,115
		<u>34,651,739</u>	<u>29,866,352</u>
Current assets			
Debtors	15	1,211,389	1,110,567
Cash at the bank and in hand		1,140,112	5,274,887
		<u>2,351,501</u>	<u>6,385,454</u>
Creditors: amounts falling due within one year	16	(257,842)	(1,092,914)
Net current assets		<u>2,093,659</u>	<u>5,292,540</u>
Total Assets less current liabilities		<u>36,745,398</u>	<u>35,158,892</u>
Creditors: amounts falling due after more than one year		(826,446)	(826,446)
Net assets		<u>35,918,952</u>	<u>34,332,446</u>
Charity Funds			
Expendable endowments	18	33,114,368	31,710,060
Restricted funds	18	1,073,442	871,332
Unrestricted funds	18	1,731,142	1,751,054
Total charity funds		<u>35,918,952</u>	<u>34,332,446</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board on .

Signed on behalf of the Board of Trustees



.....
Alan Jacobs
Trustee
Date: 20 May 2024



.....
Denise Joseph
Trustee
Date: 20 May 2024

The notes on pages 27 to 49 form part of these financial statements.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £	2022 £
Cash flow from operating activities	22	(1,818,169)	(1,889,824)
Net cash flow from operating activities		<u>(1,818,169)</u>	<u>(1,889,824)</u>
Cash flow from investing activities			
Withdrawals from/ (additions to) the Investment Portfolio		(1,971,528)	2,348,536
Payments to acquire investments		(21,202,815)	(7,066,301)
Receipts from sales of investments		20,338,594	7,095,339
Interest received		72,429	31,035
Dividends received		446,715	436,955
Net cash flow from investing activities		<u>(2,316,605)</u>	<u>2,845,564</u>
Net increase in cash and cash equivalents		(4,134,774)	955,740
Cash and cash equivalents at 1 October		5,274,887	4,319,147
Cash and cash equivalents at 30 September		<u>1,140,113</u>	<u>5,274,887</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 October 2022 £	Cash flow £	At 30 September 2023 £
Cash and bank	<u>5,274,887</u>	<u>(4,134,774)</u>	<u>1,140,113</u>

The notes on pages 27 to 49 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

1 Summary of significant accounting policies

(a) General information and basis of preparation

British Friends of the Hebrew University of Jerusalem is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 209691) and Registrar of Companies (Company Registration Number 06350828) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are to support research, scholarships and capital projects of the Hebrew University whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

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 (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 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 presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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.

(b) Going concern

The financial statements have been prepared on a going concern basis and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. 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 are sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes.

The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity. Income arising from the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising from the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(d) Income recognition

All incoming resources are 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. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted.
- The executors have established that there are enough assets in the estate to pay the legacy; and
- All the conditions attached to the legacy have been fulfilled or are within the charity's control.

Income from fundraising events to raise funds for the Charity is recognised when received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

(e) Expenditure recognition

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 include costs incurred seeking voluntary contributions through donations, investment management costs and the running of fundraising events during the year.
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

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 a grant. 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.

(f) 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 specific headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The land in Israel was valued on 19th January 2017 at £26,000. The Trustees believe that it is prudent to amortise this as the Charity has been unable to sell it.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% straight line
Fixtures and fittings	20% straight line
Phone system	20% straight line

(h) Investments

The Charity has equity investments in listed entities. Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All unrealised gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors and creditors receivable / payable within one year

Debtors are recognised 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.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

(j) Leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

(k) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

(l) Tax

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

(m) Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Listed investments – Listed investments are held at fair value.

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost, as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

(n) Judgements and key sources of estimation uncertainty

The judgements that have had the most significant effect on amounts recognised in the financial statements are the estimation of legacies receivable, allocation of support costs and depreciation rates. The estimates and associated assumptions are based on historical experience and other relevant factors and recent communications from the executors or their legal and professional representatives. The underlying assumptions which affect these judgements are reviewed on an ongoing basis.

2 Income from donations and legacies

	2023	2022
	£	£
Legacies	782,138	700,807
Regular giving	3,138,840	2,319,725
Total	<u>3,920,978</u>	<u>3,020,532</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Income from donations and legacies was £3,920,978 (2022: £3,020,532), of which £463,355 (2022: £587,889) was attributable to endowments, £3,035,169 (2022: £2,263,005) was attributable to restricted, and £422,454 (2022: £169,838) was attributable to unrestricted funds.

3 Restricted donations from events – Raising Funds

	2023 £	2022 £
Events income – Conferences and similar events	80,658	181,621
Total	<u>80,658</u>	<u>181,621</u>

Donations from events in 2023 and 2022 were attributable to restricted funds.

4 Income from investments

	2023 £	2022 £
Dividends - equities	446,715	436,955
Interest - fixed interest securities	50,936	29,669
Interest - deposits	21,493	1,366
Total	<u>519,144</u>	<u>467,990</u>

Income from investments was £519,144 (2022: £467,990), of which £470,730 (2022: £426,172) was attributable to restricted funds, and £48,414 (2022: £41,818) was attributable to unrestricted funds. The BFHU portfolio at Rothschild does not have any individual Fixed Interest holding; the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund, and the income received is paid as a dividend.

5 Costs of raising funds

	2023 £	2022 £
Support costs	495,618	527,617
Investment management costs	182,059	191,149
Total	<u>678,007</u>	<u>718,766</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

6 Analysis of expenditure on charitable activities

	Grant funding of activities £	Support costs £	Total £
Grants to students	244,000	-	244,000
Grants to the Hebrew University	3,955,337	189,859	4,145,196
2023 total	4,199,337	189,859	4,389,196

	Grant funding of activities £	Support costs £	Total £
Grants to students	244,000	-	244,000
Grants to the Hebrew University	5,165,370	151,516	5,316,886
2022 total	5,409,370	151,516	5,560,886

All the above grants to the Hebrew University were attributable to restricted funds £3,955,337 (2022: £5,165,370) and so were the grants to students £244,000 (2022: £244,000). Total support costs of £189,859 (2022: £151,516) are analysed in Note 7.

The BFHU remits approximately £3.9m each year to Hebrew University, mainly from annual gifts but also budgets just over £1m from existing Endowment Funds. It was also involved in securing a further £3.2m (2022: £3.6m) in donations that go directly to the Hebrew University.

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant- making £	Total 2023 £
Salaries & other staff costs	Staff time	256,225	109,811	366,036
Establishment costs	Staff time	86,505	44,131	130,636
Printing, advertising, and administration	Direct	31,875	35,917	67,792
Travelling expenses	Direct	18,850	-	18,850
Event costs	Direct	32,772	-	32,772
Governance costs	Direct	41,683	-	41,683
Information technology	Direct	28,038	-	28,038
Total 2023		495,948	189,859	685,807

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

<i>Support cost</i>	<i>Basis of allocation</i>	<i>Raising funds £</i>	<i>Grant-making £</i>	<i>Total 2022 £</i>
Salaries & other staff costs	Staff time	241,159	103,354	344,513
Establishment costs	Staff time	43,622	36,640	80,262
Printing, advertising, and administration	Direct	(5,063)	11,522	6,459
Travelling expenses	Direct	13,948	-	13,948
Event costs	Direct	178,779	-	178,779
Governance costs	Direct	27,298	-	27,298
Information technology	Direct	27,874	-	27,874
Total 2022		527,617	151,516	679,133

In 2023 & 2022 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2023 & 2022 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

8 Governance costs

	2023 £	2022 £
Auditors' remuneration	23,040	19,200
Legal fees	11,145	3,365
Other	7,498	4,733
Total	41,683	27,298

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

9 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	3,955,338	-	3,955,338
Designated projects	£1,350,444		
Scholarships	£2,509,370		
Prizes	£54,000		
Institute for Medical Research	£41,523		
2023 total	3,955,338	244,000	4,199,338
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	5,165,370	-	5,165,370
Designated projects	£2,455,413		
Scholarships	£2,661,457		
Prizes	£36,000		
Institute for Medical Research	£12,500		
2022 total	5,165,370	244,000	5,409,370

Further details of the charitable activities supported by the grants made in the year are given in the Trustees Report.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Scholarships

Pears Foundation is a significant major donor funding students undertaking International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development. The current cohorts across the 3 programmes include students from most continents of the world.

Without such scholarships, they could not attend Hebrew University. The Social Impact of these students is demonstrated in their home countries where they become active in the field of Public Health, often at policy-making level. Alumni are also in regular contact with their global peers.

Other scholarships are specifically awarded to disadvantaged students who would not be able to attend HU without such external help. They include students with disabilities, Arab Students (Israeli Arab and East Jerusalemite), Charedi (Religious Jews) and those of Ethiopian backgrounds.

Research

The Carew Shaw Endowment Fund distributed £280,000 in 22/23 (2022 £265,000) for a HU Distinguished Medical Faculty Award. This is normally given to encourage very bright researchers to come to HU, often after post-Doctoral work in the USA. Several of these have subsequently won European Research Council awards which recognise the contribution that their research is making internationally. This also enhances the reputation of Hebrew University.

Prizes

The Kaye Innovation Awards for scientific innovation and the Polonsky Prizes for creativity & originality in Humanistic Disciplines recognise excellence and important research or teaching at the University. Such prizes help to enhance the reputation not only of the individual recipients but also the University as a whole.

Lectures

Several BFHU funds help to support important lectures including in the legal and medical fields facilitating HU campus visits and events in the UK.

10 Net income for the year

Net income is stated after charging / (crediting):

	2023 £	2022 £
Depreciation/Impairment of tangible fixed assets	1,234	9,996
Auditors' remuneration - Audit fees	19,200	16,000
Finance charges payable	3,765	2,583
Operating lease rentals	92,990	74,998
Net (gains) / losses on foreign exchange	21,798	(46,860)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2022: £Nil).

The total amount of employee benefits received by Key Management Personnel is £169,291 (2022: £169,407) and includes the current year performance bonus approved on 20th December 2023, plus the employer's National Insurance contributions at 13.8% and accrued. The Charity considers its Key Management personnel to comprise the Trustees and the Chief Executive. The Chief executive is the only full-time member of staff.

The Trustees did not have any expenses reimbursed during the year (2022: £Nil).

12 Staff costs and employee benefits

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

	2023 Number	2022 Number
Raising funds	3	3
Charitable activities	2	1
Governance	1	1
	6	5

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	2023 Number	2022 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	4	4

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

The total staff costs and employees' benefits were as follows:

	2023 £	2022 £
Wages and salaries	324,280	302,738
Social security	31,173	31,947
Other staff costs	10,583	9,828
	<u>366,036</u>	<u>344,513</u>

Related Parties paid no staff costs or employee benefits.

The number of employees who received total employee benefits (excluding employer pension costs) but including employer NI costs of more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 - £70,000	1	1
£160,001 - £170,000	1	1
	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation: At 1 October 2022	26,000	7,308	63,609	96,917
Additions	-	-	-	-
At 30 September 2023	26,000	7,308	63,609	96,917
Depreciation/Impairment: At 1 October 2022	24,764	7,307	63,609	95,680
Charge for the year	1,234	-	-	1,234
At 30 September 2023	25,998	7,307	63,609	96,914
Net book value: At 30 September 2023	2	1	-	3
At 30 September 2022	1,236	1	-	1,237

Land in Israel

The Trustees have re-assessed the value of the land in Israel as negligible due to the nature and location of the plot (It is part of a much larger parcel plot of scrub land and cannot be sold separately) and therefore, we have recognised an impairment loss accordingly.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2022	29,865,115
Additions at cost	23,174,344
Disposals proceeds	(20,338,594)
Revaluations	2,132,930
Investment management fees	(182,059)
At 30 September 2023	<u>34,651,736</u>
 <u>Historical Cost:</u>	
At 30 September 2023	<u>30,008,061</u>

Listed Investments at fair value comprise:

	2023 £	2022 £
Investment Funds	2,183,109	2,526,044
UK listed investments	3,528,467	5,814,307
UK cash deposits	1,059,117	399,635
Fixed income	4,788,458	5,104,797
UK other investments	1,848,696	1,928,500
Overseas investments	20,426,926	14,091,832
	33,834,773	29,865,115

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

The fair value of listed investments is determined by reference to bid prices from the appropriate Stock Exchange, market makers or relevant fund managers. Where fund managers publish a single price, i.e., for OEICS, the valuation has been prepared based on the published price.

15 Debtors

	2023 £	2022 £
Trade Debtors	9,698	-
Legacies due	1,171,273	1,062,871
Prepayments	26,547	41,398
Gift aid recoverable	3,871	6,298
	<u>1,211,389</u>	<u>1,110,567</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	21,758	27,647
Grant commitments	102,372	826,446
Other tax and social security	7,738	7,905
Other creditors	-	33
Accruals	125,974	121,155
	<u>257,842</u>	<u>1,092,914</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Creditors: amounts falling due after more than one year

	2023 £	2022 £
Grants commitments	826,446	826,446
	826,446	826,446

17 Financial commitments

The operating lease represents a premises lease signed on 19th July 2023 and expiring on the 18th July 2028.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than one year	39,516	74,998
Later than one and not later than five years	149,831	-
	189,347	74,998

18 Fund reconciliation

Fund descriptions

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for designated purposes. The aim and use of each designated fund are set out below.

Restricted funds relate to donated income or grants that have been specified by the donor or granted for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified by the donor or granted for a specific purpose and where it has been stipulated that income, gains and original capital are to be distributed over several years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Unrestricted funds

	Balance at 1 October 2022 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2023 £
Unrestricted – General	1,751,053	470,868	(463,176)	(27,603)	-	1,731,142
Total 2023	1,751,053	470,868	(463,176)	(27,603)	-	1,731,142

	Balance at 1 October 2021 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2022 £
Unrestricted – General	3,727,603	211,456	(348,838)	(1,839,168)	-	1,751,053
Total 2022	3,727,603	211,456	(348,838)	(1,839,168)	-	1,751,053

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

- Transfers of £27,603 were made from unrestricted funds to restricted funds regarding the charity's contribution towards matching scholarships.

Restricted funds

	Balance at 1 October 2022 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2023 £
Restricted	871,332	3,586,557	(4,421,968)	1,037,521	-	1,073,442
	871,332	3,586,557	(4,421,968)	1,037,521	-	1,073,442

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Expendable Endowment funds	19	31,710,060	463,355	(182,059)	(1,009,918)	2,132,932	33,114,368
		31,710,060	463,355	-	(1,009,918)	2,132,932	33,114,368
2023 Total		32,581,492	4,049,912	(4,604,027)	27,603	2,132,932	34,187,810

		Balance at 1 October 2020	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
		£	£	£	£	£	£
Restricted		881,522	2,870,798	(5,739,665)	2,858,677	-	871,332
		881,522	2,870,798	(5,739,665)	2,858,677	-	871,332
Expendable Endowment funds	19	36,504,131	587,889	(191,149)	(1,019,509)	(4,171,302)	31,710,060
		36,504,131	587,889	-	(1,019,509)	(4,171,302)	31,710,060
2022 Total		37,385,653	3,458,687	(5,930,814)	1,839,168	(4,171,302)	32,581,392

Restricted Funds

During the year, the charity received many restricted donations, all of which were applied in strict accordance with the donor's wishes. Due to the considerable volume and the immaterial nature of each individual fund, it is not practical to report on each fund activity.

At the year-end, the charity held £757k (2022: £484k) worth of donations for restricted projects within the Hebrew University, and £316k (2022: £387k) for scholarships Both were awaiting confirmation of students and projects.

In total, £1,009,918 grants were made from the expendable endowment funds for the year (2022 £1,019,509).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Endowment Funds

The Trustees have authorised a disbursement totalling £1,114K from the endowment funds, which includes 3.5% of the primary balance of the Expendable Endowment funds at the start of the year; fixed grants from other funds, such as the Carew Shaw Endowment and additionally, £3k annually from smaller funds, typically valued under £100,000 enabling a gradual reduction in their balances. The endowment funds have experienced a growth rate of 6% over the past year. Any financial surplus is allocated to cover management fees and help counteract the effects of inflation.

19 Expendable Endowment Funds

	Balance at 1 October 2022	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2023
	£	£	£	£	£	£
1. Main Fund - 38 funds	4,958,338	35,450	-	(354,162)	563,465	5,203,091
2. Polonsky Fund	89,026		-	526	27,250	116,802
3. Archie Sherman Fund	127,698	1	-	(68,860)	4,646	63,485
4. Joels Fund	1,145,655	-	-	(43,760)	113,943	1,215,838
5. Gestetner Fund	573,975	-	-	(21,923)	57,086	609,138
6. BFHU Research & Teaching	1,929,949	-	-	(20,638)	50,084	1,959,395
7. BFHU Scholarship & Student Aid	6,056,182	250	-	(134,586)	85,308	6,007,155
8. Main fund – 41 Funds	5,464,481	5,384	-	(197,817)	543,481	5,815,530
9. Emily Erskine Fund	3,168,089	422,270	-	(118,454)	315,089	3,786,994
10. Carew Shaw Fund	8,138,037	-	-	(50,070)	184,687	8,373,654
11. Porjes Fund	58,629	-	-	(175)	5,831	64,285
2023 Total	31,710,060	463,355	-	(1,009,918)	1,950,871	33,114,368

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Expendable Endowment Funds

	Balance at 1 October 2021	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2022
	£	£	£	£	£	£
1. Main Fund - 43 funds	5,690,777	287,175	-	(148,666)	(870,948)	4,958,338
2. Polonsky Fund	138,026	-	-	-	(49,000)	89,026
3. Archie Sherman Fund	194,098	-	-	(43,350)	(23,050)	127,698
4. Joels Fund	1,357,350	-	-	(39,955)	(171,740)	1,145,655
5. Gestetner Fund	679,278	-	-	(19,357)	(85,946)	573,975
6. BFHU Research & Teaching	2,210,953	-	-	(47,924)	(223,080)	1,939,949
7. BFHU Scholarship & Student Aid	7,113,814	250	-	(254,019)	(803,863)	6,056,182
8. Main fund - 41 Funds	6,502,722	5,113	-	(220,592)	(822,762)	5,464,481
10. Carew Shaw Fund	9,088,909	-	-	(95,219)	(855,653)	8,138,037
2022 Total	36,504,131	587,889	-	(1,019,509)	(4,352,450)	31,710,060

1. The Main Expendable Endowment Fund comprises 38 individual funds that distribute a fixed amount annually. These distributions serve various purposes aligned with the charitable objectives of the organisation.

2. The Polonsky Endowment Fund is a gift of shares from the Polonsky Foundation. This fund generates income used specifically to fund grants made to the University on behalf of the foundation. The grants serve designated purposes in line with the foundation's philanthropic mission.

3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income for the BFHU.

4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.

5. The Gestetner Fund is utilised to support the operating budget of the Harry S Truman Research Institute for the advancement of peace.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

6-7 The small endowment funds have been amalgamated into larger pools of Research and Teaching and Scholarship endowment funds to enhance flexibility in supporting the University's research and scholarship initiatives. The distributions made from these funds are under the discretion of the University.

8. The main variable distribution endowment Fund comprises 41 individual funds and sends variable sums to the University, supporting diverse needs.

9. The Emily Erskine Fund was created to establish a Research Foundation in Physics or Mathematics fostering advanced study and innovation.

10. The Carew Shaw Fund was established to fund a Distinguished Faculty Award in medicine and to fund scholarships preferably within the Faculty of Medicine, in memory of Edward Carew Shaw.

11. The Porjes Fund was established for supporting the general charitable purposes of the Friends, with a priority on promoting the ongoing legacies campaign.

20 Analysis of net assets between funds – As at 30 September 2023

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	3	-	-	3
Fixed asset investments	1,537,368	-	33,114,368	34,651,736
Current assets	1,278,059	1,073,442	-	2,351,501
Current / non-current liabilities	(1,084,288)	-	-	(1,084,288)
Total 2023	1,731,142	1,073,442	33,114,368	35,918,952

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2023

Analysis of net assets between funds – As at 30 September 2022

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	1,236	-	-	1,236
Fixed asset investments	-	-	29,865,116	29,865,116
Current assets	3,669,178	871,332	1,844,944	6,385,454
Current / non-current liabilities	(1,919,360)	-	-	(1,919,360)
Total 2022	1,751,054	871,332	31,710,060	34,332,446

21 Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 8.

The total amount of donations made by the Trustees was £339,067 (2022: £393,570). One of the trustees, Anthony Graham Page is a majority shareholder and director of Tony Page Ltd which supplied catering and related services for the Gala dinner at a cost of £115,123 in 2022. There were no other related party transactions in the current or prior year.

22 Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for the year	1,586,507	(6,780,810)
Dividends received	(446,715)	(436,955)
Depreciation and impairment of tangible fixed assets	1,234	9,996
(Gains) / losses on investments	(2,132,930)	4,171,302
(Increase) / decrease in debtors	(100,822)	(3,946)
Increase / (decrease) in creditors	(835,072)	990,475
Net cash flow from operating activities	(1,818,169)	(1,889,824)

23 Post balance sheet events

The war in Gaza, which commenced after October 7, 2023, may affect our fundraising efforts for the Hebrew University. There is a possibility that donors will redirect their contributions to address other urgent needs within Israel. This shift could require us to utilise our general reserves to support University operations, which have experienced financial disruptions, in part due to a late start in the opening of the academic year.

