

Charity registration number: 258306

The Jerusalem Foundation

Annual Report and Financial Statements
for the Year Ended 31 December 2022



**The Jerusalem Foundation
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**The Jerusalem Foundation
Reference and Administrative Details**

Trustee	Jerusalem Foundation Trustees Limited
Charity Registration Number	258306
Principal Office	20 Gloucester Place London W1U 8HA
Auditor	A C Mole Stafford House Blackbrook Park Avenue Taunton Somerset TA1 2PX
Solicitors	Payne Hicks Beach Lincoln's Inn 10 New Square Holborn London WC2A 3QG

The Jerusalem Foundation Trustee's Report

The member presents the annual report together with the financial statements of the charity for the year ended 31 December 2022.

The Trustees confirm that the financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 1 January 2019.

Reference and Administrative Details

The Foundation is registered as a Charity with the Charity Commission, registration number 258306.

Details of the Trustee and professional advisors are shown on page 1.

Note 18 lists the directors of the corporate Trustee.

The Trustee delegates day to day responsibility to the sole employee which is the National Director and to Prism The Gift Fund who provide administrative support.

Objectives and activities

The objects of the Foundation are as follows:

- To assist in and promote the preservation, repair, embellishment, and upkeep of the religious sites, temples and monuments of the Holy City of Jerusalem for the inspiration of people of all faiths.
- To assist in and promote the excavation, repairs, preservation and upkeep of such historic sites and antiquities of Jerusalem as are of permanent educational value to mankind and which will contribute to the instruction and enlightenment of the peoples of all nations.
- To assist in and support all such education or religious projects in Jerusalem as are directed to purposes which are exclusively charitable.
- To assist in and support the relief of poverty, sickness and distress in Jerusalem without regard to race, creed or colour.

Grant making policies

The grant-making policy of the Trustee is to support the objectives of The Jerusalem Foundation - Amuta in Israel. The restricted funds are comprised principally of donations received for earmarked purposes. In addition to the grants made from restricted funds, the Trustee also makes discretionary grants from unrestricted funds. Details of all grants are shown in note 6 to the financial statements.

Public benefit

The trustee 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.

Achievements and performance

During the year the Foundation received funds from both individuals and grant-making foundations. Grants amounted to for specific charitable purposes including Education, Arts & Culture and Social Welfare were remitted to The Jerusalem Foundation - Amuta on an earmarked basis. In the year gifts made by donors included:

- Jerusalem Botanical Gardens
- Naggat School of Photography
- Hassadna Conservatory

The Trustee is grateful to all those who have made donations.

The Jerusalem Foundation Trustee's Report (continued)

Investment policy and performance

There are no restrictions on the Foundation's powers of investment. The management of the endowment funds' portfolios continue to be administrated by Veritas Investment Partners (UK) Ltd to whom full discretion and delegation has been given. It is accordingly hoped that the portfolios of investments held will help meet the Trustee's objectives of maintaining a sufficient income stream for servicing the requirements of the restricted and unrestricted income funds.

The fair value of the investments at 31 December 2022 was £2,637,733 (2021: £3,208,778).

Financial review

The Foundation raised total income in the year of £2,089,201 (2021: £836,142) and incurred costs of raising funds of £79,301 (2021: £49,744). In the year donations of £1,605,068 (2021: £843,752) were made to The Jerusalem Foundation in Israel. Monies are held in the Foundation in the UK until they are approved by the Trustee following the receipt of an approved proposal report.

At 31 December 2022 the Foundation had net assets of £5,100,498 (2021: £4,936,998). Restricted funds totalled £2,513,206 (2021: £1,752,119), endowment funds £2,663,105 (2021: £3,234,099) and unrestricted funds were in a deficit of £75,813 (2021: £49,220).

Reserves policy

It is the policy of the Foundation to maintain free reserves at a level to meet its operating costs for a period of at least one year. During the period it was identified that unrestricted reserves incorrectly included funds which were restricted. These funds had been incorrectly classified between 2018-2021. A full review of the fund classification of income and expenditure was undertaken to fully reconcile the restricted funds held at 31 December 2022.

