

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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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.

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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.

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- 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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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;

British Friends of the Hebrew University of Jerusalem

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
		<hr/> 36,616,373	<hr/> 32,356,253
Current assets			
Debtors	15	1,106,621	3,158,286
Cash at bank and in hand		4,319,147	466,837
		<hr/> 5,425,768	<hr/> 3,625,123
Creditors: amounts falling due within one year	16	(928,885)	(203,488)
Net current assets		<hr/> 4,496,883	<hr/> 3,421,635
Net assets		<hr/> 41,113,256	<hr/> 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	<hr/> 41,113,256	<hr/> 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
<hr/>			
<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

<i>Support cost</i>	<i>Basis of allocation</i>	<i>Raising funds £</i>	<i>Grant-making £</i>	<i>Total 2020 £</i>
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
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	5	5
	<hr/>	<hr/>

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
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
	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
	<hr/>	<hr/>
	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 £
Fair value	
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)
	<hr/>
At 30 September 2021	<u>36,605,140</u>
Historical Cost:	
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
	<hr/> 149,996	<hr/> 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 grantor for a specific purpose.

Endowment funds

Expendable Endowment funds relate to donated income or grants that have been specified for by the donor or grantor 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	<hr/> 4,555,334	<hr/> 126,183	<hr/> (427,856)	<hr/> (526,057)	<hr/> -	<hr/> 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.