Accounts

British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2022

Charity registration number: 209691
Company registration number: 06350828

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

REFERENCE AND ADMINISTRATION DETAILS

YEAR ENDED 30 SEPTEMBER 2022

Charity registration number	209691
Company registration number	06350828
Trustees	Jeremy Amias Appointed 05/12/2022 Jenny Arwas MBE Alan Steven Jacobs, Chair Denise Nicole Joseph Isaac Kaye PhD Hon, President Jonathan Andrew David Marks Anthony Graham Page Alan Henry Philipp, Hon, Treasurer Joseph Smouha KC Derek Bryan Spitz Benjamin Stowe Appointed 29/09/2022 Simon Tobelem David Mark Wernick
Chief Executive Officer	Nigel Salomon
Registered office	2nd Floor Supreme House 300 Regents Park Road London N3 2JX
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitor	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Barclays Bank PLC 28 Hampstead High Street Hampstead London NW3 1QB

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their report and the audited financial statements of the charity for the year ended 30th September 2022.

The financial statements have been prepared under the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) (Second Edition, effective 1 January 2019).

Trustees of the charity

The Directors of the charitable company are its Trustees for charity law. The Trustees who have served during the year and since the year-end were as follows:

Jeremy Amias Appointed (IC) 05/12/2022
Jenny Arwas MBE (RC)
Alan Steven Jacobs, Chair (RC, FAC, IC, G)
Denise Nicole Joseph (FAC)
Isaac Kaye PhD Hon, President (RC, G)
Jonathan Andrew David Marks (G)
Anthony Graham Page
Alan Henry Philipp, Hon, Treasurer (RC, IC, GC, G)
Joseph Smouha KC
Derek Bryan Spitz
Benjamin Stowe Appointed 29/09/2022
Simon Tobelem (FAC)
David Mark Wernick (GC, G)

FAC = Finance and Audit Committee

G = Hebrew University Governors

GC = Grants Committee

IC = Investment Committee

RC = Remuneration Committee

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

Objectives and Activities

The British Friends of the Hebrew University (BFHU) is a national charity registered in England and Wales.

The purposes of BFHU are:

1. fundraising in support of the academic development of the Hebrew University, including research, scholarships, and capital projects
2. promoting awareness and standing of the Hebrew University and its global impact.
3. undertaking events and activities to generate awareness and, in turn, income for the cause; and
4. ensuring the long-term financial, operational, and reputational sustainability of the organisation

BFHU aims to operate to the highest professional standards, especially in areas of donor care, marketing, financial management, reputation, and governance.

Achievements and performance

Charitable activities

During the year, the Charity made grants to the Hebrew University and students of £3.8m (2021 £4.2m). In addition, a small number of grants totalling £244,000 (2021 £244,000) were made to Hebrew University students continuing postgraduate studies in the UK.

Financial Report

Total income of £7.3m, including donations remitted directly to the Hebrew University, exceeded the budgeted income of £6.5m.

BFHU's investment portfolio achieved a blended total negative net return of (11.1)% in the 12 months to 30.9.22. Historically, over a period of 10 years, the organisation has achieved a 6.5% per annum total return, which is above the annual target of 5%. This has allowed the charity to maintain a 3.5% annual distribution to the Hebrew University, supporting the objectives of the BFHU-held endowments.

Highlights of the Year – the Hebrew University of Jerusalem

Post Covid, university life returned to normal with on-campus face to face teaching restored. Travel restrictions eased, visitor numbers on campus grew rapidly, including both individuals and delegations. Academics and researchers could gradually travel again, renewing and building collaborative relationships, which had been badly impacted for over two years. The University's leadership and faculty were also able to restart visits to the Friends organisations.

The University also saw a new peak of over 25,000 in its student body.

Reflecting the University's growing support for minorities, Arab students represented 14%, and Haredi (ultra-orthodox Jewish) students made up 2.4%.

A new and important measure is first-generation students (defined as those with parents whose highest level of education was non-academic) – they comprised 18% of new undergraduates.

Faculty numbers grew 4.4% in 2 years to 1034.

After a three-year gap, the annual International Board of Governors gathering took place in Jerusalem with over 20 Friends Associations represented, including from Israel.

Major capital projects include:

- the André Cohen Deloro Building for Computational Medicine
- the 150,000 sq. m. High-Tech HUJI Park
- the Justice Mishael Cheshin Center for Advanced Legal Studies in the Faculty of Law
- NEQST Innovation Building – a hub for Quantum Computing and Nanotechnology
- the Centre for Climate Studies
- the Barry Skolnick Biosafety Level 3 National Laboratory
- the Koret School of Veterinary Medicine Heidi Rothberg Imaging Center
- the Institute of Archaeology building renovation
- the Kennedy Leigh Complex for Ecosystems in Agriculture

A strategic 10-year plan continued to be developed based on 5 key principles.

- academic & research excellence
- internationalisation
- a tolerant and pluralist campus environment
- engagement with the local community
- collaborating to share knowledge globally.

Fundraising will continue to focus on seven significant themes underpinning the University's 7-year \$1bn centenary campaign which covers human health, leadership for tomorrow, a better world, internationalisation & collaboration, building capacity, hi-tech Jerusalem, and sustainable planet.

Following the signing of the Abraham Accords in September 2020, the University has developed relationships with academia from Morocco, Bahrain, and the Gulf States, such as Morocco's Mohammed VI Polytechnic University hosting a delegation from The Hebrew University. In addition, HU started a new course 'The Geopolitics of the UAE,' within the Department of Islamic and Middle Eastern studies.

Highlights of the Year – the British Friends

Gradually from around May 2022 onwards events slowly moved from virtual to physical, with donors, both current and potential, starting to travel to visit campus. Both the University and BFHU have retained the use of hybrid communication tools, applying the learnings during Covid to help extend audiences and encounters. Zoom was employed and continues to be used for donor meetings with students and researchers whom they support and to expand physical audiences to international

participants. Several members of the University leadership also addressed BFHU Board meetings on Zoom.

The year ushered in new trustees, including Jeremy Amias bringing extensive experience from the world of finance and banking along with Benjamin Stowe. Benjamin is a graduate of the HU's Rothberg International school and former chair of the BFHU young professionals committee. Alan Jacobs succeeded Isaac Kaye as Chair; Isaac became President, continuing his family's support for the Hebrew University for more than sixty years. Reflecting increased involvement of board members six trustees attended the June 2022 HU international gathering in Jerusalem.

Over 30 BFHU Zoom events took place during the year with Friends' organisations generally making available their own events to Friends globally, increasing the range of subjects and audience reach, including the following:

- in June 2022, Ukraine's President Zelensky addressed the HU community at a hybrid event: the speaker in Kyiv, an audience in an auditorium on campus, on streaming channels to a global HU audience.
- The 2021 annual Lionel Cohen lecture given on Zoom by The Rt. Hon. Lord Andrew Burrows KC, Justice of the United Kingdom Supreme Court.
- The 2022 annual Lionel Cohen Law lecture, in its 70th year, went ahead on campus with guest speaker Lord Burnett, Lord Chief Justice of England & Wales.
- The annual Thea Zucker memorial lecture in partnership with the Institute of Jewish Studies, University College London, was given by Prof Sergio della Pergola.

Fundraising

The BFHU fundraising team follows the principles of professionalism, respect, gratitude, open communication, and sensitivity to donor needs. We encourage campus visits which are generally transformative in connecting with the Hebrew University. The organisation is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice.

BFHU is a long-established charity with donor relationships that are often multi-generational. Voluntary funds are generated in several ways, including bi-annual mailed appeals and special events and major donors include estates, individuals and institutional foundations, including family trusts. The bi-annual BFHU gala dinner, postponed from 2021, took place in May 2022, attended by 160 guests, with four researchers attending from the Hebrew University.

The Hebrew University is a seven-faculty, interdisciplinary institution with multiple needs. British Friends donors have, over many years, developed their own diverse interests. Knowing and understanding donors and reconciling with the University's preferences is key to managing donor relationships.

We are grateful to our significant donors who remained loyal and generous during the year, recognising the criticality of support for research during Covid and support for students at all levels who faced financial and personal challenges.

Donations

Current year donations, along with the distribution made from restricted endowment funds, helped to support over 500 scholarships, including, in line with the University's priorities, to minorities such as Haredi, Arab and Ethiopian students. These scholarships play a vital role in enabling students to study at the Hebrew University who might otherwise have been unable to attend due to financial constraints, especially in the ongoing challenging economic environment. The University has also provided support for Ukrainian academics and students fleeing conflict and finding sanctuary at the Hebrew University in 2022.

Significant support comes from the UK around International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development.

Research donations were targeted at most Faculties of the Hebrew University but with particular emphasis on medical science.

Ceremonies

During the fundraising year, a number of donor ceremonies took place, mainly on campus, helping to provide profile for the specific cause whilst providing financial benefit to the awardees.

- The Kaye Prize awards for scientific innovation.
- The Polonsky Prizes for creativity and originality in the Humanistic Disciplines
- The Ellis & Alma Birk prizes in law, clinical legal education, and agriculture
- The Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding
- The Barbara Sieratzki memorial lecture
- Ceremonies at the Wall of Benefactors and the Wall of Life honouring UK donors at the June Board of Governors gathering.

Legacy campaign

Since 1998, BFHU has maintained a programme of legacy missions to the Hebrew University, providing an opportunity to see the University in action. The week-long trip helps build lifelong connections and secures a legacy commitment to the Hebrew University designated in line with the donor wishes.

Despite some ongoing Covid restrictions, a mission of 9 participants visited the Hebrew University in May 2022, enjoying a group reunion later in the year.

BFHU continued its series of Zoom bespoke events to our Honours Club, the name given to those who commit to a legacy in support of the Hebrew University. One event was held at the BFHU office.

Impact of charitable activities

The Hebrew University is the first Israeli institution of higher education to conduct a study to explore in detail the impact of financial aid provided to 2,000 students. The University has partnered with Social Finance Israel (SFI) to conduct a study to focus on the measurable effect of such scholarships. The study's key findings were:

- Students from diverse fields of study, who received financial aid, finished their studies faster compared to their peers with similar incomes who applied but were not awarded aid.
- Scholarship recipients reported that financial aid helped them academically also.
- In terms of employment, students' financial aid status (whether requested, received, or not) had no bearing on the sector in which they found employment: private, public, or the third sector.
- 22% of the alumni reported finding employment in high-tech, including graduates from non-technological programs and faculties. - yet only 9% of the jobs nationwide are in high-tech.
- This study provided evidence that students who are helped to graduate increased their income, pay increased taxes, and thus contribute more to the State. While 50 million NIS went towards need-based scholarships, the potential value created during these years, based on the recipients' predicted income, tax, and increased GDP, was estimated to be just under 200 million NIS – translating into an almost 4-fold return.

GDPR

BFHU's donor relations and communications activities comply with the Data Protection Act 2018, General Data Protection Regulation (GDPR) and the Privacy & Electronic Communications (PECR) via mail, email and through social media and advertising. Consent is obtained where required and recorded appropriately. All information is stored securely. Rights are outlined in the Privacy Policy; changes and opting-out can be made at any time.

During the period, there were no GDPR complaints received, nor safeguarding issues reported. Procedures are in place, complying with the Charity Commission regulations and the Fundraising Regulator guidelines.

Strategic Risks

Risk Policy

The Trustees are responsible for overseeing risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Management of the Charity. Risks are identified, assessed, and controls are established throughout the year. A formal review of the charity's risk management processes is undertaken annually.

The Board confirms that the significant risks to which the Charity is exposed have been reviewed, reassessed, and updated. Where practicable, systems have been established that are intended to mitigate those risks.

A risk analysis table summarising the key risks is monitored by the Chief Executive and is brought to the attention of the Board on at least an annual basis. This process forms an integral part of the Charity's annual review of its strategic plan and budget.

Human Resource risks such as loss of key staff members with localised knowledge.

Management mitigation: ensure the team is professionally managed and, motivated, competitively remunerated with annual appraisal reviews.

Data & IT Integrity risks include data protection, support and maintenance services, fire risk, and fraud.

Management mitigation: Cloud-hosted IT platforms, insured risk cover, professional IT support, multiple password protection, adherence to fire & security best practices.

Investment risks such as poor returns and foreign exchange exposure.

Management mitigation: diversified investment portfolio managed externally by two prominent international fund managers, the BFHU board investment sub-committee in place, and international benchmarking across other Hebrew University Friends.

The Trustees believe that the challenging macroeconomic outlook, including inflationary pressures, could have a negative financial effect beyond the short term. They also recognise that, although annual endowment grants are made in sterling, Hebrew University expends money mainly in Shekels. The portfolios have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the foreign exchange risks.

COVID-19 has had a limited impact on the global endowment portfolio because it is well-diversified. Although income may be reduced, the Trustees believe the accumulated total return is sufficient to maintain the annual 3.5% distribution to the Hebrew University, which is now fixed at the US dollar rate prevailing at 1 October 2022.

Maintain a strong reserve position to support operational needs.

Income risks such as disproportionate reliance on key donors.

Management mitigation: focus on donor retention; tailored Zoom meetings with the Hebrew University; activities to grow the database with GDPR opt-in; attractive events, creative marketing to maintain engagement; third-party partnerships, close collaboration with the Hebrew University Division for External Relations and other Friends organisations.

Governance risks such as poor compliance due to working from home.

Management mitigation: maintain a strict routine of monthly management accounting and reporting reinforcing a culture of compliance with sound annual auditing stipulations and statutory accounts.

Reserves Policy

The Trustees are keenly aware of the need to secure the Charity's future beyond the immediate day-to-day requirements. To continue to honour its commitments to the University, the Charity needs to have sufficient funds to absorb periodic setbacks in its ability to raise funds and to take advantage of opportunities as situations arise. The Charity management also considers it prudent that some reserves should be maintained to finance working capital requirements.

The Charity has reviewed the risk profile of income streams along with past expenditure patterns, anticipated changes and committed expenditure and the extent to which the charity can curtail or change the timing of cash outflows. The Charity has also looked at timing the cash outflows to match the timing of cash inflows. Where this is not possible, reserves needed to fund expenditure in advance of income receipts or expenditure delayed are estimated.

The charity believes that it will need reserves to cover a least 12 months' overheads plus £150,000 to cover the cost of funding fundraising activities where the sponsorship is received after the event has taken place. Accordingly, as at 30 September 2022, the targeted free reserves position was £760,000.

The Trustees continue to maximise unrestricted income to cover operating costs but recognise that operating losses may occur in some years.

At the year-end, the charity held total funds of £34,332,446. Most of these funds are endowed or restricted and therefore do not form part of the free reserves. Excluding these funds and those funds held as tangible fixed assets, the free reserves were £1,751,054 (2021 £3,727,603).

The current level of free reserves is above the target level even after accounting for the grant commitment of \$2m towards a capital project of \$8m for the construction of an additional floor at the Faculty of Social Science building in 2022-23. The grant is reflected in creditors falling due within one year and over one year, see pages 38-39.

Future priorities

Faced with a changing philanthropic environment, BFHU trustees plan to undertake a strategic review of the organisation, including purpose and priorities, a board skills audit, governance and structure, diversifying income streams, attracting next-generation supporters, engaging alumni, growing bilateral traffic (visitors to HU, faculty to the UK), expanding collaboration with Friends internationally and reviewing current positioning and messages including greater use of digital communications.

A review of the organisation's professional structure, skills and cost-base will also take place to ensure the ability to deflect threats and take advantage of potential new opportunities, particularly those

concerning philanthropic foundations. This work will represent the most fundamental organisational review for many years.

In parallel, the organisation remains committed to consistent professional engagement with current donors and to securing new support wherever possible in line with the Hebrew University's priorities. Co-funding with other partners, including other HU Friends, will remain an area of focus.

A more strategic approach to events, in some cases with high-profile organisational partners, will guide our efforts in promotional activity.

Encouraging Hebrew University campus visits will continue. Experience has proven how transformative this experience can be.

Where BFHU can add value and guided by the University's priorities, efforts will continue to facilitate bilateral university collaboration with Russell Group universities.

Mindful of the many macro-economic challenges, Trustees welcome the performance of 2021/22.

Financial review

During the year under review, the Charity showed an unrestricted net deficit of £1,976,549 (2021: surplus of £827,730), leaving a retained balance on general funds of £1,751,054 as of 30th September 2022.

Income for the year amounted to £3,670,143 (2021: £4,648,738), £3,020,532 (2021: £4,124,003) of which was donated by our generous supporters and £649,611 (2021: £524,735) was generated from other activities and our investment funds. This enabled the Charity to make grants to the University and students totalling £5,560,886 (2021: £4,304,484).

The donations made directly by donors associated with BHFU to the Hebrew University are significant. To enable the readers of the accounts to appreciate the broader contribution that the Charity makes

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

to the University, the value of these donations and the corresponding donation expenditure are set out in the memorandum income and expenditure analysis. The Trustees consider this a valuable measure of the scale of funding to the HU that the charity generates.

BFHU's Contribution to the Hebrew University of Jerusalem						
<u>Income</u>	Note	2022			2021	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Total income as presented		211,456	2,870,798	587,889	3,670,143	4,648,738
Direct donations to the Hebrew University (HU)		-	3,616,075	-	3,616,075	3,696,172
Total income attributable to the BFHU by the HU	18	211,456	6,486,873	587,889	7,286,218	8,344,910
<u>Expenditure</u>	Note	2022			2021	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Grants funding activities as presented	6	-	5,560,886	-	5,560,886	4,304,484
Direct donations to the Hebrew University (HU)		-	3,616,075	-	3,616,075	3,696,172
Total grants attributable to the BFHU by the HU	18	-	9,176,961	-	9,176,961	8,000,656

At the year end the Charity had unrestricted funds of £1.8m, restricted funds of £871k and available expendable endowment resources of £31.7m.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

Structure, Governance and Management

Nature of Governing Document

The British friends has been supporting the Hebrew University since 1926 through various linked charities. The British Friends of the Hebrew University was incorporated on 22 August 2007 and is governed by its memorandum and articles of association, as amended by special resolution(s) dated 9 May 2013.

Organisational structure (Structure, Governance and Management)

The Charity is controlled by the Directors/Trustees; the full time Chief Executive Officer reports to the Trustees monthly.

The support staff are split by function, such as donor support operations, marketing and communications, finance and fundraising all reporting directly to the CEO in a flat organisational structure.

Recruitment and appointment of Trustees

Members of the Board are recruited based on their core competencies, a mix of skills, their experience in the sector and general commitment to the cause. Where possible, the Board consider that the skills of the members should provide a mix of the following:

- A Trustee with a legal background.
- A Trustee with a financial/accounting background.
- A Trustee with new skills and experience from emerging sectors
- A Trustee with educational and academic research sector experience.
- A Trustee with senior managerial or business experience; and
- At least one female Trustee and at least one male Trustee

Induction and training of Trustees

All new Board members receive a full induction including meeting with staff and other Board members as well as visiting University officials such as the President. Members of the Board are encouraged to visit the University in Israel. Trustee engagement is an ongoing process. Trustees are encouraged to attend appropriate external training events, which facilitate the understanding of their role. All new Board members are appointed on 3-year terms, with a maximum of 3 such terms following which annual terms apply. This is subject to the retirement and appointment rules within the Memorandum.

Arrangements for setting key management personnel remuneration

The pay of senior staff is reviewed annually by the remuneration committee. The review is performed using benchmarks from similar organisations and against the performance of personal objectives.

Investment policies & performance

BFHU adheres to Charity Commission guidance on ethical investments. The Investment Committee may, from time to time, where it is consistent with that advice, direct the investment managers not to make direct investments in specific companies.

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding investments which might damage the Charity's reputation.

The investment portfolios are benchmarked for total return against the FTSE 100.

2021- 2022 was a challenging period for markets as Central Banks took action to control inflation by raising interest rates. Increasing interest rates led to weakness in bond markets and higher-quality growth stocks, with technology shares, especially weak.

Against this background, balanced portfolios suffered from both weaknesses in bonds and equities. Investec funds produced a negative net return (post fees) of (8.1)%, Rothschild & Co portfolio produced a negative net return of (13.61)% (post fees). By comparison, the FTSE 100 Share index produced a total return of (5.23)%.

The performance of the fund managers is kept under close review by the Investment Committee and is satisfactory considering the market conditions and portfolio exposure to high quality businesses which the fund managers believe will outperform the market over the long term.

Grant making policies

Grants are made from restricted funds and income, and, in some cases, the capital derived from endowment funds in a manner as closely aligned as possible with the original wishes of the donor. Grants are approved by a BFHU committee, the Board's delegated authority.

The Charity makes extensive grants to the Hebrew University for buildings, equipment, research programmes and scholarships.

A sum of £60K was allocated for BFHU discretionary scholarships in 2021/22, some at the Hebrew University and some awarded to Hebrew University students extending their studies at postgraduate level in the UK. The same sum has been allocated for these purposes for 2022/23. The unused budget of £5,200 for 2021/2022 is carried forward to 2022/23.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

Going concern

The Trustees have evaluated that there are no conditions or events that raise doubt about the Charity's ability to continue as a going concern.