The resulting adjustments leave unrestricted funds in a deficit position of £75,813 (2021 restated: deficit £49,220). The trustee recognises that this deficit on unrestricted funds needs to be resolved and has arranged a drawn down from the endowment fund in December 2023. This drawdown will clear the unrestricted deficit position and provide unrestricted reserves to cover operating costs for a minimum of a year.

Plans for future periods

It is the Trustee's intention to continue seeking out and supporting suitable charitable projects in and around Jerusalem in accordance with and subject to the terms of the Foundation's objectives - however the events of 7 October 2023 have refocused fundraising efforts in aid of the Jerusalem Emergency Fund - helping to support the 30,000 displaced people currently living in Jerusalem.

On the back of a successful first round (three years), the Trustee decided to launch another multi- year initiative for the Shared Living Fund. The Fund was established in 2019 to promote coexistence between the different populations in the city and the JFUK will make grants of approximately £100,000 in 2024 towards this.

The Foundation continues raising money for the new building project for the Hassadna Music Conservatory among other key projects across the city.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The Jerusalem Foundation Trustee's Report (continued)

Principal terms of the Trust

- To apply the whole or any part of the trust fund, whether income or capital, in or towards the implementation of any one or more objects of the Foundation, whether by way of investment, contribution, donation or otherwise.

- To pay or apply the capital or income of the trust fund in or towards the payment of expenses to the Foundation.

Organisational structure

The Jerusalem Foundation was constituted under a declaration of trust dated 17 March 1969.

The power of appointing new Trustees is vested in the Trustee. The current Trustee is responsible for the induction of any new Trustees which involves awareness of the responsibility as Trustees, the governing document, administrative procedures and the history of the Foundation. A new Trustee would receive copies of the previous year's annual accounts.

Directors of the corporate Trustee meet regularly as an executive body to review the running and operations of the Charity.

Prism The Gift Fund was appointed to carry out the administrative work of the Foundation. Consideration of charitable donations is the responsibility of the Trustee.

Risk management

The Trustee has assessed the major risks to which the Foundation is exposed. There are regular meetings between the officer in charge of administration and representatives of the Trustee to review the financial records. The Trustee is satisfied the systems are in place to mitigate the risk.

Safeguarding policy: Working with beneficiaries overseas

The Foundation has a safeguarding policy in place as the safety and welfare of any children, young people or vulnerable adults (collectively, 'vulnerable persons') assisted or otherwise impacted by our work or the activities and programmes we support is of paramount importance to us. Compliance with local legal and regulatory standards and best practice are considered the absolute minimum requirement and the Foundation may seek assurances that higher standards are imposed. Adherence to this policy is a condition of funding from the Foundation.

**The Jerusalem Foundation
Trustee's Report (continued)**

Statement of Trustee's Responsibilities

The trustee is responsible for preparing the trustee report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

The law applicable to charities requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

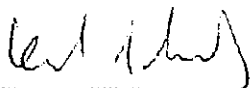
The trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustee is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The trustee has taken steps that ought to have taken as a trustee in order to make aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustee confirms that there is no relevant information that of and of which the auditor is unaware.

The annual report was approved by the trustee of the charity on 23 Dec 2022 and signed on its behalf by:



Jerusalem Foundation Trustees Limited
Trustee

The Jerusalem Foundation
Independent Auditor's Report to the Trustee of The Jerusalem Foundation

Opinion

We have audited the financial statements of The Jerusalem Foundation (the 'charity') for the year ended 31 December 2022, which comprise the Statement of Financial Activities, Balance Sheet, 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 United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources, including its 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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.

The comparative financial statements are unaudited.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee 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 charity's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

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

Other Information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

The Jerusalem Foundation
Independent Auditor's Report to the Trustee of The Jerusalem Foundation (continued)

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the Statement of Trustee's Responsibilities (set out on page 5), the trustee is 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 trustee determines 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 trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor 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:

Identifying and assessing potential risks of material misstatement due to irregularities

We considered the following when identifying and assessing risks of material misstatement due to irregularities, including fraud and non-compliance with laws and regulations:

- the legal and regulatory framework in which the Charity operates
- the nature of the sector in which the Charity operates
- the control environment and controls established to mitigate such risks
- the results of our enquiries of management about their identification and assessment of risks of irregularities
- discussions with the audit engagement team about where fraud might occur
- the incentives for fraud.