Relationship with donors

BFHU adheres to the Code of Fundraising Practice and is registered with the Fundraising Regulator. This shows commitment to good fundraising practices.

There were no complaints from donors during the year.

Public benefit statement

The Directors & Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales. Our charitable grants, monitored through ongoing auditing and reporting contribute to the Hebrew University continuing to provide university education of a high standard, advancing knowledge and learning by teaching and contributing to world-class academic research; the Charity also supports access to minorities while encouraging the achievement of the highest academic standards, benefitting society as a whole.

Trustees' responsibilities statement

The Trustees of the BFHU (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that period. In preparing 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 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to resume that the charitable company 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 charitable company and enable them to ensure that

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

In preparing this report, the Trustees have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006. This report was approved by the board and signed on behalf of the Board.

Alan Jacobs

.....
Alan Jacobs
Trustee



.....
Denise Joseph
Trustee

Date: 23 May 2023

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

Opinion

We have audited the financial statements of British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 Trustees' 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 significant doubt on the charitable company'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.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 16-17 the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety requirements, GDPR, employment law, charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practices for Charities (SORP) and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tom Brain (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: **2 June 2023**

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 SEPTEMBER 2022

		2022				2021
		Unrestricted funds	Restricted funds	Endowment funds	Total	Total
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	2	169,638	2,263,005	587,889	3,020,532	4,124,003
Other activities	3	-	181,621	-	181,621	18,723
Investments	4	41,818	426,172	-	467,990	506,012
Total income and endowments		211,456	2,870,798	587,889	3,670,143	4,648,738
Expenditure on:						
Raising funds	5	(348,838)	(178,779)	(191,149)	(718,765)	(602,988)
Charitable activities	6	-	(5,560,886)	-	(5,560,886)	(4,303,484)
Total expenditure		(348,838)	(5,739,665)	(191,149)	(6,279,651)	(4,906,472)
Net losses on investments	14	-	-	(4,171,302)	(4,171,302)	5,593,102
Net income		(137,382)	(2,868,867)	(3,774,562)	(6,780,810)	5,335,368
Transfers between funds	18	(1,839,167)	2,858,677	(1,019,509)	-	-
Net movement in funds	18	(1,976,549)	(10,190)	(4,794,071)	(6,780,810)	5,335,368
Reconciliation of funds:						
Total funds brought forward	18	3,727,603	881,522	36,504,131	41,113,256	35,777,888
Total funds carried forward	18	1,751,054	871,332	31,710,060	34,332,446	41,113,256

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 25 to 45 form part of these financial statements.

YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	1,237	11,233
Investments	14	29,865,115	36,605,140
		<u>29,866,352</u>	<u>36,616,373</u>
Current assets			
Debtors	15	1,110,567	1,106,621
Cash at the bank and in hand		5,274,887	4,319,147
		<u>6,385,454</u>	<u>5,425,768</u>
Creditors: amounts falling due within one year	16	(1,092,914)	(928,885)
Net current assets		<u>5,292,540</u>	<u>4,496,883</u>
Total Assets less current liabilities		<u>35,158,892</u>	<u>41,113,256</u>
Creditors: amounts falling due within more than one year		(826,446)	-
Net assets		<u>34,332,446</u>	<u>41,113,256</u>
Charity Funds			
Expendable endowments	18	31,710,060	36,504,131
Restricted funds	18	871,332	881,522
Unrestricted funds	18	1,751,054	3,727,603
Total charity funds	18	<u>34,332,446</u>	<u>41,113,256</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board on .

Signed on behalf of the Board of Trustees

Alan Jacobs

Alan Jacobs

Trustee

Date: 23 May 2023



Denise Joseph

Trustee

Date: 23 May 2023

The notes on pages 25 to 45 form part of these financial statements.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Cash flow from operating activities	22	(1,889,824)	2,197,119
Net cash flow from operating activities		<u>(1,889,824)</u>	<u>2,197,119</u>
Cash flow from investing activities			
(Withdrawals from) additions to the Investment Portfolio		2,348,536	1,141,204
Payments to acquire investments		(7,066,301)	(7,121,700)
Receipts from sales of investments		7,095,339	7,129,675
Interest received		31,035	34,551
Dividends received		436,955	471,461
Net cash flow from investing activities		<u>2,845,564</u>	<u>1,655,191</u>
Net increase in cash and cash equivalents		955,740	3,852,310
Cash and cash equivalents at 1 October		4,319,147	466,837
Cash and cash equivalents at 30 September		<u>5,274,887</u>	<u>4,319,147</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 October 2021 £	Cash flow £	At 30 September 2022 £
Cash and bank	<u>4,319,147</u>	<u>955,740</u>	<u>5,274,887</u>

The notes on pages 25 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

1 Summary of significant accounting policies

(a) General information and basis of preparation

British Friends of the Hebrew University of Jerusalem is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 209691) and Registrar of Companies (Company Registration Number 06350828) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are to support research, scholarships and capital projects of the Hebrew University whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

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 (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 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 presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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.

(b) Going concern

The financial statements have been prepared on a going concern basis and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. 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 are sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity. Income arising from the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising from the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

(d) Income recognition

All incoming resources are 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. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted.
- The executors have established that there are enough assets in the estate to pay the legacy; and
- All the conditions attached to the legacy have been fulfilled or are within the charity's control.

Income from fundraising events to raise funds for the Charity is recognised when received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

(e) Expenditure recognition

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds include costs incurred seeking voluntary contributions through donations, investment management costs and the running of fundraising events during the year.
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

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 a grant. 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.

(f) 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 specific headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The land in Israel was valued on 19th January 2017 at £26,000. The Trustees believe that it is prudent to amortise this as the Charity has been unable to sell it.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% straight line
Fixtures and fittings	20% straight line
Phone system	20% straight line

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

(h) Investments

The Charity has equity investments in listed entities. Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All unrealised gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors and creditors receivable / payable within one year

Debtors are recognised 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.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

(j) Leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

(k) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(l) Tax

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

(m) Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost, as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

(n) Judgements and key sources of estimation uncertainty

The judgements that have had the most significant effect on amounts recognised in the financial statements are the estimation of legacies receivable, allocation of support costs and depreciation rates. The estimates and associated assumptions are based on historical experience and other relevant factors and recent communications from the executors or their legal and professional representatives. The underlying assumptions which affect these judgements are reviewed on an ongoing basis.

2 Income from donations and legacies

	2022	2021
	£	£
Legacies	700,807	1,259,560
Regular giving	2,319,725	2,864,443
Total	<u>3,020,532</u>	<u>4,124,003</u>

Income from donations and legacies was £3,020,532 (2021 - £4,124,003), of which £587,889 (2021 - £1,166,280) was attributable to endowments, £2,263,005 (2021 - £2,879,180) was attributable to restricted, and £169,638 (2020 - £78,543) was attributable to unrestricted funds.

3 Restricted donations from events – Raising Funds

	2022	2021
	£	£
Events income – Conferences and similar events	181,621	18,723
Total	<u>181,621</u>	<u>18,723</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Donations from events in 2022 and 2021 were attributable to restricted funds.

4 Income from investments

	2022 £	2021 £
Dividends - equities	436,955	471,642
Interest - fixed interest securities	29,669	34,358
Interest - deposits	1,366	12
Total	<u>467,990</u>	<u>506,012</u>

Income from investment was £467,990 (2021 - £506,012), of which £426,172 (2021 - £458,372) was attributable to restricted funds, and £41,818 (2021 - £47,640) was attributable to unrestricted funds. The BFHU portfolio at Rothschild does not have any individual Fixed Interest holding; the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund, and the income received is paid as a dividend.

5 Costs of raising funds

	2022 £	2021 £
Support costs	527,617	429,181
Investment management costs	191,149	173,807
Total	<u>718,766</u>	<u>602,988</u>

6 Analysis of expenditure on charitable activities

	Grant funding of activities £	Support costs £	Total £
Grants to students	244,000	-	244,000
Grants to the Hebrew University	5,165,370	151,516	5,316,886
2022 total	<u>5,409,370</u>	<u>151,516</u>	<u>5,560,886</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Grants to students	244,000	-	244,000
Grants to the Hebrew University	3,928,738	130,746	4,059,484
2021 total	4,172,738	130,746	4,303,484

All of the above grants to the Hebrew University were attributable to restricted funds £5,165,370 (2021 - £3,932,738) and so were the grants to students £244,000 (2021- £244,000). Total support costs of £151,516 (2021: £130,746) are analysed in Note 7.

The BFHU remits approximately £3.9 million each year to Hebrew University, mainly from annual gifts but also budgets just over £1 million from existing Endowment Funds. It also is involved in securing a further £3.6 million in donations that go directly to the Hebrew University.

SCHOLARSHIPS

Pears Foundation is a significant major donor funding students undertaking International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development. The current cohorts across the 3 programmes include students from Ghana, Tanzania, Cameroon, India, Nepal, Haiti, Malawi, Nigeria, Burkina Faso, Ethiopia, Honduras, Myanmar, Mongolia.

Without such scholarships, they could not attend Hebrew University. The Social Impact of these students is demonstrated in their home countries where they become active in the field of Public Health, often at policy-making level. Alumni are also in regular contact with their global peers.

Other scholarships are specifically awarded to disadvantaged students who would not be able to attend HU without such external help. They include students with disabilities, Arab Students, Charedi (Religious Jews) and those of Ethiopian backgrounds.

RESEARCH

The Carew Shaw Endowment Fund distributes £260,000 each year for a HU Distinguished Medical Faculty Award. This is normally given to encourage very bright researchers to come to HU, often after post-Doctoral work in the USA. Several of these have subsequently won European Research Council awards which recognise the contribution that their research is making internationally. This also enhances the reputation of Hebrew University.

PRIZES

The Kaye Innovation Awards for scientific innovation and the Polonsky Prizes for creativity & originality in Humanistic Disciplines recognise excellence and important research or teaching at the University. Such prizes help to enhance the reputation not only of the individual recipients but also the University as a whole.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Analysis of expenditure on charitable activities (continued)

LECTURES

A number of BFHU funds help to support important lectures including in the legal and medical fields facilitating HU campus visits and events in the UK.

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2022 £
Salaries & other staff costs	Staff time	241,159	103,354	344,513
Establishment costs	Staff time	43,622	36,640	80,262
Printing, advertising, and administration	Direct	(5,063)	11,522	6,459
Travelling expenses	Direct	13,948	-	13,948
Event costs	Direct	178,779	-	178,779
Governance costs	Direct	27,298	-	27,298
Information technology	Direct	27,874	-	27,874
Total 2022		527,617	151,516	679,133

<i>Support cost</i>	<i>Basis of allocation</i>	<i>Raising funds £</i>	<i>Grant-making £</i>	<i>Total 2021 £</i>
Salaries & other staff costs	Staff time	236,580	101,391	337,971
Establishment costs	Staff time	74,595	5,845	80,440
Printing, advertising, and administration	Direct	61,187	23,510	84,697
Travelling expenses	Direct	2,479	-	2,479
Event costs	Direct	1,325	-	1,325
Governance costs	Direct	29,756	-	29,756
Information technology	Direct	23,259	-	23,259
Total 2021		429,181	130,746	559,927

In 2022 & 2021 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2022 & 2021 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

8 Governance costs

	2022 £	2021 £
Auditors' remuneration	19,200	17,820
Legal fees	3,365	460
Other	4,733	11,476
Total	<u>27,298</u>	<u>29,756</u>

9 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	5,165,370	-	5,165,370
Designated projects	£2,455,413		
Scholarships	£2,661,457		
Prizes	£36,000		
Institute for Medical Research	£12,500		
2022 total	<u>5,165,370</u>	<u>244,000</u>	<u>5,409,370</u>
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	3,928,728	-	3,928,728
Designated projects	£1,601,315		
Scholarships	£2,268,422		
Prizes	£39,971		
Institute for Medical Research	£19,020		
2021 Total	<u>4,230,541</u>	<u>244,000</u>	<u>4,474,541</u>

Further details of the charitable activities supported by the grants made in the year are given in the Trustees Report.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

10 Net income for the year

Net income is stated after charging / (crediting):

	2022 £	2021 £
Depreciation/Impairment of tangible fixed assets	9,996	9,996
Auditors' remuneration - Audit fees	16,000	14,850
Finance charges payable	2,583	2,568
Operating lease rentals	74,998	74,998
Net (gains) / losses on foreign exchange	(46,860)	10,922

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2021- £Nil).

The total amount of employee benefits received by Key Management Personnel is £169,407 (2021 - £164,225) and includes the current year performance bonus yet to be approved and paid, plus the employer's National Insurance contributions at 13.8%. The Charity considers its Key Management personnel to comprise the Trustees and the Chief Executive. The Chief executive is the only full-time member of staff.

The Trustees did not have any expenses reimbursed during the year (2021- £Nil).

12 Staff costs and employee benefits

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

	2022 Number	2021 Number
Raising funds	3	3
Charitable activities	1	1
Governance	1	1
	5	5

Most of the staff are part time. The salary costs relate to approximately 3.4 full time staff.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	2022 Number	2021 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	4	4

The total staff costs and employees' benefits were as follows:

	2022 £	2021 £
Wages and salaries	302,738	300,033
Social security	31,947	30,617
Other staff costs	9,828	7,321
	344,513	337,971

Related Parties paid no staff costs or employee benefits.

The number of employees who received total employee benefits (excluding employer pension costs) but including employer NI costs of more than £60,000 is as follows:

	2022 Number	2021 Number
£60,001 - £70,000	1	1
£150,001 - £160,001 - £170,000	1	1
	2	2

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation:				
At 1 October 2021	26,000	7,308	63,609	96,917
Additions	-	-	-	-
At 30 September 2022	26,000	7,308	63,609	96,917
Depreciation/Impairment:				
At 1 October 2021	14,768	7,307	63,609	85,684
Charge for the year	9,996	-	-	9,996
At 30 September 2022	24,764	7,307	63,609	95,680
Net book value:				
At 30 September 2022	1,236	1	-	1,237
At 30 September 2021	11,232	1	-	11,233

Land in Israel

The Trustees have re-assessed the value of the land in Israel as negligible due to the nature and location of the plot (It is part of a much larger parcel plot of scrub land and cannot be sold separately) and therefore, we have recognised an impairment loss accordingly.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2020	36,605,140
Additions at cost	7,066,301
Disposals proceeds	(7,095,339)
Revaluations	(4,171,302)
Investment management fees	(191,149)
Transfers in/(out) to portfolio	(2,348,536)
At 30 September 2022	<u>29,865,115</u>
<u>Historical Cost:</u>	
At 30 September 2022	<u>25,771,704</u>

Listed Investments at fair value comprise:

	2022 £	2021 £
Investment Funds	2,526,044	1,919,022
UK listed investments	5,814,307	8,572,698
UK cash deposits	399,635	1,071,417
Fixed income	5,104,797	5,369,946
UK other investments	1,928,500	1,470,704
Overseas investments	14,091,832	18,201,353
	<u>29,865,115</u>	<u>36,605,140</u>

The fair value of listed investments is determined by reference to bid prices from the appropriate Stock Exchange, market makers or relevant fund managers. Where fund managers publish a single price, i.e., for OEICS, the valuation has been prepared based on the published price.

The net losses on investments comprise realised gains of £1,904,923 and unrealised losses of £6,076,225.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

15 Debtors

	2022	2021
	£	£
Trade Debtors	-	800
Legacies due	1,062,871	1,061,479
Prepayments	41,398	29,139
Gift aid recoverable	6,298	15,203
	<u>1,110,567</u>	<u>1,106,621</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	27,647	17,579
Grant commitments	826,446	772,877
Other tax and social security	7,905	7,977
Other creditors	33	771
Accruals	121,155	129,681
	<u>1,092,914</u>	<u>928,885</u>

Creditors: amounts falling due within more than one year

	2022	2021
	£	£
Grants commitments	826,446	-
	<u>826,446</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

17 Financial commitments

The operating lease represents a premises lease signed on 18th October 2018 and expiring on the 30th September 2023.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022 £	2021 £
Not later than one year	74,998	74,998
Later than one and not later than five years	-	74,998
	<u>74,998</u>	<u>149,996</u>

18 Fund reconciliation

Fund descriptions

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for designated purposes. The aim and use of each designated fund are set out below.

Restricted funds relate to donated income or grants that have been specified by the donor or granter for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified by the donor or granter for a specific purpose and where it has been specified that both income and gain and original capital are to be distributed over several years.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Unrestricted funds

	Balance at 1 October 2021 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2022 £
Unrestricted – General	3,727,603	211,456	(348,838)	(1,839,167)	-	1,751,054
Total 2022	3,727,603	211,456	(348,838)	(1,839,167)	-	1,751,054

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

	Balance at 1 October 2020 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2021 £
Unrestricted – General	4,555,333	126,183	(427,856)	(526,057)	-	3,727,603
Total 2021	4,555,333	126,183	(427,856)	(526,057)	-	3,727,603

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

- Transfers of £186,725 were made from unrestricted funds to restricted funds regarding the charity's contribution towards matching scholarships.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Restricted funds

		Balance at 1 October 2021	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2022
		£	£	£	£	£	£
Restricted		881,522	2,870,798	(5,739,665)	2,858,677	-	871,332
		881,522	2,870,798	(5,739,665)	2,858,677	-	871,332
Expendable Endowment funds	19	36,504,131	587,889	(191,149)	(1,019,509)	(4,171,302)	31,710,060
		36,504,131	587,889	-	(1,019,509)	(4,171,302)	31,710,060
2022 Total		37,385,652	3,458,687	(5,930,814)	1,839,168	(4,171,302)	32,581,392

		Balance at 1 October 2020	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
		£	£	£	£	£	£
Restricted		888,186	3,356,275	(4,304,809)	707,372	234,497	881,521
		888,186	3,356,275	(4,304,809)	707,372	234,497	881,521
Expendable Endowment funds	19	30,334,368	1,166,280	-	(181,315)	5,358,605	36,504,131
		30,334,368	1,166,280	-	(181,315)	5,358,605	36,504,131
2021 Total		31,222,554	4,522,555	(4,304,809)	526,057	5,419,296	37,385,652

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Restricted Funds

During the year, the charity received many restricted donations, all of which were applied in accordance with the donor's wishes. Due to the large number and the immaterial nature of each individual fund, it is not practical to report on each fund activity.

At the year-end, £484k worth of donations were restricted for projects within the Hebrew University, and £387k of scholarships were awaiting confirmation of students and projects.

In total, £1,019,509 grants were made from the expendable endowment funds for 21-22.

Endowment Funds

The Trustees have agreed to spend up to a total of 3.5% of the balance of Expendable Endowment funds at the beginning of the year, £1,181k, which is less than the income and gains for the current year.

19 Expendable Endowment Funds

	Balance at 1 October 2021	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2022
	£	£	£	£	£	£
1. Main Fund - 43 funds	5,690,777	287,175	-	(148,666)	(870,948)	4,958,338
2. Polonsky Fund	138,026	-	-	-	(49,000)	89,026
3. Archie Sherman Fund	194,098	-	-	(43,350)	(23,050)	127,698
4. Joels Fund	1,357,349	-	-	(39,955)	(171,740)	1,145,655
5. Gestetner Fund	679,278	-	-	(19,357)	(85,946)	573,975
6. BFHU Research & Teaching	2,210,954	-	-	(47,924)	(233,080)	1,929,950
7. BFHU Scholarship & Student Aid	7,113,814	250	-	(254,019)	(803,863)	6,056,182
8. Main fund - 41 Funds	6,502,722	5,113	-	(220,592)	(822,762)	5,464,481
9. Emily Erskine Fund	3,429,540	295,351	-	(122,877)	(433,925)	3,168,089
10. Carew Shaw Fund	9,088,909	-	-	(95,219)	(855,653)	8,138,037
11. Porjes Fund	98,662	-	-	(27,550)	(12,483)	58,629
2022 Total	36,504,130	587,889	-	(1,019,509)	(4,362,450)	31,710,060

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Expendable Endowment Funds

	Balance at 1 October 2020	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
	£	£	£	£	£	£
1. Main Fund - 43 funds	3,782,213	1,162,150	-	79,717	666,697	5,690,777
2. Polonsky Fund	98,776		-	-	39,250	138,026
3. Archie Sherman Fund	207,789	-	-	(43,251)	29,560	194,098
4. Joels Fund	1,170,499	-	-	(39,564)	226,414	1,357,349
5. Gestetner Fund	583,030	-	-	(16,529)	112,778	679,279
6. BFHU Research & Teaching	1,933,257	-	-	(28,725)	306,422	2,210,954
7. BFHU Scholarship & Student Aid	5,841,822	2,250	-	240,233	1,029,509	7,113,814
8. Main fund - 41 Funds	5,602,087	1,879	-	(184,876)	1,083,632	6,502,722
9. Emily Erskine Fund	2,949,354	-	-	(90,318)	570,504	3,429,540
10. Carew Shaw Fund	8,054,851	-	-	(64,563)	1,098,621	9,088,909
11. Porjes Fund	110,690	-	-	(33,439)	21,411	98,662
2021 Total	30,334,368	1,166,279	-	(181,315)	5,184,798	36,504,130

1. The Main Expendable Endowment Fund comprises 40 funds that distribute a fixed amount annually.
2. The Polonsky Endowment Fund is a gift of shares from the Polonsky Foundation. The income from these shares is used to fund specific grants made to the University on behalf of the foundation.
3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income for the BFHU.
4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.
5. The Gestetner Fund is being used to support the operating budget of the Harry S Truman Research Institute for the advancement of peace.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

20 Analysis of net assets between funds – As at 30 September 2022

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	1,237	-	-	1,237
Fixed asset investments	-	-	29,865,115	29,865,115
Current assets	3,669,177	871,332	1,844,945	6,385,454
Current liabilities	(1,092,914)	-	-	(1,092,914)
Long term liabilities	(826,446)	-	-	(826,446)
Total 2022	1,751,054	871,332	31,710,060	34,332,446

Analysis of net assets between funds – As at 30 September 2021

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	11,233	-	-	11,223
Fixed asset investments	445,649	881,521	35,277,970	36,605,140
Current assets	4,199,607	-	1,226,161	5,425,768
Current liabilities	(928,885)	-	-	(928,885)
Total 2021	3,727,604	881,521	36,504,131	41,113,256

21 Related party transactions

The total amount of donations made by the Trustees was £388,120 (2021: £302,572). One of the trustees, Anthony Graham Page is a majority shareholder and director of Tony Page Ltd which supplied catering and related services for the Gala dinner at a cost of £115,123.

There were no other related party transactions in the current or prior year, other than Trustee and Key Management Personnel transactions detailed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

22 Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net income for the year	(6,780,810)	5,335,368
Dividends received	(436,955)	(471,642)
Interest receivable	(31,035)	(34,270)
Investment management fees	191,149	173,807
Purchase of fixed assets	-	-
Depreciation and impairment of tangible fixed assets	9,996	9,996
(Gains) / losses on investments	4,171,302	(5,593,102)
(Increase) / decrease in debtors	(3,946)	2,051,565
Increase / (decrease) in creditors	990,475	725,397
Net cash flow from operating activities	(1,889,824)	2,197,119

Accounts

British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2021

British Friends of the Hebrew University of Jerusalem

Financial Statements

Year Ended 30 September 2021

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British Friends of the Hebrew University of Jerusalem

Reference and administration details

Year Ended 30 September 2021

Charity registration number	209691
Company registration number	06350828
Trustees	Isaac Kaye PhD Hon, President from 15/3/2022 Alan Henry Philipp, Honorary Treasurer Jenny Arwas MBE Alan Steven Jacobs, appointed 25/3/2021, Chair from 15/3/2022 Denise Nicole Joseph Jonathan Andrew David Marks Anthony Graham Page Joseph Smouha QC Derek Bryan Spitz Simon Tobelem David Mark Wernick
Chief Executive Officer	Nigel Salomon
Registered office	2nd Floor Supreme House 300 Regents Park Road London N3 2JX
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitor	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Barclays Bank PLC 28 Hampstead High Street Hampstead London NW3 1QB

British Friends of the Hebrew University of Jerusalem

Trustees Annual Report

Year Ended 30 September 2021

The Trustees present their report and the audited financial statements of the charity for the year ended 30th September 2021.

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 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) (Second Edition, effective 1 January 2019).

Trustees of the charity

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end were as follows:

Isaac Kaye PhD Hon, President from 15/3/2022 (RC, G)
Alan Henry Philipp, Hon, Treasurer (RC, IC, GC, G)
Jenny Arwas MBE (RC)
Alan Steven Jacobs, appointed 25/3/2021, Chair from 15/3/2022 (RC, IC)
Denise Nicole Joseph
Jonathan Andrew David Marks (G)
Anthony Graham Page
Joseph Smouha QC
Derek Bryan Spitz
Simon Tobelem
David Mark Wernick (GC, G)

RC = Remuneration Committee
IC = Investment Committee
GC = Grants Committee
G = Hebrew University Governors

Objectives and Activities

The British Friends of the Hebrew University (BFHU) is a national charity, registered in England and Wales, that focuses rigorously on its core purposes, supporting research, scholarships, and capital projects of the Hebrew University of Jerusalem (hereafter referred to as the Hebrew University) and supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

The aims of the BFHU are:

1. To fundraise in support of the academic development of the Hebrew University.
2. To promote awareness and standing of the Hebrew University and its global impact.
3. To undertake events and activities to generate income and awareness of the Hebrew University; and
4. To ensure the long term financial, operational, and reputational sustainability of the organisation

To do this the BFHU aims to operate to the highest professional standards in all areas of activity.

British Friends of the Hebrew University of Jerusalem

Trustees Annual Report

Year Ended 30 September 2021

Achievements and performance

Charitable activities

During the year, the Charity made grants to the Hebrew University and students of £4.2m (2019/20 £4.5m). Included are a small number of grants made to Hebrew University students, or alumni pursuing postgraduate studies in the UK.

Covid-19 Impact

For most of the year, the Charity continued to operate as it had done since the start of the pandemic in March 2020; Encouraging the professional team to work from home where appropriate and conducting events by video conference in the absence of travel to the Hebrew University campus. The welfare of the professional team and relationships with donors were prioritised along with principles of good governance.

The professional team were committed, flexible and innovative in challenging circumstances, all features that have contributed significantly to a year of successful fundraising. No furloughing or changes to contractual work arrangements were implemented with staff sicknesses accommodated as flexibly as possible.

Education, research, awareness and standing

BFHU grants in the period have made a significant impact on the education and research undertaken by the Hebrew University. BFHU events, albeit virtual, also helped in increasing public awareness and standing of the Hebrew University. Grants principally reflect donations received during the year and the annual distribution from endowment funds. The range of grants is highly diverse reflecting the range of interests of donors and the broad needs of the Hebrew University such as capital projects, research, scholarships, equipment, travel, and other grants such as prizes and ceremonies, including:

- Over 500 scholarships, prizes, and awards across all faculties at undergraduate, post-graduate, doctoral and post-doctoral levels, including UK students at the Hebrew University, Hebrew University students studying in the UK as well as some exchange programmes, either directly through the Charity or facilitated by it. In some cases, grants were supplemented by match funding from BFHU resources.

Areas covered include Science, Technology, Computer Science, Nanotechnology, Medicine, Pharmacy, Nursing, Veterinary Science, Dentistry, Agriculture, Pre-Academic Studies (Saltiel Center), Interfaith Studies, Law, Education, English, Asian Studies, History, Political Science, Jewish History Revivim (Jewish education), Peace Studies, Business Administration, Innovation & Entrepreneurialism, Social Work, International Relations, Russian / Slavic Studies. Some additional grants were designated to students experiencing hardship during the Covid crisis.

At the request of donors, some scholarships are designated to minority groups of students including Arab, Ethiopian, Haredi (ultra-Orthodox), new immigrants, students with a variety of disabilities, residents of the Israeli periphery, exchange students including those travelling to Asia and others on Business Studies international placements.

- Significant support for the International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development.
- Special scholarships, fellowships, prizes, and memorial lectures recognising undergraduate, graduate, doctoral and post-doctoral students represented by the Ellis & Alma Birk prizes in law, clinical legal education and agriculture, the Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding, the Kaye prizes for scientific innovation designed to encourage excellence and beneficial societal impact, the Alberman visiting fellowship in Water, Society and Geopolitics in the Middle East. The Annual Polonsky Prizes for creativity and originality in the Humanistic Disciplines were deferred to 2021/22. Funds supporting a range of cutting-edge research programmes especially medical science.

British Friends of the Hebrew University of Jerusalem

Trustees Annual Report

Year Ended 30 September 2021

- Support for Chairs established for research in range of fields, including cancer, molecular biomedicine, dermatology, biochemistry, botany, Israel-Diaspora relations and comparative cultures.
- Contribution to capital projects and equipment, including the Kennedy Leigh Complex for Ecosystems in Agriculture, refurbishment of first & second floors of the Institute for Archaeology on the Mount Scopus Campus, veterinary hospital equipment and, after year-end, Trustees approved a conditional grant of \$2m as part of a major building extension programme for the School of Social Sciences. Construction is expected to start late 2022.
- A distinguished medical faculty award of over £260,000 annually.
- Support for diverse projects undertaken by Hebrew University bodies such as Minerva Centre for Human Rights, the Harry S. Truman Research Institute for the Advancement of Peace, the Sacher Institute of Law and the 'Israel Justice Centres' Law programmes, Cyber Law, the Centre for Jewish Art documenting fast disappearing vestiges of Jewish life especially in Eastern Europe, the Faculty of Science for natural gas extraction in the Eastern Mediterranean basin, high intensity lasers, the faculty of Humanities for the International Centre for the study of Antisemitism, the centre for the Study of Multiculturalism, education, plant sciences ASPER-HUJI Innovate (The Hebrew University's centre for innovation and entrepreneurship), Chord Center (a Hebrew University) non-profit organisation that specializes in the social psychology of inter-group relations, and Hebrew University professional resources support for Haruv, a Jerusalem-based centre with expertise in the identification, prevention, and treatment of child abuse and neglect.

During the year the events programme of BFHU pivoted fully to the online world deploying locally generated resources, those of the Hebrew University and other Friends, in particular, the large American Friends organisation. BFHU also held joint events with other major entities and periodically marketed such events successfully across the Hebrew University's international Friends' network.

Ceremonies that would normally have taken place on campus in Jerusalem were moved online. These included the Alma & Ellis Birk law and agriculture annual prize awards and the Sir Sigmund and Lady Hazel Sternberg lecture in interfaith understanding and prize awards. An ongoing positive aspect of these virtual events has been the ability to include guests and family members on a global basis who might not normally be able to travel to Israel.

The Hebrew University's programme of over 60 webinars on Covid and many other topics was well received and BFHU Groups were able to hold a variety of virtual events:

- As the annual Lionel Cohen legal dinner hosted by Lord Pannick QC could not take place, it was replaced by a general legal group virtual event with special guest Prof Philippe Sands QC hosted by Joshua Rosenberg QC (Hon). Over 450 guests attended what became an international event with participation from over 10 countries.
- Honours (legators) Club events including a Chanukah virtual tea, attended by several Hebrew University postgraduates supported by BFHU and pursuing further studies in the UK and a cookery event with Silvia Nacamulli.
- Two online events with Synagogue communities on the topic of the global impact of the Hebrew University.
- A partnership speaker virtual event between BFHU and the Institute for Jewish Studies, UCL, with guest speaker Dr Vladimir Levin Director of the Hebrew University Centre for Jewish Art, in memory of Thea Zucker z"l.
- An online event for our animal-loving friends with Prof Gad Baneth, Director of the Hebrew University School of Veterinary Science, including the Veterinary Teaching Hospital. The event raised funds in support of abandoned and unfunded animals brought to the hospital.

Video meetings tailored between donors and students, researchers and Hebrew University leaderships became a staple activity in improving engagement with the Hebrew University and is expected to continue beyond the pandemic. This meant that donors who were unable, for whatever reason, to travel to the Hebrew

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University could meet on Zoom and at the same time involve family members from across the globe in such meetings.

The Kaye prize awards ceremony for scientific innovation and the Polonsky Prizes for creativity and originality in the Humanistic Disciplines, which are normally key ceremonies at the annual June international board gathering in Jerusalem, were put back to October 2021 and held online.

The annual BFHU legacy mission, planned to coincide with Israel's Independence Day in April 2020, had to be postponed by 24 months, now scheduled for May 2022. Legacy activity, including one-on-one virtual meetings, continued as important element of fundraising. Communications about legacies were sustained on the website and both digital and printed communications.

Hebrew University President Prof Asher Cohen and Director-General Yishai Fraenkel addressed BFHU Trustees on Zoom providing detailed insight into the University's strategic priorities, challenges and opportunities.

The period did see several fundraising activities including:

- An appeal mailing at Passover, in line with 2020, gift-matched by BFHU, designated to Hebrew University students suffering job losses and financial hardship during the first Covid-19 lockdown. Two similar segmented appeals to our legal and medical supporters provided funds for students of these 2 disciplines
- A Jewish New Year (Rosh Hashanah) mailed appeal to 3800 supporters, in part segmented to our medical group and legal groups. The main appeal supported Hebrew University International Agricultural Sciences Masters students from developing countries, the medical appeal focused on medical student scholarships and the legal appeal targeted support for the clinical legal education centres. A copy of the 2021/22 BFHU annual magazine ('Future') was mailed to every recipient with the goal of sharing a year of news, events and information about the Hebrew University and Friends' network

The pandemic prevented almost all campus visits and physical ceremonies when the BFHU team would normally accompany prospective and existing supporters as a catalyst to philanthropic giving

Impact of charitable activities

The charity considers that it plays an important role in enabling students to study at the Hebrew University who might otherwise have been unable to attend due to financial constraints, especially in challenging times such as during the pandemic. In addition, the Charity facilitates donations from UK supporters for appropriate educational purposes, contributing to world-class academic research, in turn benefiting society. The British Council's UK-Israel scientific research collaboration programme, BIRAX, announced that a new call for proposals in ageing would be made late in 2021. The role played by the Hebrew University during Covid – the search for easy-to-administer vaccines, remedial and repurposed drugs and research into future possible viruses - continue to be attractive causes for donors especially in the Hebrew University as a world-class research institution.

Key Performance Indicators

Total income of £8.3m, including donations going directly to the Hebrew University, exceeded the income target of £6.5m, permitting, over time, increased grants to the Hebrew University.

BFHU's investment portfolio achieved a blended total return of 18.7% in the period, comfortably permitting the annual target 3.5% distribution to the Hebrew University to support the purposes of the BFHU-held endowments.

Operating costs/income ratio was 6.4% in the period, in line with target.

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Principal Risks and Uncertainties

Risk Policy

The Trustees are responsible for the overseeing of the risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Management of the Charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

The Board confirms that the major risks to which the Charity is exposed have been reviewed, reassessed, and updated and, where practicable, systems have been established that are intended to mitigate those risks.

A risk analysis table summarising the key risks is monitored by the Chief Executive and is brought to the attention of the Board on at least an annual basis. This process forms an integral part of the Charity's annual review of its strategic plan and budget.

Human Resource risks such as loss of key staff members with localised knowledge.

Management mitigation: ensure team is professionally managed and motivated, competitively remunerated with annual appraisal reviews.

During pandemic: ensure welfare and engagement along with easy and reliable access to IT, no furloughing or adverse changes to remuneration or other terms of employment contracts.

Data & IT Integrity risks such as data protection, support and maintenance services, fire risk, and fraud.

Management mitigation: cloud hosted database, insured risk cover, professional IT support, multiple password protection, adherence to fire & security best practice.

During pandemic: extra resilience, redundancy, security, and back-up measures, extra caution over phishing and other risks.

Investment risks such as poor returns and foreign exchange exposure.

Management mitigation: diversified investment portfolio managed externally by 2 major international fund managers, the BFHU board sub-committee in place, international benchmarking across other Hebrew University Friends.

During pandemic: close oversight by the investment committee, regular discussion with investment managers. Strong reserves position to support operational needs.

Income risks such as disproportionate reliance on key donors.

Management mitigation: highest quality donor care for donor retention including tailored Zoom meetings with the Hebrew University, activities to grow the database with GDPR opt-in, attractive events, creative marketing to maintain engagement, third party partnerships.

During pandemic: proactive contact with donors to ensure relevance and maintain reputation, supported by a creative and engaging programme of online activities segmented for different audiences.

Governance risks such as poor compliance due to working from home.

Management mitigation: maintain strict routine of monthly management accounting and reporting reinforcing a culture of compliance with sound annual auditing stipulations and statutory accounts.

The Trustees believe that the challenging macroeconomic economic outlook, including inflationary pressures, could have a negative financial effect beyond the short-term. They also recognise that, although annual endowment grants are made in sterling, Hebrew University expends money mainly in shekels. The portfolios

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have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the foreign exchange risks.

COVID-19 has had a limited impact on the global endowment portfolio because it is well diversified. Although income may be reduced, the Trustees believe that the accumulated total return is sufficient to maintain the annual 3.5% distribution to the Hebrew University. Gifts from major donors have continued for which BFHU is very grateful; these donations are key to the Hebrew University's pursuit of excellence.

Reserves Policy

The Trustees are keenly aware of the need to secure the Charity's future beyond the immediate day-to-day requirements. To continue to honour its commitments to the University, the Charity needs to have sufficient funds to be able to absorb periodic setbacks in its ability to raise funds, and to take advantage of opportunities as situations arise. The management of the Charity also considers it prudent that some reserves should be maintained to finance working capital requirements.

The Charity has looked at the risk profile of income streams along with past expenditure patterns, anticipated changes and committed expenditure and the extent to which the charity can curtail or change the timing of cash outflows. The Charity has also looked at timing the cash outflows to match the timing of cash inflows. Where this is not possible, reserves needed to fund expenditure in advance of income receipts, or expenditure delayed are estimated.

The charity believes that it will need reserves to cover a least 12 months' overheads plus £150,000 to cover the cost of funding fund raising activities where the sponsorship is received after the event has taken place. Accordingly, as at 30 September 2021, the targeted free reserves position was £700,000.

The Trustees continue to maximise unrestricted funds income to a level that covers operating costs, however, doing so without stifling marketing and fund raising. In doing so, operating losses may occur in some years.

At the year end, the charity held total funds of £41,113,256; most of these funds are endowed or restricted and therefore do not form part of the free reserves. Excluding these items and those funds held as tangible fixed assets the free reserves were £3,727,603.

The current level of free reserves is above the target level. The Trustees continue to monitor the level of reserves and will seek to address this position in due course. In the meantime, the funds are invested predominantly in the Charity's investment portfolio.

Future plans

Our future plans are financed primarily from our annual income and from our expendable endowment reserves. The Trustees seek to maintain an equitable balance ensuring BFHU's current commitment to the University is maintained which facilitates their own planning. At the same time, BFHU aims to ensure that a sound infrastructure and robust financial base are preserved. When surpluses accumulate beyond the agreed policy level, the Trustees will review options for the optimum benefit to both BFHU and the Hebrew University

The Board sees 2021/22 as a year of ongoing challenges, especially in relation to the aftermath of the pandemic, its contribution to a volatile economy and investment environment and overall confidence in social gathering and travelling. Operationally, the professional team is shifting towards office-based working although a new culture of flexible working will prevail. Additional factors include 'overhang' uncertainties in relation to Brexit, competitive demands and financial pressures on philanthropists, the significant needs of the Hebrew University itself and public confidence about attending events and generally gathering indoors.

The Trustees welcome the solid performance of 2020/21, one of the best income years in the 95-year history of the organisation. Emphasis will continue to be placed on cost management and a motivated professional team with commitment to the very highest standards of donor care and satisfaction, supported by brand Integrity, creative events (virtual and in due course physical) with communications laying emphasis on digital platforms such as social media. Legacy activity will be up-weighted as well as efforts to grow the database to increase the addressable audience. Exploring new partnerships and sponsorship opportunities will form a part

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of marketing activity in 2021/22 but which will doubtless be heavily digital in character. In addition, plans will be developed to address a younger audience interested in many global issues and challenges, solutions for which the Hebrew University is very active.

Building on the work of the past 12 months, BFHU will continue to be a key player in Hebrew University-led international collaboration to identify synergies and share best practice to include access to new donors and leveraging marketing skills. BFHU will aim to become more active in the Hebrew University Friends' European bloc. Collaboration increased across the entire Friends network and with the Hebrew University during 2020/21 setting a strong foundation for this to expand. Hopefully this will include international coordination identifying and approaching new major donors and for current donors.

All Trustees have the potential to help in the achievement of annual objectives and the long-term sustainability of the organisation especially in securing new donors and supporting a range of events.

Constantly working to identify a match between new potential donors and specific Hebrew University projects will be key, especially given defined priorities of the Hebrew University's 7-year \$1bn campaign programme, 2018-2025.

Based on success to date, match-funding and co-donor opportunities will be explored where it is believed incremental donations can be secured.

BFHU will continue to maintain a diverse programme of events, most likely on-line, including specific events designed to expose the Hebrew University and the work of the Charity to the wider public. This will include the planning of a gala event in 2021/22 but with an uncertain date for execution. An ongoing series of webinars will help expose the Hebrew University's activities and achievements. Subject to travel restrictions, deploying Hebrew University faculty will be a core element.

Encouraging Hebrew University campus visits will continue in order to showcase the University's facilities, activities, faculty, and students in a powerful manner, especially to the annual BFHU legacy mission. Although travel is expected to remain limited, plans are being made for a legacy mission in May 2022 and to promote 'study at HU'.

BFHU will endeavour to support the Hebrew University in securing new incremental revenue streams such as impact philanthropy in Yisum, the TTO of the Hebrew University and by growing the alumni database.

BFHU will continue to encourage and help fund students going to the Hebrew University whilst working to help nurture academic collaboration with the best UK academic and research institutions. This will assist the Hebrew University's stated strategic objective of internationalisation, student exchange programmes and facilitating students spending time in overseas academic and research institutions. For all directly funded students, BFHU employs a series of due diligence measures including references, validating attendance at the educational institution, grants paid in tranches and term reports on academic progress.

BFHU recognises the stipulations of legislation to ensure charity compliance with general data protection regulations. Efforts to grow the database will continue while ensuring proper consent in full compliance with GDPR regulations.