Laws and regulations which are considered to be significant include those relating to the requirements of financial reporting framework FRS102, the Charities Act 2011 and UK tax legislation. In addition, we consider other laws and regulation which may not directly impact the financial statements but may impact on operations.

As a result of these procedures we concluded, in accordance with International Auditing Standards, that a risk in relation to the potential for management override of controls existed.

Audit responses to risks identified

We undertook audit procedures to respond to the risks identified, and designed our audit testing to respond to these risks. The additional procedures we undertook included the following:

- gaining an understanding of the procedures for ensuring compliance with laws and regulations
- testing the appropriateness of journal entries and other adjustments
- considering whether accounting estimates were indicative of potential bias
- considering whether any transactions arose outside the normal course of business
- making enquiries of management
- enquiring as to compliance with key Charities Act requirements during the period

The Jerusalem Foundation
Independent Auditor's Report to the Trustee of The Jerusalem Foundation (continued)

- corroborating our enquiries through review of Board Minutes and correspondence.

We also communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities is available 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 charity trustee in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the trustee those matters we are required to state to trustee in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustee as a body, for our audit work, for this report, or for the opinions we have formed.

A C Mole

.....
A C Mole (Senior Statutory Auditor)
For and on behalf of A C Mole, Statutory Auditor
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: *15th December 2023*

A C Mole is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

The Jerusalem Foundation
Statement of Financial Activities for the Year Ended 31 December 2022

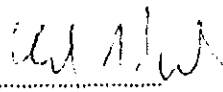
	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2022 £
Income and Endowments from:					
Donations and legacies	2	29,386	2,030,255	-	2,059,641
Other income	3	-	-	29,560	29,560
Total income		<u>29,386</u>	<u>2,030,255</u>	<u>29,560</u>	<u>2,089,201</u>
Expenditure					
Raising funds	4	(75,519)	-	(3,782)	(79,301)
Charitable activities	5	<u>(35,604)</u>	<u>(1,496,597)</u>	<u>-</u>	<u>(1,532,201)</u>
Total expenditure		(111,123)	(1,496,597)	(3,782)	(1,611,502)
Gains/(losses) on investment assets		-	-	(314,199)	(314,199)
Net (expenditure)/income		(81,737)	533,658	(288,421)	163,500
Transfers between funds		<u>55,144</u>	<u>227,429</u>	<u>(282,573)</u>	<u>-</u>
Net movement in funds		(26,593)	761,087	(570,994)	163,500
Reconciliation of funds					
Total funds brought forward		<u>(49,220)</u>	<u>1,752,119</u>	<u>3,234,099</u>	<u>4,936,998</u>
Total funds carried forward	14	<u>(75,813)</u>	<u>2,513,206</u>	<u>2,663,105</u>	<u>5,100,498</u>

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £ (As restated)
Income and Endowments from:					
Donations and legacies	2	26,676	775,862	-	802,538
Other income	3	-	-	33,604	33,604
Total income		<u>26,676</u>	<u>775,862</u>	<u>33,604</u>	<u>836,142</u>
Expenditure on:					
Raising funds	4	(46,066)	-	(3,678)	(49,744)
Charitable activities	5	<u>(67,753)</u>	<u>(842,614)</u>	<u>-</u>	<u>(910,367)</u>
Total expenditure		(113,819)	(842,614)	(3,678)	(960,111)
Gains/(losses) on investment assets		-	-	465,146	465,146
Net (expenditure)/income		(87,143)	(66,752)	495,072	341,177
Transfers between funds		-	218,178	(218,178)	-
Net movement in funds		(87,143)	151,426	276,894	341,177
Reconciliation of funds					
Total funds brought forward		<u>37,923</u>	<u>1,600,693</u>	<u>2,957,205</u>	<u>4,595,821</u>
Total funds carried forward	14	<u>(49,220)</u>	<u>1,752,119</u>	<u>3,234,099</u>	<u>4,936,998</u>