The COVID-19 pandemic has had a limited impact on day-to-day operations as the organisation has the capacity to function remotely using the cloud which enables contact with all systems, banking, donor records and through Zoom with colleagues internationally. Physical events are likely to continue to be put on hold; this has had limited impact on the level of donations. A third year without a gala event or campus visits might in the medium-term impact adversely. Investment income might reduce, however it contributes typically less than 5% on average to the total income for the year.

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Financial review

During the year under review, the Charity showed an unrestricted net deficit of £301,674, leaving a retained balance on general funds of £3,727,603 as of 30th September 2021, after use of funds for matching and a special project at the Hebrew University of £526,057.

Income for the year amounted to £4,648,738 (2020: £5,334,946), £4,124,003 (2020: £4,710,695) of which was donated by our generous supporters and £524,735 (2020: £624,251) was generated from other trading activities and our investment funds. This enabled the Charity to give grant funding to the University and students of £4,304,484 (2020: £4,610,077).

The donations made directly by donors associated with BHFU direct to the Hebrew University are significant. To enable the readers of the accounts to appreciate the wider contribution that the Charity makes to the University, the value of these donations and the corresponding donation expenditure are set out in the memorandum income and expenditure analysis. The Trustees consider this provides a helpful measure of the scale of funding to the HU that the charity generates.

BFHU's Contribution to the Hebrew University of Jerusalem

<u>Income</u>	Note	2021			2020
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Total income as presented		126,183	3,356,275	1,166,280	4,648,738
Direct donations to the Hebrew University (HU)		-	3,696,172	-	3,696,172
Total income attributable to the BFHU by the HU	18	126,183	7,052,447	1,166,280	8,344,910

<u>Expenditure</u>	Note	2021			2020
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Grants funding activities as presented	6	-	4,304,484	-	4,304,484
Direct donations to the Hebrew University (HU)		-	3,696,172	-	3,696,172
Total grants attributable to the BFHU by the HU	18	-	8,000,656	-	8,000,656

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At the year end the Charity had unrestricted funds of £3.7m, restricted funds of £882k and available expendable endowment resources of £36.5m.

Structure, Governance and Management

Nature of Governing Document

The Charity is governed by its memorandum and articles of association dated 21st August 2008.

Organisational structure (Structure, Governance and Management)

The Charity is controlled by the Directors/Trustees, the Chief Executive Officer runs the charity on a day-to-day basis and reports to the Trustees monthly.

The support staff are split by function, such as donor support operations, marketing, finance and fundraising all reporting directly to the CEO in a flat organisational structure.

Recruitment and appointment of Trustees

Members of the Board are recruited based on their core competencies, a mix of skills, their experience in the sector and general commitment to the cause. Where possible the Board consider that the skills of the members should provide a mix of the following:

- A Trustee with a legal background.
- A Trustee with a financial/accounting background.
- A Trustee with educational and academic research sector experience.
- A Trustee with senior managerial or business experience; and
- At least one female Trustee and at least one male Trustee

Induction and training of Trustees

All new Board members are, before their appointment, provided with a pack of relevant materials, and invited to meet the Chief Executive Officer and other Board members. Following their appointment, they are introduced to the staff of the BFHU and to visiting University officials such as the President. Members of the Board are encouraged to visit the University in Israel. Trustee engagement is an ongoing process. Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

Arrangements for setting key management personnel remuneration

The pay of senior staff is reviewed annually by the remuneration committee. The review is performed by using benchmarks from similar organisations and against the performance of personal objectives.

Investment policies & performance

The Trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding investments which might damage the Charity's reputation.

BFHU adheres to Charity Commission guidance on ethical investments. The Investment Advisory Committee may from time to time, where it is consistent with that advice, direct the investment managers not to make direct investments in specific companies.

Equity markets, having started to rebound from their COVID pandemic lows at the end of March 2020, stayed strong for most of the period to the end of September 2021. The willingness of investors to take risk meant that bonds, typically the low-risk element of portfolios, provided negative returns and equities performed strongly with the FTSE All Share producing a total return of almost 28%. Against this background Investec funds produced a gross return of 17.9% (pre fees) and the Rothschild & Co portfolio produced a net return of 19.98% (post fees).

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The Trustees monitor the performance of the investment portfolio against benchmarks for total return set for the year as follows:

- Investec:	19.1%
- Rothschild & Co:	19.73%

Grant making policies

Grants made from restricted funds and from the income and, in some cases, the capital derived from endowment funds, are made in a manner as closely aligned as possible with the original wishes of the donor. Grants are approved by a BFHU committee with Board delegated authority.

The Charity makes extensive grants to the Hebrew University for purposes such as buildings, equipment, research programmes and scholarships.

£50K annually was allocated for scholarships in 2020/21 some of which are awarded to Hebrew University students extending their studies at master's degree and doctoral level in the UK. £60K has been allocated for these purposes for 2021/22. The unused budget of £4,450 for 20/21 is carried forward to 2021/22.

Fundraising

Major fundraising is undertaken by personal approaches carried out by the CEO and Director of Development. The charity has not subscribed to any fundraising schemes and does not use a third-party fundraiser and is registered with The Fundraising Regulator. The principal fundraising event is a biennial gala dinner with a distinguished speaker and not open to the wider public, although the current pandemic has prevented such an event taking place in 2020/21. The event is expected to be revived in 2022.

BFHU continually improves its website to make it more user-friendly and promotes content through with e-newsletters and an annual hard copy magazine. Smaller online webinars and events support engagement with potentially new and existing supporters. Social media channels are being developed for a new younger audience.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

Going concern

The Trustees have evaluated that there are no conditions or events that exist which raise doubt about the Charity's ability to continue as a going concern.

Relationship with donors

BFHU is committed to the highest standards of fundraising, and to always abide by the Code of Fundraising Practice and has registered with the Fundraising Regulator. This shows commitment to good fundraising practice.

We aim to ensure the best experience for our supporters and donors. As a member of the fundraising community, we commit to our own professional development, to ensure that we abide by the Charities (Protection and Social Investment) Act 2016 and to the vision - Excellent fundraising for a better world.

Donors and prospective donors are considered key stakeholders, with major donors allocated an account manager whose role is to 'represent the donor to the Hebrew University and the Hebrew University to the donor'. Regular contact is made with all donors proportionate to the complexity of a project supported. Donors receive regular reports from the Hebrew University via the BFHU office.

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Invitations are issued to a series of events including guest Hebrew University lecturers. Donors are all encouraged to visit the Hebrew University to see its work first-hand including students and researchers with whom they might be connected through philanthropic giving.

BFHU continues to develop groups including legal, young professional, alumni, women's group medical, legators and its long-standing Glasgow Friends. These interest groups serve the specific interests of those associated and connect participants to related Hebrew University projects.

BFHU issues regular e-newsletters, updates its website with Hebrew University latest news and publishes an annual magazine, occasionally featuring specific donors subject to their prior agreement. Social media networks are now used regularly as additional channels of communication

Donors are recognised at the Hebrew University on various plaques *or at appropriate ceremonies*.

Communication directly with donors by the Hebrew University is carefully coordinated with the BFHU to ensure an aligned approach.

There were no complaints from donors during the year.

Public benefit statement

The Hebrew University's objectives include developing advanced learning, to provide for research and instruction excellence in a range of subjects and to ensure their advancement and dissemination for the benefit of humanity worldwide. In conjunction with a network of fellow Friends groups worldwide, BFHU supports the goals of the University and has been active since 1926, one year after the formal opening of the University itself.

The Hebrew University marked the 100th anniversary of its cornerstone laying in 2018 and is now in the third year of a 7-year \$1bn international Hebrew University fund-raising campaign. BFHU is committed to 9% of this goal. Key disciplines of the Hebrew University include medicine and computational medicine, neuroscience, pharmacology, public health, agriculture, food science and environment, veterinary science (and clinical veterinary work), marine sciences, engineering, nanotechnology, computing including quantum computing, social sciences, law, and humanities disciplines where leading-edge research and numerous discoveries continue to help peoples and nations around the globe, feeding, curing, healing and facilitating understanding across borders. Increasingly issues around the environment, climate and sustainability are gaining profile with commercialisation playing a part in bringing new medicines and technologies to a global marketplace. This is undertaken by the Hebrew University technology transfer company, Yissum.

The University is open to all and seeks to enhance regional and global dialogue along with mutual understanding, by creating an environment of open-thinking and tolerance.

The University continues to engage closely with its local communities in Israel across the social spectrum, which the BFHU endeavours to support. BFHU also works to bring leading University faculty members to the UK and to support University alumni in pursuit of further studies in the UK, including educational or academic exchanges. This is aimed at advancing the exchange of views, as well as academic and research collaboration frameworks.

The Directors & Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Trustees' responsibilities statement

The Trustees of the BFHU (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application

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Year Ended 30 September 2021

of resources, including the income and expenditure, of the charitable company for that period. 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.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- To prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company'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.

The financial statements were approved and authorised for issue by the Board of Trustees on 18 May 2022 and signed on behalf of the Board:

I Kaye

Isaac Kaye
Trustee
Date: 18 May 2022

Alan Philipp

Alan Henry Philipp
Trustee
Date: 18 May 2022

British Friends of the Hebrew University of Jerusalem

Independent Auditors' Report

Year Ended 30 September 2021

Opinion

We have audited the financial statements of British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2021 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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 Trustees' 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 significant doubt on the charitable company'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 Trustees' Annual Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

British Friends of the Hebrew University of Jerusalem

Independent Auditors' Report

Year Ended 30 September 2021

- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 14-15 the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to health and safety requirements, GDPR, employment law, charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006, the Charities Act 2011, the Statement of Recommended Practices for Charities (SORP) and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to improper recognition of revenue and management bias in certain accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

Independent Auditors' Report

Year Ended 30 September 2021

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

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.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Tom Brain (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
10 Queen Street Place
London EC4R 1AG

Date: 24 May 2022

British Friends of the Hebrew University of Jerusalem

Statement of Financial Activities (Including Income and Expenditure Account)

Year Ended 30 September 2021

		2021				2020
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	2	78,543	2,879,180	1,166,280	4,124,003	4,710,695
Other trading activities	3	-	18,723	-	18,723	22,831
Investments	4	47,640	458,372	-	506,012	601,420
Total income and endowments		126,183	3,356,275	1,166,280	4,648,738	5,334,946
Expenditure on:						
Raising funds	5	(427,856)	(1,325)	(173,807)	(602,988)	(589,340)
Charitable activities	6	-	(4,303,484)	-	(4,303,484)	(4,610,077)
Total expenditure		(427,856)	(4,304,809)	(173,807)	(4,906,472)	(5,199,417)
Net gains on investments	14	-	234,497	5,358,605	5,593,102	11,013
Net income		(301,673)	(714,037)	6,351,078	5,335,368	146,542
Transfers between funds	18	(526,057)	707,372	(181,315)	-	-
Net movement in funds	18	(827,730)	(6,665)	6,169,763	5,335,368	146,542
Reconciliation of funds:						
Total funds brought forward	18	4,555,334	888,186	30,334,368	35,777,888	35,631,346
Total funds carried forward	18	3,727,604	881,521	36,504,131	41,113,256	35,777,88

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 21 to 39 form part of these financial statements.

British Friends of the Hebrew University of Jerusalem

Balance Sheet

Year Ended 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	11,233	21,229
Investments	14	36,605,140	32,335,024
		36,616,373	32,356,253
Current assets			
Debtors	15	1,106,621	3,158,286
Cash at bank and in hand		4,319,147	466,837
		5,425,768	3,625,123
Creditors: amounts falling due within one year	16	(928,885)	(203,488)
Net current assets		4,496,883	3,421,635
Net assets		41,113,256	35,777,888
Charity Funds			
Endowment funds			
Permanent endowments	18	-	-
Expendable endowments	18	36,504,131	30,334,368
Restricted funds	18	881,522	888,186
Unrestricted funds	18	3,727,603	4,555,334
Total charity funds	18	41,113,256	35,777,888

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board of Trustees on 18 May 2022 and signed on behalf of the Board:

I Kaye

Isaac Kaye
Trustee
Date: 18 May 2022

Alan Philipp

Alan Henry Philipp
Trustee
Date 18 May 2022

The notes on pages 21 to 40 form part of these financial statements.

British Friends of the Hebrew University of Jerusalem

Statement of Cash Flows

Year Ended 30 September 2021

	Note	2021 £	2020 £
Cash flow from operating activities	23	2,197,119	(2,092,770)
Net cash flow from operating activities		<u>2,197,119</u>	<u>(2,092,770)</u>
Cash flow from investing activities			
(Withdrawals from) additions to the Investment Portfolio		1,141,204	255,718
Payments to acquire investments		(7,121,700)	(6,862,863)
Receipts from sales of investments		7,129,675	6,847,170
Interest received		34,551	52,099
Dividends received		471,461	549,321
Net cash flow from investing activities		<u>1,655,191</u>	<u>841,445</u>
Net increase in cash and cash equivalents		3,852,310	(1,251,325)
Cash and cash equivalents at 1 October		466,837	1,718,162
Cash and cash equivalents at 30 September		<u>4,319,147</u>	<u>466,837</u>

The notes on pages 21 to 40 form part of these financial statements.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

1 Summary of significant accounting policies

(a) General information and basis of preparation

British Friends of the Hebrew University of Jerusalem is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 209691) and Registrar of Companies (Company Registration Number 06350828) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are to support research, scholarships and capital projects of the Hebrew University whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

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 (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted 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 presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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.

(b) Going concern

The financial statements have been prepared on a going concern basis and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. 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 are sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

(d) Income recognition

All incoming resources are 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. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted.
- The executors have established that there are enough assets in the estate to pay the legacy; and
- All the conditions attached to the legacy have been fulfilled or are within the charity's control.

Income from fundraising events to raise funds for the Charity is recognised when received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

(e) Expenditure recognition

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 costs incurred seeking voluntary contributions through donations, investment management costs and the running of fundraising events during the year.
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

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 a grant. 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.

(f) 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 specific headings, they have been

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time

spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The land in Israel was valued on 19th January 2017 at £26,000. The Trustees believe that it is prudent to amortise this as it has been unable to sell it.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% straight line
Fixtures and fittings	20% straight line
Phone system	20% straight line

(h) Investments

The Charity has equity investments in listed entities. Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors and creditors receivable / payable within one year

Debtors are recognised 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.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

(j) Leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

(l) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

(m) Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Tax

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

(o) Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost, as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

(q) Judgements and key sources of estimation uncertainty

The judgements that have had the most significant effect on amounts recognised in the financial statements are the estimation of legacies receivable, allocation of support costs and depreciation rates. The estimates and associated assumptions are based on historical experience and other relevant factors. The underlying assumptions which affect these judgements are reviewed on an ongoing basis.

2 Income from donations and legacies

	2021	2020
	£	£
Legacies	1,259,560	1,918,177
Regular giving	2,864,443	2,792,518
Total	4,124,003	4,710,695

Income from donations and legacies was £4,124,003 (2020 - £4,710,695) of which £1,166,280 (2020 - £551,602) was attributable to endowments, £2,879,180 (2020 - £2,678,551) was attributable to restricted and £78,543 (2020 - £1,480,542) was attributable to unrestricted funds.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

3 Restricted donations from events – Raising Funds

	2021 £	2020 £
Events income – Conferences and similar events	18,723	22,831
Total	18,723	22,831

Donations from events in 2021 and 2020 were attributable to restricted funds.

4 Income from investments

	2021 £	2020 £
Dividends - equities	471,642	549,321
Interest - fixed interest securities	34,358	50,776
Interest - deposits	12	1,323
Total	506,012	601,420

Income from investment was £506,012 (2020 - £601,420) of which £458,372 (2020 - £555,116) was attributable to endowments, and £47,640 (2020 - £46,304) was attributable to unrestricted endowment funds. The BFHU portfolio at Rothschild does not have any individual Fixed Interest holdings, the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund and the income received is paid as a dividend.

5 Costs of raising funds

	2021 £	2020 £
Support costs	429,181	426,290
Investment management costs	173,807	163,050
Total	602,988	589,340

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

6 Analysis of expenditure on charitable activities

	Grant funding of activities £	Support costs £	Total £
Grants to students	244,000	-	244,000
Grants to the Hebrew University	3,928,738	130,746	4,059,484
2021 Total	4,172,738	130,746	4,303,484
<i>Grants to students</i>	244,000	-	244,000
<i>Grants to the Hebrew University</i>	4,230,541	135,536	4,366,077
<i>2020 Total</i>	4,474,541	135,536	4,610,077

£743,439 (2020 - £1,699,828) of the above costs were attributable to endowment funds and £3,429,299 (2020: £2,774,713) were attributable to restricted funds. Total support costs of £130,746 (2020: £135,536) are analysed in Note 7.

The BFHU remits approximately £4.3 million each year to Hebrew University, mainly from annual gifts but budgets also just over £1 million from existing Endowment Funds. It also is involved in securing a further £3.7 million donations that go directly to the Hebrew University.

SCHOLARSHIPS

One of the largest donations is from the Pears Foundation and is used to fund students doing the international master's in public health. These students mainly come from the poorer countries in Africa and without the scholarships they could not attend Hebrew University. There is a major Social Impact from these students when they return to their country and are active in Public Health, often at an extremely high level. Alumni are also in regular contact with their peers.

Other scholarships are specifically given to disadvantaged students who would not be able to attend HU without such external help. They include students with disabilities, Arab Students, Charedi (Religious Jews) and those of Ethiopian backgrounds.

RESEARCH

One example of donations is from the Carew Shaw Endowment Fund. £260,000 is used each year for a Distinguished Medical Award. This is normally given to encourage very bright Researchers to come to HU, often after post-Doctoral work in USA. Several of these have subsequently won European Research Council awards which recognises the contribution their Research is making on an international basis. This also enhances the reputation of Hebrew University.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

PRIZES

The Kaye innovation awards in Experimental Science and the Polonsky prizes for creativity & originality in Humanistic Disciplines recognise excellence and important research or teaching at the University. Such prizes help to enhance the reputation not only of the individual recipients but also the University as a whole.

LECTURES

Specific BFHU funds help to support important lectures by top legal and medical experts visiting Israel and lectures held in UK. These are very important both from the point of view of those attending the lectures and enhancing the Reputation of the University.

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2021 £
Salaries & other staff costs	Staff time	236,580	101,391	337,971
Establishment costs	Staff time	74,595	5,845	80,440
Printing, advertising, and administration	Direct	61,187	23,510	84,697
Motor and travelling expenses	Direct	2,479	-	2,479
Event costs	Direct	1,325	-	1,325
Governance costs	Direct	29,756	-	29,756
Information technology	Direct	23,259	-	23,259
Total 2021		429,181	130,746	559,927

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2020 £
Salaries & other staff costs	Staff time	228,497	96,786	325,283
Establishment costs	Staff time	68,826	15,109	83,935
Printing, advertising, and administration	Direct	72,432	23,641	96,073
Motor and travelling expenses	Direct	9,753	-	9,753
Event costs	Direct	3,636	-	3,636
Governance costs	Direct	25,175	-	25,175
Information technology	Direct	17,971	-	17,971
Total 2020		426,290	135,536	561,826

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

In 2021 & 2020 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2021 & 2020 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

8 Governance costs

	2021 £	2020 £
Auditors' remuneration	17,820	16,200
Legal fees	460	2,553
Other	11,476	6,422
Total	29,756	25,175

9 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	3,928,728	-	3,928,728
Designated projects	£1,601,315		
Scholarships	£2,268,422		
Prizes	£39,971		
Institute for Medical Research	£19,020		
2021 Total	3,928,728	244,000	4,172,728
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	4,230,541	-	4,230,541
Designated projects	£1,557,738		
Scholarships	£2,593,008		
Postcard Collection	£14,242		
Prizes	£39,053		
Institute for Medical Research	£26,500		
2020 Total	4,230,541	244,000	4,474,541

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

Further details of the charitable activities supported by the grants made in the year are given in the Trustees Report.

10 Net income for the year

Net income is stated after charging / (crediting):

	2021 £	2020 £
Depreciation/Impairment of tangible fixed assets	9,996	9,996
Auditors' remuneration - Audit fees	14,850	13,500
Finance charges payable	2,568	4,439
Operating lease rentals	48,372	48,372
Net (gains) / losses on foreign exchange	10,922	3,104

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2020- £Nil).

The total amount of employee benefits received by Key Management Personnel is £164,225 (2020 - £161,504) and includes the current year performance bonus yet to be approved and paid, plus employer's National Insurance contributions at 13.8%. The Charity considers its Key Management personnel comprise the Trustees and the Chief Executive. The Chief executive is the only full-time member of staff.

The Trustees did not have any expenses reimbursed during the year (2020- £Nil).

12 Staff costs and employee benefits

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

	2021 Number	2020 Number
Raising funds	3	3
Charitable activities	1	1
Governance	1	1
	5	5

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	2021 Number	2020 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	4	4

The total staff costs and employees' benefits was as follows:

	2021 £	2020 £
Wages and salaries	300,033	288,926
Social security	30,617	29,678
Other staff costs	7,321	6,679
	337,971	325,283

No staff costs or employee benefits were paid by Related Parties.

The number of employees who received total employee benefits (excluding employer pension costs) but including employer NI costs of more than £60,000 is as follows:

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£160,001 - £170,000	1	1
	1	1

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation: At 1 October 2020	26,000	7,308	63,609	96,917
Additions	-	-	-	-
At 30 September 2021	26,000	7,308	63,609	96,917
Depreciation/Impairment: At 1 October 2020	4,772	7,307	63,609	75,688
Charge for the year	9,996	-	-	9,996
At 30 September 2021	14,768	7,307	63,609	85,684
Net book value: At 30 September 2021	11,232	1	-	11,233
At 30 September 2020	21,228	1	-	21,229

Land in Israel

The Trustees have re-assessed the value of the land in Israel and have recognised an impairment loss accordingly.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2020	32,335,024
Additions at cost	7,121,700
Disposals proceeds	(7,129,675)
Revaluations	5,593,102
Investment management fees	(173,807)
Transfers in/(out) to portfolio	(1,103,588)
Cash in transit	(37,616)
At 30 September 2021	<u>36,605,140</u>
 <u>Historical Cost:</u>	
At 30 September 2021	<u>26,703,092</u>

Listed Investments at fair value comprise:

	2021 £	2020 £
Investment Funds	1,919,022	1,260,635
UK listed investments	8,572,698	7,273,737
UK cash deposits	1,071,417	1,563,071
Fixed income	5,369,946	4,908,350
UK other investments	1,470,704	1,725,163
Overseas investments	<u>18,201,354</u>	<u>15,604,068</u>
	<u>36,605,140</u>	<u>32,335,024</u>

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

The fair value of listed investments is determined by reference to bid prices from the appropriate Stock Exchange, market makers or from the relevant fund manager. Where fund managers publish a single price, i.e., for OEICS, the valuation has been prepared based on the published price.

15 Debtors

	2021 £	2020 £
Trade Debtors	800	800
Legacies due	1,061,479	3,092,455
Prepayments	29,139	62,615
Gift aid recoverable	15,203	2,416
	<u>1,106,621</u>	<u>3,158,286</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	17,579	15,294
Amounts held in the UK pending transfer to the Hebrew University	772,877	69,670
Other tax and social security	7,977	8,429
Other creditors	771	823
Accruals	129,681	109,272
	<u>928,885</u>	<u>203,488</u>

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

17 Financial commitments

The operating lease represents a premises lease signed on 18th October 2018 and expiring on the 30th September 2023.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than one year	74,998	73,389
Later than one and not later than five years	74,998	146,778
	149,996	220,167

18 Fund reconciliation

Fund descriptions

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for designated purposes. The aim and use of each designated fund are set out below.

Restricted funds relate to donated income or grants that have been specified for by the donor or granter for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified for by the donor or granter for a specific purpose and where it has been specified that both income and gains and original capital are to be distributed over several years.

Unrestricted funds

	Balance at 1 October 2020 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2021 £
Unrestricted – General	4,555,334	126,183	(427,856)	(526,057)	-	3,727,604
Total	4,555,334	126,183	(427,856)	(526,057)	-	3,727,604

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

- Transfers of £526,057 was made from unrestricted funds to restricted funds in respect of the charity's contribution towards scholarships of £59,086, and £466,971 for the recruitment of a faculty member.

Restricted funds

		Balance at 1 October 2020	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
		£	£	£	£	£	£
Restricted		888,186	3,356,275	(4,304,809)	707,372	234,497	881,521
		888,186	3,356,275	(4,304,809)	707,372	234,497	881,521
Permanent Endowment funds	19	-	-	-	-	-	-
Expendable Endowment funds	20	30,334,368	1,166,280	-	(181,315)	5,358,605	36,504,131
		30,334,368	1,166,280	-	(181,315)	5,358,605	36,504,131
2021 Total		31,222,554	4,522,555	(4,304,809)	526,057	5,419,296	37,385,652
<i>2020 Total</i>		32,060,248	3,808,100	(4,599,471)	105,714	(152,037)	31,222,554

Restricted Funds

During the year, the charity received many donations that were restricted, all of which were applied in accordance with the donors wishes, due to the large number and the immaterial nature of each individual fund it is not practical to report on each fund activity.

At the year-end there was £548k worth of donations restricted for projects within the Hebrew University and £334k of scholarships awaiting confirmation of students and projects.

During the year transfers into this fund of £707,372 were made as follows; £526,057 from unrestricted funds (covering £59,086 for matching and £466,971 funding in support of the recruitment of a HU new young faculty member. Payment was initially made from the BFHU scholarship and student fund, but it was later decided that the money should come from the general G Pinto legacy totalling £503,505). The balance of £181,315 came from the endowment funds.

In total £1,210,411 grants (less the replenishment noted above) was made from the expendable endowment funds for 20-21.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

Endowment Funds

The Trustees have agreed to spend up to a total of 3.5% of the balance of funds at the beginning of the year £1,181k which is less than the income and gains for the current year.

19 Permanent Endowment Funds

There are no Permanent Endowment funds at the year end.

	Balance at 1 October 2019	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2020
	£	£	£	£	£	£
1. Main Fund – held in the UK	5,445,651	-	-	(5,445,651)	-	-
2. Emily Erskine Fund	2,391,387	-	-	(2,391,387)	-	-
3. Carew Shaw Fund	8,615,514	-	-	(8,615,514)	-	-
4. Porjes Fund	104,641	-	-	(104,641)	-	-
5. BFHU Research & Teaching – Israel	2,268,468	-	-	(2,268,468)	-	-
6. BFHU Scholarship & Student Aid - Israel	3,453,872	-	-	(3,453,872)	-	-
2020 Total	22,279,533	-	-	(22,279,533)	-	-

20 Expendable Endowment Funds

	Balance at 1 October 2020	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
	£	£	£	£	£	£
1. Main Fund -43 funds	3,782,213	1,162,150	-	79,717	666,697	5,690,777
2. Polonsky Fund	98,776	-	-	-	39,250	138,026
3. Archie Sherman Fund	207,789	-	-	(43,251)	29,560	194,098
4. Joels Fund	1,170,499	-	-	(39,564)	226,414	1,357,350
5. Gestetner Fund	583,030	-	-	(16,529)	112,778	679,279
6. BFHU Research & Teaching	1,933,257	-	-	(28,725)	306,422	2,210,954

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

7. BFHU Scholarship & Student Aid	5,841,822	2,250	-	240,233	1,029,509	7,113,814
8. Main fund -41 Funds	5,602,087	1,879	-	(184,876)	1,083,632	6,502,722
9. Emily Erskine Fund	2,949,354	-	-	(90,318)	570,504	3,429,540
10. Carew Shaw Fund	8,054,851	-	-	(64,563)	1,098,621	9,088,909
11. Porjes Fund	110,690	-	-	(33,439)	21,411	98,662
2021 Total	30,334,368	1,166,279	-	(181,315)	5,184,798	36,504,131

Expendable Endowment Funds

	Balance at 1 October 2019	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2020
	£	£	£	£	£	£
1. Main Fund	3,543,665	-	-	70,613	167,935	3,782,213
2. Polonsky Fund	112,026	-	-	-	(13,250)	98,776
3. Archie Sherman Fund	370,746	-	-	(25,000)	(137,957)	207,789
4. Joels Fund	1,142,905	-	-	(32,768)	60,362	1,170,086
5. Gestetner Fund	565,845	-	-	(12,700)	29,885	583,030
6. BFHU Research & Teaching	90,916	-	-	1,974,500	(132,159)	1,933,257
7. BFHU Scholarship & Student Aid	3,109,416	100	-	2,773,524	(41,218)	5,841,822
8. Main fund – held in the UK 74 Funds (LY 75 Funds)	-	47,331	-	5,267,175	287,581	5,602,087
9. Emily Erskine Fund	-	504,171	-	2,318,883	126,300	2,949,354
10. Carew Shaw Fund	-	-	-	8,559,894	(505,043)	8,054,851
11. Porjes Fund	-	-	-	105,163	5,527	110,690
2020 Total	8,935,519	551,602	-	20,999,284	(152,037)	30,334,368

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

1. The Main Expendable Endowment Fund comprises 43 funds that distribute a fixed amount annually.
2. The Polonsky Endowment Fund is a gift of shares given by the Polonsky Foundation. The income from these shares is used to fund certain grants made to the University on behalf of the foundation.
3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income of the BFHU.
4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.
5. The Gestetner Fund is being used in support of the operating budget of the Harry S Truman Research Institute for the advancement of peace.

21 Analysis of net assets between funds – As at 30 September 2021

	Unrestricted funds	Restricted funds	Permanent Endowment funds	Expendable Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	11,233	-	-	-	11,223
Fixed asset investments	445,649	881,521	-	35,277,970	36,605,140
Current assets	4,199,607	-	-	1,226,161	5,425,768
Current liabilities	(928,885)	-	-	-	(928,885)
Total 2021	3,727,604	881,521	-	36,504,131	41,113,256

Analysis of net assets between funds – As at 30 September 2020

	Unrestricted funds	Restricted funds	Permanent Endowment funds	Expendable Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	21,229	-	-	-	21,229
Fixed asset investments	2,000,656	-	-	30,334,368	32,335,024
Current assets	2,736,937	888,186	-	-	3,625,123
Current liabilities	(203,488)	-	-	-	(203,488)
Total 2020	4,555,335	888,186	-	30,334,368	35,777,888

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2021

22 Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 8.

The total amount of donations made by the Trustees was £302,572 (2020: £327,479).

23 Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net income for year	5,335,368	146,542
Dividends received	(471,642)	(549,321)
Interest receivable	(34,370)	(52,099)
Investment management fees	173,807	163,050
Purchase of fixed assets	-	-
Depreciation and impairment of tangible fixed assets	9,996	9,996
(Gains) / losses on investments	(5,593,102)	(11,013)
(Increase) / decrease in debtors	2,051,665	(1,813,386)
Increase / (decrease) in creditors	725,397	13,461
Net cash flow from operating activities	<u>2,197,119</u>	<u>(2,092,770)</u>

24 Post balance sheet events

The Trustees agreed on the 26th October 2021 to pledge \$2m for a capital project of \$8m for the construction of another floor on the Faculty of Social Science building, a large, old, complex structure on the Mount Scopus campus if the University is able to secure additional funding from somewhere else and would provide detailed cost estimates.

Accounts

British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2020

British Friends of the Hebrew University of Jerusalem

Financial Statements

Year Ended 30 September 2020

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British Friends of the Hebrew University of Jerusalem

Reference and administration details

Year Ended 30 September 2020

Charity registration number	209691
Company registration number	06350828
Trustees	Isaac Kaye PhD Hon, Chair Alan Henry Philipp, Honorary Treasurer Jenny Arwas MBE Alan Jacobs (appointed 25/3/2021) Denise Nicole Joseph Jonathan Andrew David Marks Anthony Graham Page Joseph Smouha QC Derek Spitz Simon Tobelem David Mark Wernick
Chief Executive Officer	Nigel Salomon
Registered office	2nd Floor Supreme House 300 Regents Park Road London N3 2JX
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitor	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Bank Leumi (UK) PLC Twelfth Floor 1 Angel Court London EC2R 7HJ Barclays Bank PLC 60 Wembley Park Leicester LE87 2BB

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

The Trustees present their report and the audited financial statements of the charity for the year ended 30th September 2020.

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 Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) (Second Edition, effective 1 January 2019).

Trustees of the charity

The Directors of the charitable company are its Trustees for the purposes of charity law. The Trustees who have served during the year and since the year end were as follows:

Isaac Kaye PhD Hon, Chairman (RC)
Alan Henry Philipp, Hon, Treasurer (RC, IC, GC)
Jenny Arwas MBE (RC)
Alan Jacobs (appointed 25/3/2021)
Denise Nicole Joseph
Jonathan Andrew David Marks
Anthony Graham Page
Joseph Smouha QC
Derek Spitz
Simon Tobelem
David Mark Wernick (GC)

RC= Remuneration Committee

IC = Investment Committee

GC= Grants Committee

Objectives and Activities

The British Friends of the Hebrew University (BFHU) is a national charity, registered in England and Wales, that focuses rigorously on its core purposes, namely, to support research, scholarships, and capital projects of the Hebrew University of Jerusalem (hereafter referred to as the Hebrew University) whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

The aims of the BFHU are:

- a. To fundraise in support of the academic development of the Hebrew University.
- b. To promote awareness and standing of the Hebrew University and its global impact.
- c. To undertake events and activities to generate awareness and in turn income for the cause; and
- d. To ensure the long term financial, operational, and reputational sustainability of the organisation

To do this the BFHU aims to operate to the highest professional standards especially in areas of donor care, marketing, financial management and governance.

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

Achievements and performance

Charitable activities

During the year, the Charity made grants to the Hebrew University and students of £4.5m (2018/19 £5.7m). Included are a small number of grants made to Hebrew University students, or alumni pursuing postgraduate studies in the UK.

Covid-19 Impact

From February onwards the Charity fundamentally and rapidly restructured its operation. This was in light of team home-working, the cancellation of face-to-face events and the inability to travel to the Hebrew University.

Six guiding principles were endorsed by trustees:

- welfare and day to day engagement of the professional team,
- proactive contact with donors to communicate the vital need for continuity of Hebrew University support,
- focus on maintenance of charitable income from all donors and new prospects where possible,
- adopting of quality digital communications,
- maintenance of all requisite reporting and
- constant adherence to principles of good governance.

The professional team displayed commitment, flexibility, and innovation at all times, and this has contributed significantly to a year of successful fundraising. They continue to do so in an exemplary manner as the pandemic continues. Furloughing or changes to contractual work arrangements have not been required

Education, research, awareness and standing

The grants made by the BFHU have made a significant impact on the education and research undertaken by the Hebrew University. The events run by the BFHU have also helped in increasing public awareness and standing. During the year there have been several notable milestones.

- Over 275 scholarships, prizes and awards across all faculties at a total value in excess of £1.6m at undergraduate, post-graduate, doctoral and post-doctoral levels including UK students at the Hebrew University, Hebrew University students continuing studies in the UK as well as some exchange programmes either directly through the Charity or facilitated by it.

Areas covered include Science, Technology, Computer Science, Nanotechnology, Medicine, Pharmacy, Nursing, Veterinary Science, Dentistry, Agriculture, Pre-Academic Studies (Saltiel Center), Interfaith Studies, Law, Education, History, Jewish History Revivim (Jewish education), Peace Studies, Business Administration, Social Work, International Relations, Russian / Slavic Studies

Periodically at the request of donors, scholarships are designated to minority groups of students including Arab, Ethiopian, Haredi (ultra-Orthodox), new immigrants, students with a variety of disabilities, residents of the Israeli periphery, exchange students including those travelling to Asia

- More than £2m in support of International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development
Trustees approved a special grant of \$600,000 in support of the recruitment and absorption of new faculty member, Dr Eyal Ben David, regarded as an academic leader of tomorrow with expertise in genetics
- Scholarships, Fellowships, Prizes, and memorial lectures recognising undergraduate, graduate, doctoral and post-doctoral students represented by the Ellis & Alma Birk prizes in law, clinical legal education and agriculture, the Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding, the Kaye prizes for scientific innovation designed to encourage excellence and beneficial societal impact, the Alberman visiting fellowship in Water, Society and Geopolitics in the Middle East

British Friends of the Hebrew University of Jerusalem

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Year Ended 30 September 2020

- Over £4.3m supporting a range of cutting-edge research programmes including
 - Medical science: neuroscience, a variety of medical science research projects including stem cell study of human genetic disorders, treatment of HIV infected children, ADB stimulation related to Parkinson's disease, pain relief, drug delivery in cancer treatment, early detection osteoarthritis, physics or mathematics, Medical Neurobiology, aortic aneurisms, High Intensity Lasers, immunopharmacology, therapy for Fragile X Syndrome using Human Pluripotent Stem Cells, Parkinson's disease, Pain Selective Anaesthesia without Neurotoxicity, DNA methylation in Cancer, Osteoarthritis, Anti-Tumour Neutrophil White Blood Cells, asthma, Novel Antimicrobial Peptide-Based Coating for Medical Devices, novel antibiotic adjuvants, Neuronal Networks
- Capital projects and equipment including the Kennedy Leigh Complex for Ecosystems in Agriculture, refurbishment of first & second floors of the Institute for Archaeology on the Mount Scopus Campus at the Hebrew University of Jerusalem, the Jerusalem botanical garden, cell sorter, veterinary hospital equipment
- A distinguished medical faculty award of over £260,000 annually
- In excess of £1m on diverse projects undertaken by Hebrew University bodies such as Minerva Centre for Human Rights, the Harry S. Truman Research Institute for the Advancement of Peace, the Sacher Institute of Law and the 'Israel Justice Centres' Law programmes, Cyber Law, the Centre for Jewish Art documenting fast disappearing vestiges of Jewish life especially in Eastern Europe, the Faculty of Science for natural gas extraction in the Eastern Mediterranean basin, high intensity lasers, the faculty of Humanities for the International Centre for the study of Antisemitism, the centre for the Study of Multiculturalism, education, plant sciences and education
- During the year the events programme of the British Friends was heavily and adversely impacted by the Covid-19 pandemic leading to a move online to the digital world. Several events had to be cancelled mid-year. This was achieved in an orderly manner, protecting relationships with hosting partners, with donors and supporters and with minimal financial impact.
- In November 2019, the 25th Alma & Ellis Birk law and agriculture annual prize awards ceremony took place on campus attended by family members, students, their families, and University leadership
- The Hebrew University's range of over 30 webinars on Covid and other topics was well received attracting large international Friends' audiences. It was supplemented by specialist webinars and Zoom events covering brain research and topics and personalities by the large American Friends organisation. Other events were held in Hebrew, Spanish, French and Italian
- The annual Lionel Cohen legal dinner hosted by Lord Pannick QC was due to have been replaced with a fundraiser event hosted by law firm Allen & Overy – an interview with Prof Philippe Sands QC. Most guests agreed to divert their ticket fee to support for the Hebrew University's law clinics. The event was revived online in March 2021.
- BFHU Groups were able to hold 5 physical events prior to lockdown:
 - a Women's Group recital in support of scholarships at the Faculty of Agriculture,
 - an Alumni event with guest speaker Ohad Zemet, a Hebrew University alumnus currently spokesperson at the Embassy of Israel in the UK
 - An Honours (legators) Club Chanukah event meeting several Hebrew University postgraduates supported by BFHU pursuing further studies in the UK
 - A partnership speaker event between BFHU and the Institute for Jewish Studies, UCL with guest speaker Dr Edward Breuer
 - A partnership speaker event with Norwood about autism

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

- Online, Zoom events were held designed for the Honours (legators) Club, Legal group and, a new and successful initiative, tailored Zoom encounters between donors and students, researchers and Hebrew University leaderships
- The Kaye prize award ceremony for scientific innovation (in its 27th year) was held online with over 100 guests from several countries. The ceremony is usually held during the Hebrew University's annual Board gathering in Jerusalem
- The annual BFHU legacy mission, planned to coincide with Israel's Independence Day in April 2020, had to be postponed by 18 months, now scheduled for November 2021
- Hebrew University President addressed BFHU trustees on 2 occasions on Zoom providing detailed insight into the University's priorities, challenges, and remedial actions
- There were nonetheless several fundraising activities including
 - an appeal mailing at Passover, gift-matched by the British Friends designated to needy students suffering job losses and financial hardship during the first Covid-19 lockdown. The £75k raised by BFHU was added to the approximately £500k raised by donors in Israel
 - a Jewish New Year mailed appeal to 4000 supporters, in part segmented to our medical group. A copy of the 2020/21 BFHU annual magazine ('Future') was mailed to every recipient.
 - University visits accompanying prospective and existing supporters as a catalyst to philanthropic giving, whilst supporting governmental, academic, and scientific delegations such as the BIRAX programme, recognising donors at Hebrew University ceremonies and plaque dedications, especially during the annual Board of Governors gathering in Jerusalem
However, the pandemic prevented almost all visits and ceremonies during the period most of which will be carried forward to future dates

Impact of charitable activities

The charity considers that it plays an important role in enabling students to study at the Hebrew University of Jerusalem who might otherwise have been unable to attend due to financial constraints especially in such challenging times as during pandemic. In addition, the Charity facilitates donations from UK supporters for appropriate educational purposes, contributing to world class academic research in turn benefiting society.

Key Performance Indicators

- Against an income target of £7m, £9.8m achieved permitting over time increased grants to the Hebrew University in support of research and scholarships across the 7 current campaign themes: human health, leadership for tomorrow, better world, internationalisation & collaboration, building capacity, hi-tech Jerusalem sustainable planet
- Investment portfolio blended total return 5.61% comfortably permitting the annual 3.5% distribution to the Hebrew University supporting the purposes of the BFHU-held endowments. See the investment policy statement on page 12.
- Operating costs/income ratio 5.7%. This leaves more funds available for trustees to make a (future) special grant to the Hebrew University

Principal Risks and Uncertainties

Risk Policy

The Trustees are responsible for the overseeing of the risks faced by the Charity. Detailed considerations of risk are delegated to the Senior Management of the Charity. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis.

The Board confirms that the major risks to which the Charity is exposed have been reviewed, reassessed, and updated and where practicable, systems have been established that are intended to mitigate those risks.

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

A risk analysis table summarising the key risks is monitored by the Chief Executive and is brought to the attention of the Board on at least an annual basis. This process forms an integral part of the Charity's annual review of its strategic plan and budget.

Human Resource risks such as loss of key staff members with localised knowledge

Management mitigation: ensure team is professionally managed and motivated, competitively remunerated with annual appraisal reviews

During pandemic: ensure welfare and engagement along with easy and reliable access to IT

Data & IT Integrity risks such as data protection, support and maintenance services, fire risk, and fraud

Management mitigation: cloud hosted database, insured risk cover, professional IT support, multiple password protection, adherence to fire & security best practice

During pandemic: extra resilience, redundancy, security, and back-up measures

Investment risks such as poor returns and foreign exchange exposure

Management mitigation: diversified investment portfolio managed externally by 2 major international fund managers, the BFHU board sub-committee in place, international benchmarking across other Hebrew University Friends

During pandemic: close oversight by the investment committee, regular discussion with investment managers

Income risks such as disproportionate reliance on key donors

Management mitigation: highest quality donor care for donor retention, activities to grow the database with GDPR opt-in, attractive events, creative marketing to maintain engagement, third party partnerships

During pandemic: proactive contact with donors to ensure relevance and maintain reputation, supported by a creative and engaging programme of online activities segmented for different audiences

The trustees believe that the challenging macroeconomic economic outlook could have a negative financial effect beyond the short-term. They have also identified the fact that although annual endowment grants are made in sterling, Hebrew University expends money mainly in shekels. The portfolios have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the Foreign Exchange risks.

The recent COVID-19 (Coronavirus) has had a limited impact on the global endowment portfolio because it is well diversified. Although income may be reduced, the trustees believe that the accumulated total return is sufficient to maintain the annual distribution to the Hebrew University. Gifts from major donors have continued and although events have been cancelled, most supporters have not asked for a refund.

Reserves Policy

The Trustees are keenly aware of the need to secure the Charity's future beyond the immediate day-to-day requirements. To continue to honour its commitments to the University, the Charity needs to have sufficient funds to be able to absorb periodic setbacks in its ability to raise funds, and to take advantage of opportunities as situations arise. The management of the Charity also considers it prudent that some reserves should be maintained to finance working capital requirements.

The Charity has looked at the risk profile of income streams along with past expenditure patterns along with anticipated changes in them and committed expenditure and the extent to which the charity can curtail or change the timing of cash outflows. The Charity has also looked at timing the cash outflows to match the timing of cash inflows. Where this is not possible, reserves needed to fund expenditure in advance of income receipts, or expenditure delayed are estimated.

The charity believes that it will need reserves to cover a least 12 months' overheads plus £150,000 to cover the cost of funding fund raising activities where the sponsorship is received after the event has taken place. Accordingly, as at 30 September 2020 the targeted free reserves position was £700,000.

The Trustees continue to monitor a tight approach to expenditure, to maximise unrestricted funds income to a level that covers operating costs, however, doing so without stifling marketing and fund raising.

At the year end the charity held total funds of £35,777,888, most of these funds are endowed or restricted and therefore do not form part of the free reserves, excluding these items and those funds held as tangible fixed assets the free reserves were £4,555,334.

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

The current level of free reserves is above the target level, the Trustees continue to monitor the level of reserves and will seek to address this position in due course. In the meantime, the funds are invested predominantly in the Charities investment portfolio.

Future plans

Our future plans are financed primarily from our annual income and from our expendable endowment reserves. The Board needs to maintain an equitable balance ensuring our current commitment to the University is maintained, whilst, at the same time, taking care that a sound infrastructure and financial base are preserved, so that we can continue the funding of the University with a high degree of predictability at the same level as in the past. When surpluses accumulate beyond the agreed policy level, trustee will review options for the optimum benefit to both the BFHU the Hebrew University

The Board sees 2020/21 as a year of ongoing challenges especially in relation to the pandemic and its contribution to a volatile economy and investment environment. Operationally, the professional team will continue working from home. Additional factors include 'overhang' uncertainties in relation to Brexit, competitive demands and financial pressures on philanthropists and the significant needs of the Hebrew University itself.

The Trustees welcome the solid performance of 2019/20, one of the best income years in the 94-year history of the organisation. Emphasis will continue to be placed on cost controls and a motivated professional team with commitment to the very highest standards of donor care and satisfaction, supported by brand integrity, creative events, and communication with growing emphasis on digital platforms such as social media. Legacy activity will be upweighted as well as efforts to grow the database to increase the reachable audience. Exploring new partnerships and sponsorship opportunities will form a part of marketing activity in 2020/21 but which will doubtless be heavily digital in character.

The BFHU will continue to be a key player in Hebrew University led international collaboration to identify synergies and share best practice to include access to new donors and leveraging marketing skills. The BFHU will aim to become more active in the Hebrew University Friends European bloc. Collaboration increased across the entire Friends network and with the Hebrew University during 2019/20 setting a strong foundation for this to expand.

All trustees have the potential to help in the achievement of annual objectives and the long-term sustainability of the organisation especially in securing new donors and supporting a range of events.

Constantly working to identify a match between new potential donors and specific Hebrew University projects will be key especially given defined priorities of the Hebrew University's 7-year \$1bn campaign programme, 2018-2025

Based on success to date, match-funding and co-donor opportunities will be explored where it is believed incremental donations can be secured.

BFHU will continue to maintain a diverse programme of events, most likely on-line, including specific events designed to expose the Hebrew University and the work of the Charity to the wider public. This will include the planning of a gala event in 2021/22 but with an uncertain date for execution. An ongoing series of webinars will help expose the Hebrew University's activities and achievements Deploying Hebrew University faculty will be a core element.

Encouraging Hebrew University campus visits will continue to expose the University's facilities, activities, faculty, and students in a powerful manner especially to the annual BFHU legacy mission. Although travel is expected to be very limited plans are being made for a legacy mission in November 2021 and to promote 'study at HU'.

BFHU will endeavour to support the Hebrew University in securing new incremental revenue streams such as corporate support and by growing the alumni database

BFHU will continue to encourage and help fund students going to the Hebrew University whilst working to help nurture academic collaboration with the best UK academic and research institutions. This will assist the

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

Hebrew University's stated strategic objective of internationalisation, student exchange programmes and facilitating students spending time in overseas academic and research institutions.

The BFHU recognises the demands of new legislation to ensure charity compliance with general data protection regulations and will continue to ensure the growth of its database in full compliance with GDPR regulations

The recent COVID-19 (Coronavirus) has had a limited impact on the future as the BFHU has the capacity to operate remotely using the cloud and this enables the BFHU to keep in constant touch with current donors. Some events have been deferred but this has limited impact on the level of donations. Investment income however may be reduced but it only contributes 7% on average to the total income for the year.

Financial review

During the year under review, the Charity showed unrestricted net income of £1,089,950, leaving a retained balance on general funds of £4,555,334 as of 30th September 2020.

Income for the year amounted to £5,334,946 (2019: £7,094,120), £4,710,695 (2019: £6,368,966) of which was donated by our generous supporters and £624,251 (2019: £725,154) was generated from other trading activities and our investment funds. This enabled the Charity to give grant funding to the University and students of £4,610,077 (2019: £5,702,602).

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The donations made directly by donors associated with BHFU direct to the Hebrew University are significant. To enable the readers of the accounts to appreciate the wider contribution that the Charity makes to the University, the value of these donations and the corresponding donation expenditure are set out in the memorandum income and expenditure analysis table below. The Trustees consider this provides a helpful measure of the scale of funding to the HU that the charity generates.

BFHU's Contribution to the Hebrew University of Jerusalem					
<u>Income</u>	Note	2020			2019
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Total income as presented		1,526,846	3,256,498	551,602	5,334,946
Direct donations to the Hebrew University (HU)		-	4,473,936	-	4,473,936
Total income attributable to the BFHU by the HU	18	1,526,846	7,730,434	551,602	9,808,882
<u>Expenditure</u>	Note	2020			2019
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Grants funding activities as presented	6	-	4,595,835	-	4,595,835
Direct donations to the Hebrew University (HU)		-	4,473,936	-	4,473,936
Total grants attributable to the BFHU by the HU	18	-	9,069,771	-	9,069,771

At the year end the Charity had unrestricted funds of £4.6m, restricted funds of £888k and available expendable endowment resources of £30.3m.

The transfer of the remaining Permanent Endowment funds into Expendable Endowments took place after the approval of the Charity Commission on the 16th March 2020.

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

Structure, Governance and Management

Nature of Governing Document

The Charity is governed by its memorandum and articles of association dated 21st August 2008.

Organisational structure (Structure, Governance and Management)

The Charity is controlled by the Directors/Trustees, the Chief Executive Officer runs the charity on a day-to-day basis and reports to the trustees monthly.

The support staff are split by function, such as donor support operations, marketing, finance and fundraising all reporting directly to the CEO in a flat organisational structure.

Recruitment and appointment of Trustees

Members of the Board are recruited based on their core competencies, a mix of skills, their experience in the sector and general commitment to the cause. Where possible the Board consider that the skills of the members should provide a mix of the following:

- A Trustee with a legal background.
- A Trustee with a financial/accounting background.
- A Trustee with educational and academic research sector experience.
- A Trustee with senior managerial or business experience; and
- At least one female Trustee and at least one male Trustee

Induction and training of trustees

All new Board members are, before their appointment, provided with a pack of relevant materials, and invited to meet the Chief Executive Officer and other Board members. Following their appointment, they are introduced to the staff of the BFHU and to visiting University officials such as the President. Members of the Board are encouraged to visit the University in Israel. Trustee engagement is an ongoing process. Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

Arrangements for setting key management personnel remuneration

The pay of senior staff is reviewed annually by the remuneration committee. The review is performed by using benchmarks from similar organisations and against the performance of personal objectives.

Investment policies & performance

The trustees reserve the right to exclude companies that carry out activities contrary to their aims or from holding investments which damage the Charity's reputation.

The British Friends of the Hebrew University adheres to Charity Commission guidance on ethical investments. The Investment Advisory Committee may from time to time, where it is consistent with that advice, direct the investment managers not to make direct investments in specific companies.

The year to the end of September 2020 covers a very unusual period with markets dropping by over 20% in early 2020 as the COVID-19 pandemic took hold and then clawing their way back as the monetary authorities kept interest rates low, governments provided more fiscal support and investors began to anticipate an eventual return to more normal conditions. The US market with its high exposure to technology stocks recovered earliest and the UK with its low exposure to technology and with lack of progress on BREXIT talks acting as a deterrent to investors, recovering much more gradually, producing a negative FTSE All Share return of -16.6% over this period, ie 12 months to the end of September 2020. Funds with Investec fell by -3.2% over the 12-month period. Whilst this was disappointing it was ahead of the benchmark return of -5.5% helped by performance within both UK and overseas equities being ahead of their respective benchmarks.

The Trustees monitor the performance of the investment portfolio against benchmarks for total return set for the year as follows:

- Investec General Funds Benchmark -5.5% - Actual Performance -3%
- Investec Leffman & Sherman Benchmark -5.5% - Actual Performance 4.1%
- Rothschild Benchmark - Is the average total return after 3 years less distributions and CPI are positive. It is reviewed quarterly - Actual Performance 6.41%

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

The Rothschild & Co portfolio produced returns of +6.4% over the financial year 2019-20, with a value of £17,362,458 as at 30 September 2020. The portfolio held up well in the extremely challenging first quarter of 2020, with the cash, bonds and portfolio protection helping to limit the COVID-19 related market falls during this period. The portfolio was then able to grow strongly over the 6-month period to the end of September 2020. The main drivers of returns over the financial year were the equities held, the alternative investment strategies and the portfolio protection. Bonds contributed positively over the year too. The portfolio remains broadly diversified and continues to perform in line with expectations.

Grant making policies

Grants made from restricted funds and from the income and in some cases the capital derived from endowment funds are made in a manner as closely aligned as possible with the original wishes of the donor. Grants are approved by a BFHU committee with Board delegated authority.

The Charity makes extensive grants to the Hebrew University for purposes such as buildings, equipment, research programmes and scholarships.

£50K annually was allocated for scholarships in 2019/20 some of which are awarded to Hebrew University students extending their studies at master's degree and doctoral level in the UK. £50K has been allocated for these purposes for 2020/21. Any unused budget is carried forward.

Fundraising

Major fundraising is undertaken by personal approaches carried out by the director of development and the CEO. The charity has not subscribed to any fundraising schemes and does not use a third-party fundraiser and is registered with The Fundraising Regulator. The principal fundraising event is a biennial gala dinner with a distinguished speaker and not open to the wider public although the current pandemic has prevented such an event taking place in 2019/20. BFHU has also radically updated its website to make it more user friendly and supplements this with e-newsletters and an annual hard copy magazine. Smaller online webinars and events support engagement with potentially new and existing supporters.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

Going concern

The Trustees have evaluated that there are no conditions or events that exist which raise doubt about the Charity's ability to continue as a going concern.

Relationship with donors

BFHU is committed to the highest standards of fundraising, and to always abide by the Code of Fundraising Practice and has registered with the Fundraising Regulator. This shows commitment to good fundraising practice.

We aim to ensure the best experience for our supporters and donors. As a member of the fundraising community, we commit to our own professional development, to ensure that we abide by the Charities (Protection and Social Investment) Act 2016 and to the vision - Excellent fundraising for a better world.

Donors and prospective donors are considered key stakeholders, with major donors allocated an account manager whose role is to 'represent the donor to the Hebrew University and the Hebrew University to the donor'. Regular contact is made with all donors proportionate to the complexity of a project supported. Donors receive regular reports from the Hebrew University via the BFHU office.

Invitations are issued to a series of events including guest Hebrew University lecturers. Donors are all encouraged to visit the Hebrew University to see its work first-hand including students and researchers with whom they might be connected through philanthropic giving.

BFHU continues to develop groups including legal, young professional, alumni, women's group medical, legators and its long-standing Glasgow Friends. These interest groups serve the specific interests of those associated and connect participants to related Hebrew University projects.

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

BFHU issues regular e-newsletters, updates its website with Hebrew University latest news and publishes an annual magazine occasionally featuring specific donors subject to their prior agreement. Social media networks are now used regularly as additional channels of communication

Donors are recognised at the Hebrew University on various plaques *or at* appropriate ceremonies.

Communication directly with donors by the Hebrew University is carefully coordinated with the BFHU to ensure an aligned approach.

There were no complaints from donors during the year.

Public benefit statement

The Hebrew University's objectives include developing advanced learning, to provide for research and instruction excellence in a range of subjects and to ensure their advancement and dissemination for the benefit of humanity worldwide. In conjunction with a network of fellow Friends groups worldwide, the British Friends of the Hebrew University supports the goals of the University and has been active since 1926, one year after the formal opening of the University itself.

The Hebrew University marked the 100th anniversary of its cornerstone laying in 2018 and is now in the second year of a 7-year \$1bn international fund-raising campaign. The BFHU is committed to 9% of this goal. Key disciplines of the Hebrew University in medicine, neuroscience, pharmacology, public health, agriculture, food science and environment, veterinary science (and clinical veterinary work), marine sciences, engineering, nanotechnology, computing, social sciences, law, and humanities disciplines where leading-edge research and numerous discoveries continue to help peoples and nations around the globe, feeding, curing, healing and facilitating understanding across borders. Increasingly commercialisation is playing a part in bringing new medicines and technologies to a global marketplace. This is undertaken by the Hebrew University technology transfer company, Yissum.

The University is open to all and seeks to enhance regional and global dialogue along with mutual understanding, by creating an environment of open-thinking and tolerance.

The University continues to engage closely with its local communities in Israel across the social spectrum, which the BFHU endeavours to support. BFHU also works to bring leading University faculty members to the UK and to support University alumni in pursuit of further studies in the UK, *including* educational or academic exchanges. This is aimed at advancing the exchange of views, as well as academic and research collaboration frameworks.

The Directors & Trustees confirm that they have complied with the requirements of Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Trustees' responsibilities statement

The Trustees of the BFHU (who are also Directors for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

British Friends of the Hebrew University of Jerusalem

Trustees' Annual Report

Year Ended 30 September 2020

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company'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.

On behalf of the board



Isaac Kaye
Trustee



Alan Henry Philipp
Trustee

Date: 13/5/21

Independent Auditor's Report to the Members of the British Friends of the Hebrew University of Jerusalem

Opinion

We have audited the financial statements of the British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2020 and of the charitable company's net movement in funds, including the income and expenditure, 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 Companies Act 2006.

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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on pages 14-15, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of the British Friends of the Hebrew University of Jerusalem

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Sewell (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date: 14 May 2021

10 Queen Street Place
London EC4R 1AG

British Friends of the Hebrew University of Jerusalem

Statement of Financial Activities (including the Income and Expenditure account)

Year Ended 30 September 2020

		2020				2019
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Income and endowments from:						
Donations and legacies	2	1,480,542	2,678,551	551,602	4,710,695	6,368,966
Other trading activities	3	-	22,831	-	22,831	68,290
Investments	4	46,304	555,116	-	601,420	656,864
Total income and endowments		1,526,846	3,256,498	551,602	5,334,946	7,094,120
Expenditure on:						
Raising funds	5	(422,654)	(3,636)	-	(426,290)	(418,147)
Charitable activities	6	(14,242)	(4,595,835)	-	(4,610,077)	(5,702,602)
Total expenditure		(436,896)	(4,599,471)	-	(5,036,367)	(6,120,749)
Net gains on investments	14	-	-	(152,037)	(152,037)	975,462
Net income		1,089,950	(1,342,973)	399,565	146,542	1,948,833
Transfers between funds	18	(105,714)	1,385,963	(1,280,249)	-	-
Net movement in funds	18	984,236	42,990	(880,684)	146,542	1,948,833
Reconciliation of funds:						
Total funds brought forward	18	3,571,098	845,196	31,215,052	35,631,346	33,682,513
Total funds carried forward	18	4,555,334	888,186	30,334,368	35,777,888	35,631,346

All income and expenditure derive from continuing activities.

The Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 21 to 39 form part of these financial statements.

British Friends of the Hebrew University of Jerusalem

Balance Sheet

Year Ended 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	21,229	31,225
Investments	14	32,335,024	32,727,086
		32,356,253	32,758,311
Current assets			
Debtors	15	3,158,286	1,344,900
Cash at bank and in hand		466,837	1,718,162
		3,625,123	3,063,062
Creditors: amounts falling due within one year	16	(203,488)	(190,027)
		3,421,635	2,873,035
Net current assets			
		35,777,888	35,631,346
Net assets			
Charity Funds			
Endowment funds			
Permanent endowments	18	-	22,279,533
Expendable endowments	18	30,334,368	8,935,519
Restricted funds	18	888,186	845,196
Unrestricted funds	18	4,555,334	3,571,098
Total charity funds	18	35,777,888	35,631,346

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved and authorised for issue by the Board on 13 May 2021.

Signed on behalf of the board of trustees



Isaac Kaye
Trustee



Alan Henry Philipp
Trustee

British Friends of the Hebrew University of Jerusalem

Balance Sheet

Year Ended 30 September 2020

The notes on pages 21 to 39 form part of these financial statements.

British Friends of the Hebrew University of Jerusalem

Statement of Cash Flows

Year Ended 30 September 2020

	Note	2020 £	2019 £
Cash flow from operating activities	23	(2,092,770)	(293,351)
Net cash flow from operating activities		<u>(2,092,770)</u>	<u>(293,351)</u>
Cash flow from investing activities			
Payments to acquire tangible fixed assets		-	-
(Withdrawals from) additions to the Investment Portfolio		255,718	(25,353)
Payments to acquire investments		(6,862,863)	(4,024,821)
Receipts from sales of investments		6,847,170	4,024,938
Interest received		52,099	48,690
Dividends received		549,321	608,174
Net cash flow from investing activities		<u>841,445</u>	<u>631,628</u>
Net increase in cash and cash equivalents		(1,251,325)	338,277
Cash and cash equivalents at 1 October		1,718,162	1,379,885
Cash and cash equivalents at 30 September		<u>466,837</u>	<u>1,718,162</u>

The notes on pages 21 to 39 form part of these financial statements.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

1 Summary of significant accounting policies

(a) General information and basis of preparation

British Friends of the Hebrew University of Jerusalem is a company limited by guarantee and is registered with the Charity Commission (Charity Registered Number 209691) and Registrar of Companies (Company Registration Number 06350828) in England and Wales. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Charity information on page 3 of these financial statements. The nature of the Charity's operations and principal activities are to support research, scholarships and capital projects of the Hebrew University whilst supporting UK students who wish to study at the Hebrew University, student exchange programmes and academic collaboration with the UK's foremost research institutions.

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 (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted 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 presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

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.

(b) Going concern

The financial statements have been prepared on a going concern basis and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. 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.

(c) Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for specific purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund are set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Charity. Income arising on the endowment funds can be used in accordance with the objects of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

(d) Income recognition

All incoming resources are 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. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable.

Receipt is probable when:

- Confirmation has been received from the representatives of the estate(s) that probate has been granted.
- The executors have established that there are enough assets in the estate to pay the legacy; and
- All of the conditions attached to the legacy have been fulfilled or are within the charity's control.

Income from fundraising events to raise funds for the Charity is recognised when received.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charity; this is normally upon notification of the interest paid or payable by the Bank.

(e) Expenditure recognition

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 costs incurred seeking voluntary contributions through donations, investment management costs and the running of fundraising events during the year.
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity.

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 a grant. 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.

(f) 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 specific headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The land in Israel was valued on 19th January 2017 at £26,000. The trustees believe that it is prudent to amortise this.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	25% straight line
Fixtures and fittings	20% straight line
Phone system	20% straight line

(h) Investments

The Charity has equity investments in listed entities. Fixed asset investments are a form of basic financial instrument are initially recognised at their transaction value and subsequently measured at their fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Statement of Financial Activities as they arise.

The Statement of Financial Activities includes all net gains and losses arising on revaluation and disposals throughout the year.

(i) Debtors and creditors receivable / payable within one year

Debtors are recognised 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.

Creditors are recognised when the Charity has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

(j) Leases

Rentals payable and receivable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

(l) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

(m) Employee benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

The Charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

(n) Tax

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. It therefore does not suffer tax on income or gains applied for charitable purposes.

(o) Financial instruments

The Charity only holds basic Financial Instruments. The financial assets and financial liabilities of the Charity are as follows:

Debtors – trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 16. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Liabilities – trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost, as detailed in Note 17. Taxation and social security are not included in the financial instruments' disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

(q) Judgements and key sources of estimation uncertainty

The judgements that have had the most significant effect on amounts recognised in the financial statements are the estimation of legacies receivable, allocation of support costs and depreciation rates. The estimates and associated assumptions are based on historical experience and other relevant factors. The underlying assumptions which affect these judgements are reviewed on an ongoing basis.

2 Income from donations and legacies

	2020	2019
	£	£
Legacies	1,918,177	1,868,997
Regular giving	2,792,518	4,500,969
Total	4,710,695	6,368,966

Income from donations and legacies was £4,710,695 (2019 - £6,368,966) of which £551,602 (2019 - £474,800) was attributable to endowments, £2,678,551 (2019 - £3,957,401) was attributable to restricted and £1,480,542 (2019 - £1,936,735) was attributable to unrestricted funds.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

3 Restricted donations from events – Raising Funds

	2020 £	2019 £
Events income – Conferences and similar events	22,831	68,290
Total	22,831	68,290

Donations from events in 2020 and 2019 was attributable to restricted funds.

4 Income from investments

	2020 £	2019 £
Dividends - equities	549,321	606,299
Interest - fixed interest securities	50,776	49,977
Interest - deposits	1,323	588
Total	601,420	656,864

Income from investment was £601,420 (2019 - £656,864) of which £555,116 (2019 - £473,894) was attributable to endowments, and £46,304 (2019 - £62,643) was attributable to unrestricted endowment funds. The BFHU portfolio at Rothschild does not have any individual Fixed Interest holdings, the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund and the income received is paid as a dividend.

5 Costs of raising funds

	2020 £	2019 £
Support costs	426,290	429,437
Investment management costs	-	-
Total	426,290	429,437

£0 (2019 - £0) of the above costs were attributable to endowment funds.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

6 Analysis of expenditure on charitable activities

	Grant funding of activities £	Support costs £	Total £
Grants to students	244,000	-	244,000
Grants to the Hebrew University	4,230,541	135,536	4,366,077
2020 Total	4,474,541	135,536	4,610,077
<i>Grants to students</i>	<i>244,000</i>	<i>-</i>	<i>244,000</i>
<i>Grants to the Hebrew University</i>	<i>5,323,729</i>	<i>134,873</i>	<i>5,458,602</i>
2019 Total	5,567,729	134,873	5,702,602

£1,699,828 (2019 - £1,664,226) of the above costs were attributable to endowment funds and £2,756,836 (2019: £4,229,248) were attributable to restricted funds. Total support costs of £135,536 (2019: £134,873) are analysed in Note 7.

The BFHU remits approximately £4.6 million each year to Hebrew University, mainly from annual gifts but also just over £1 million from existing Endowment Funds. It also is involved in securing a further £4.4 million donations that go directly to the Hebrew University.

SCHOLARSHIPS

One of the largest donations is from the Pears Foundation and is used to fund students doing the International master's in public health. These students mainly come from the poorer countries in Africa and without the scholarships they could not attend Hebrew University. There is a major Social Impact from these students when they return to their country and are active in Public Health, often at an extremely high level. Alumni are also in regular contact with their peers.

Other scholarships are specifically given to disadvantaged students who would not be able to attend HU without such external help. They include students with disabilities, Arab Students, Charedi (Religious Jews) and those of Ethiopian backgrounds.

RESEARCH

One example of donations is from the Carey Shaw Endowment Fund. £260,000 is used each year for a Distinguished Medical Award. This is normally given to encourage very bright Researchers to come to HU, often after Post-Doctoral work in USA. Several of these have subsequently won European Research Council awards which recognises the contribution their Research is making on an International basis. This also enhances the reputation of Hebrew University.

PRIZES

The Kaye innovation awards in Experimental Science and the Polonsky prizes for creativity & originality in Humanistic Disciplines recognise excellence and important research or teaching at the University. Such prizes help to enhance the reputation not only of the individual recipients but also the University as a whole.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

LECTURES

Specific BFHU funds help to support important lectures by top legal and medical experts visiting Israel and lectures held in UK. These are very important both from the point of view of those attending the lectures and enhancing the Reputation of the University.

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2020 £
Salaries & other staff costs	Staff time	228,497	96,786	325,283
Establishment costs	Staff time	68,826	15,109	83,935
Printing, advertising, and administration	Direct	72,432	23,641	96,073
Motor and travelling expenses	Direct	9,753	-	9,753
Event costs	Direct	3,636	-	3,636
Governance costs	Direct	25,175	-	25,175
Information technology	Direct	17,971	-	17,971
Total 2020		426,290	135,536	561,826

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2019 £
Salaries & other staff costs	Staff time	235,190	97,335	332,525
Establishment costs	Staff time	68,400	16,979	85,379
Printing, advertising, and administration	Direct	53,830	(12,395)	41,435
Motor and travelling expenses	Direct	22,296	-	22,296
Event costs	Direct	19,230	-	19,230
Governance costs	Direct	21,744	32,954	54,698
Information technology	Direct	8,747	-	8,747
Total 2019		429,437	134,873	564,310

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Notes to the Financial Statements

Year Ended 30 September 2020

In 2019 & 2018 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2019 & 2018 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

8 Governance costs

	2020 £	2019 £
Auditors' remuneration	16,200	18,600
Legal fees	2,553	-
Other	6,422	3,144
Total	25,175	21,744

9 Analysis of grants

	Grants to institutions £	Grants to individuals £	Total £
Grants to students at the Hebrew University	-	194,000	194,000
Grants to Hebrew University students who study abroad	-	50,000	50,000
Grants to the Hebrew University:	4,230,541	-	4,230,541
Designated projects	£1,557,738		
Scholarships	£2,593,008		
Postcard Collection	£14,242		
Prizes	£39,053		
Institute for Medical Research	£26,500		
2020 Total	4,230,541	244,000	4,474,541

British Friends of the Hebrew University of Jerusalem

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Year Ended 30 September 2020

<i>Grants to Individuals at the Hebrew University</i>	-	194,000	194,000
<i>Grants to Hebrew University students who study abroad</i>	-	50,000	50,000
<i>Grants to the Hebrew University:</i>	5,458,602	-	5,458,602
<i>Designated projects</i>	£3,086,945		
<i>Scholarships</i>	£1,406,313		
<i>Postcard collection</i>	£900,000		
<i>Institute for Medical Research</i>	£25,500		
<i>Prizes</i>	£39,844		
 <i>2019 Total</i>	 5,458,602	 244,000	 5,702,602

Further details of the charitable activities supported by the grants made in the year are given in the Trustees Report.

10 Net income for the year

Net income is stated after charging / (crediting):

	2020 £	2019 £
Depreciation/Amortisation of tangible fixed assets	9,996	9,996
Auditors' remuneration - Audit fees	13,500	15,500
Finance charges payable	4,439	2,944
Operating lease rentals	48,372	48,372
Net (gains) / losses on foreign exchange	3,104	(15,339)

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2019- £Nil).

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Notes to the Financial Statements

Year Ended 30 September 2020

The total amount of employee benefits received by Key Management Personnel is £161,504 (2019 - £166,758) and includes the current year performance bonus yet to be approved and paid, plus employer's National Insurance contributions at 13.8%. The Charity considers its Key Management personnel comprise the trustees and the Chief Executive. The Chief executive is the only full-time member of staff.

The Trustees did not have any expenses reimbursed during the year (2019- £Nil).

12 Staff costs and employee benefits

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

	2020 Number	2019 Number
Raising funds	3	4
Charitable activities	1	1
Governance	1	1
	<u>5</u>	<u>6</u>

The average number of full-time equivalent employees (including casual and part-time staff) during the year was made up as follows:

	2020 Number	2019 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	<u>4</u>	<u>4</u>

The total staff costs and employees' benefits was as follows:

	2020 £	2019 £
Wages and salaries	288,926	291,980
	29,678	29,084
Social security		
Other staff costs	6,679	11,461
	<u>325,283</u>	<u>332,525</u>

No staff costs or employee benefits were paid by Related Parties.

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Notes to the Financial Statements

Year Ended 30 September 2020

The number of employees who received total employee benefits (excluding employer pension costs) but including employer NI costs of more than £60,000 is as follows:

	2020 Number	2019 Number
£60,001 - £70,000	1	1
£130,001 - £140,000	-	-
£160,001 - £170,000	1	1
	<u>1</u>	<u>1</u>

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation: At 1 October 2019	26,000	7,308	63,609	96,917
Additions	-	-	-	-
At 30 September 2020	<u>26,000</u>	<u>7,308</u>	<u>63,609</u>	<u>96,917</u>
Depreciation: At 1 October 2019	-	7,307	58,385	65,692
Charge for the year	4,772	-	5,224	9,996
At 30 September 2020	<u>4,772</u>	<u>7,307</u>	<u>63,609</u>	<u>75,688</u>
Net book value: At 30 September 2020	<u>21,228</u>	<u>1</u>	<u>-</u>	<u>21,229</u>
At 30 September 2019	<u>26,000</u>	<u>-</u>	<u>11,723</u>	<u>37,723</u>

Land in Israel

The trustees have re-assessed the value of the land in Israel and have recognised an impairment loss accordingly.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2019	32,727,086
Additions at cost	6,862,863
Disposals proceeds	(6,847,170)
Revaluations	(152,037)
Transfers in/(out) to portfolio	(229,214)
Cash in transit	(26,504)
At 30 September 2020	32,335,024
<u>Historical Cost:</u>	
At 30 September 2020	26,691,530

Listed Investments at fair value comprise:

	2020 £	2019 £
Investment Funds	1,260,635	1,823,493
UK listed investments	7,273,737	8,939,613
UK cash deposits	1,563,071	367,756
Fixed income	4,908,350	5,668,742
UK other investments	1,725,163	1,535,203
Overseas investments	15,604,068	14,392,279
	32,335,024	32,727,086

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Notes to the Financial Statements

Year Ended 30 September 2020

The fair value of listed investments is determined by reference to bid prices from the appropriate Stock Exchange, market makers or from the relevant fund manager. Where fund managers publish a single price, i.e., for OEICS, the valuation has been prepared based on the published price.

15 Debtors

	2020 £	2019 £
Trade Debtors	800	-
Other debtors	-	81
Legacies due	3,092,455	1,286,000
Prepayments	62,615	57,135
Gift aid recoverable	2,416	1,684
	3,158,286	1,344,900

16 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	15,294	9,139
Amounts held in the UK pending transfer to the Hebrew University	69,670	31,107
Other tax and social security	8,429	8,325
Other creditors	823	1,159
Accruals	109,272	140,297
	203,488	190,027

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

17 Financial commitments

The operating lease represents a premises lease signed on 18th October 2018 and expiring on the 30th September 2023.

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than one year	73,389	73,389
Later than one and not later than five years	146,778	220,167
	<u>220,167</u>	<u>293,556</u>

18 Fund reconciliation

Fund descriptions

Unrestricted funds are general funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for designated purposes. The aim and use of each designated fund are set out below.

Restricted funds relate to donated income or grants that have been specified for by the donor or granter for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified for by the donor or granter for a specific purpose and where it has been specified that both income and gains and original capital are to be distributed over several years.

Unrestricted funds

	Balance at 1 October 2019 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2020 £
Unrestricted – General	3,571,098	1,526,846	(436,896)	(105,714)	-	4,555,334
Total	3,571,098	1,526,846	(436,896)	(105,714)	-	4,555,334

During the year, the following transfers were made (from)/to Unrestricted-General Funds.

- Transfers of £105,714 was made from unrestricted funds to restricted funds in respect of the charity's contribution towards scholarships of £58,216, £31,459 for IMPH student grants for 18/19 with the Moshal program, £10,200 for the business school and £5,839 for research.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

Restricted funds

		Balance at 1 October 2019	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2020
		£	£	£	£	£	£
Restricted		845,196	3,256,498	(4,599,471)	1,385,963	-	888,186
		845,196	3,256,498	(4,599,471)	1,385,963	-	888,186
Permanent Endowment funds	19	22,279,533	-	-	(22,279,533)	-	-
Expendable Endowment funds	20	8,935,519	551,602	-	20,999,284	(152,037)	30,334,368
		31,215,052	551,602	-	(1,280,249)	(152,037)	30,334,368
2020 Total		32,060,248	3,808,100	(4,599,471)	105,714	(152,037)	31,222,554
<i>2019 Total</i>		<i>31,648,633</i>	<i>5,094,712</i>	<i>(5,726,420)</i>	<i>67,861</i>	<i>975,462</i>	<i>32,060,248</i>

Restricted Funds

During the year, the charity received many donations that were restricted, all of which were applied in accordance with the donors wishes, due to the large number and the immaterial nature of each individual fund it is not practical to report on each fund activity.

At the year-end there was £7k worth of donations restricted for projects within the Hebrew University and £9k of scholarships awaiting confirmation of students and projects.

During the year transfers into this fund of £1,385,963 were made as follows; £105,714 to unrestricted funds and £1,280,249 from the expendable endowment funds.

British Friends of the Hebrew University of Jerusalem

Notes to the Financial Statements

Year Ended 30 September 2020

Endowment Funds

The transfer of the remaining Permanent funds into Expendable Endowments took place after the approval of the Charities Commission on the 16th March 2020.

The Trustees have agreed to spend up to a total of 3.5% of the balance of funds at the beginning of the year £1,099k which is more than the income and gains for the current year.

19 Permanent Endowment Funds

	Balance at 1 October 2019	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2020
	£	£	£	£	£	£
1. Main Fund – held in the UK	5,445,651	-	-	(5,445,651)	-	-
2. Emily Erskine Fund	2,391,387	-	-	(2,391,387)	-	-
3. Carew Shaw Fund	8,615,514	-	-	(8,615,514)	-	-
4. Porjes Fund	104,641	-	-	(104,641)	-	-
5. BFHU Research & Teaching – Israel	2,268,468	-	-	(2,268,468)	-	-
6. BFHU Scholarship & Student Aid - Israel	3,453,872	-	-	(3,453,872)	-	-
2020 Total	22,279,533	-	-	(22,279,533)	-	-

19 Permanent Endowment Funds (continued)

	Balance at 1 October 2018	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2019
	£	£	£	£	£	£
1. Main Fund – held in the UK	5,771,315	364,950	-	(959,834)	269,220	5,445,651
2. Emily Erskine Fund	2,284,795	-	-	-	106,592	2,391,387
3. Carew Shaw Fund	8,484,231	-	-	-	131,283	8,615,514
4. Porjes Fund	99,977	-	-	-	4,664	104,641
5. BFHU Research & Teaching	86,864	-	-	(90,916)	4,052	-
6. BFHU Scholarship & Student Aid	3,379,938	100	-	(3,537,721)	157,683	-
7. BFHU Research & Teaching – Israel	2,232,865	-	-	-	35,603	2,268,468
8. BFHU Scholarship & Student Aid - Israel	3,400,469	-	-	-	53,403	3,453,872
2019 Total	25,740,454	365,050	-	(4,588,471)	762,500	22,279,533

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Notes to the Financial Statements

Year Ended 30 September 2020

1. The Main Permanent Endowment Fund comprises 74 funds whose income is sent annually to the Hebrew University by the BFHU.

2. The Emily Erskine Fund was created to establish a Research Foundation in Physics or Mathematics.

3. The Carew Shaw Fund was established to fund a Distinguished Faculty Award in medicine and to fund scholarships in memory of Edward Carew Shaw, with a preference being given to the Faculty of Medicine.

4. The Porjes Fund was established for the purposes of the general charitable purposes of the Friends, but as a priority, such income is to be used for the promotion of the Friends ongoing legacies campaign.

5-6. The UK expendable portion has been amalgamated along with other endowment funds into the BFHU permanent Research and Teaching and Scholarship endowment funds.

1-4, 5-6. On 16th March 2020, the Charities Commission agreed to the lifting of the capital restrictions on 12 larger funds.

20 Expendable Endowment Funds

	Balance at 1 October 2019	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2020
	£	£	£	£	£	£
1. Main Fund	3,543,665	-	-	70,613	167,935	3,782,213
2. Polonsky Fund	112,026	-	-	-	(13,250)	98,776
3. Archie Sherman Fund	370,746	-	-	(25,000)	60,362	207,789
4. Joels Fund	1,142,905	-	-	(32,768)	50,943	1,170,499
5. Gestetner Fund	565,845	-	-	(12,700)	29,885	583,030
6. BFHU Research & Teaching	90,916	-	-	(51,822)	4,802	43,896
7. BFHU Scholarship & Student Aid	3,109,416	100	-	(261,793)	164,223	3,011,946
8. Main fund – held in the UK 74 Funds (LY 75 Funds)	-	47,331	-	5,267,175	287,581	5,602,087
9. Emily Erskine Fund	-	504,171	-	2,318,883	126,300	2,949,354
10. Carew Shaw Fund	-	-	-	8,559,894	(505,043)	8,054,851
11. Porjes Fund	-	-	-	105,163	5,527	110,690
12. BFHU – Research & Teaching – Israel	-	-	-	2,026,322	(136,961)	1,889,361
13. BFHU Scholarship & Student Aid – Israel	-	-	-	3,035,317	(205,441)	2,829,876
2020 Total	8,935,519	551,602	-	20,999,284	(152,037)	30,334,368

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	Balance at 1 October 2018	London81 Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2019
	£	£	£	£	£	£
1. Main Fund – held in the UK	3,016,166	109,750	-	279,954	137,795	3,543,665
2. Polonsky Fund	144,026		-	-	(32,000)	112,026
3. Archie Sherman Fund	601,963	-	-	(262,445)	31,228	370,746
4. Joels Fund	1,091,936	-	-	26	50,943	1,142,905
5. Gestetner Fund	535,783	-	-	5,066	24,996	565,845
2019 Total	5,389,874	109,750	-	3,222,933	212,962	8,935,519

1. The Main Expendable Endowment Fund comprises 43 funds that distribute a fixed amount annually. During the year the following transfers were made into/out of the fund:

2. The Polonsky Endowment Fund is a gift of shares given by the Polonsky Foundation. The income from these shares is used to fund certain grants made to the University on behalf of the foundation.

3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income of the BFHU.

4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.

5. Gestetner Fund has been used in supporting the operating budget of the Abba Eban Centre for Israel Diplomacy, a Centre of research and teaching within the Department of Political Science at the Hebrew University of Jerusalem.

6-13. On 16th March 2020, the Charities Commission agreed to the lifting of the capital restrictions on 12 larger funds.

21 Analysis of net assets between funds – As at 30 September 2020

	Unrestricted funds	Restricted funds	Permanent Endowment funds	Expendable Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	21,229	-	-	-	21,229
Fixed asset investments	2,000,656	-	-	30,334,368	32,335,024
Current assets	2,736,937	888,186	-	-	3,625,123
Current liabilities	(203,488)	-	-	-	(203,488)
Total 2020	4,555,335	888,186	-	30,334,368	35,777,888

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Year Ended 30 September 2020

Analysis of net assets between funds – As at 30 September 2019

	Unrestricted funds	Restricted funds	Permanent Endowment funds	Expendable Endowment funds	Total
	£	£	£	£	£
Tangible fixed assets	31,225	-	-	-	31,225
Fixed asset investments	1,512,034	-	22,279,533	8,935,519	32,727,086
Current assets	2,217,866	845,196	-	-	3,063,062
Current liabilities	(190,027)	-	-	-	(190,027)
Total 2019	3,571,098	845,196	22,279,533	8,935,519	35,631,346

22 Related party transactions

Other than Trustee and Key Management Personnel transactions detailed in Note 8, there were no related party transactions during the period (2019: £ 0).

23 Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for year	146,542	1,948,834
Dividends received	(549,321)	(608,174)
Interest receivable	(52,099)	(48,690)
Purchase of fixed assets	-	3,498
Depreciation and impairment of tangible fixed assets	9,996	9,996
(Gains) / losses on investments	152,037	(975,462)
(Increase) / decrease in debtors	(1,813,386)	(633,834)
Increase / (decrease) in creditors	13,461	17,477
Net cash flow from operating activities	(2,092,770)	(293,351)