The Jerusalem Foundation
(Registration number: 258306)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £ (As restated)
Fixed assets			
Investments	11	2,837,733	3,208,728
Current assets			
Cash at bank and in hand		2,668,886	1,734,270
Creditors: Amounts falling due within one year	13	<u>(208,121)</u>	<u>(6,000)</u>
Net current assets		<u>2,462,765</u>	<u>1,728,270</u>
Net assets		<u>5,100,498</u>	<u>4,938,998</u>
Funds of the charity:			
Unrestricted funds		(75,813)	(49,220)
Restricted funds		2,513,206	1,752,119
Endowment funds		<u>2,663,105</u>	<u>3,234,099</u>
Total funds	14	<u>5,100,498</u>	<u>4,938,998</u>

The financial statements on pages 9 to 26 were approved by the trustee, and authorised for issue on 15 DEC 2023 and signed on behalf by:



 Jerusalem Foundation Trustees Limited
 Trustee

The Jerusalem Foundation
Cash Flow Statement for the Year Ended 31 December 2022

	Note	2022 £	2021 £ (As restated)
Cash flows from operating activities			
Net income		163,500	341,177
Adjustments to cash flows from non-cash items			
Loss/(profit) on disposal of investments		26,287	(9,395)
Revaluation of investments	11	<u>287,912</u>	<u>(455,750)</u>
		477,699	(123,968)
Working capital adjustments			
Increase in creditors	13	<u>200,121</u>	<u>-</u>
Net cash flows from operating activities		677,820	(123,968)
Cash flows from investing activities			
Sale of investments		<u>252,000</u>	<u>184,300</u>
Net increase in cash and cash equivalents		929,820	60,332
Cash and cash equivalents at 1 January		<u>1,762,508</u>	<u>1,702,176</u>
Cash and cash equivalents at 31 December	12	<u>2,692,328</u>	<u>1,762,508</u>

All of the cash flows are derived from continuing operations during the above two periods.

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022

1 Accounting policies

Statement of compliance and basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless stated otherwise within these notes. 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) (issued October 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

Basis of preparation

The Jerusalem Foundation meets the definition of a public benefit entity under FRS 102.

Going concern

The trustee considers that there are no material uncertainties about the charity's ability to continue as a going concern. The Trustee recognises that the deficit on unrestricted funds needs to be addressed and has arranged a drawdown from endowment funds in December 2023. This will clear the deficit balance and provide sufficient unrestricted reserves to cover ongoing operating costs

Income and endowments

All income is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Investment income is accounted for on a receivable basis.

Funds received as agent

Where funds are received and the charity is acting in its capacity as agent, income is not recognised by the Foundation as the Charity has no discretion over the application of the funds received. A liability is recognised for the the funds held as agent to be distributed in future periods.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

These are costs incurred in attracting voluntary income and the management of investments.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such as grants paid and those costs of an indirect nature necessary to support them.

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

Grants

Payment of donations to The Jerusalem Foundation - Amuta in Israel are made once approved by the Trustee following receipt of an approved proposal report.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Unless otherwise agreed the Foundation levies a management charge of between 1.5% & 5% of all donations and income generated by the endowment funds to fund its overheads.

Taxation

The charity is a registered charity and is, therefore, exempt from liability to taxation on its income and capital gains, to the extent that they are applied for charitable purposes.

Fixed asset investments

Listed investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at fair value at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the period. The Trust does not acquire or use put options, derivatives or other complex financial instruments.

Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the period end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in the statement of financial activities.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustee discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

The charity has expendable endowment funds where the capital can be drawn down at the Trustee's discretion.

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

Financial Instruments

The charity only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors together with loans to related parties.

Debt instruments, such as trade debtors and creditors, are initially measured at transaction price and subsequently measured at amortised cost.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of financial activities.

Critical Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Trustee considers that there are no critical accounting estimates and judgements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Prior period adjustment

Where an error or omission is identified in respect of comparative figures this is adjusted in the preceding period.

2 Income from donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Donations	29,386	2,030,255	-	2,059,641
Total for 2022	29,386	2,030,255	-	2,059,641
Donations	26,676	775,862	-	802,538
Total for 2021 (As restated)	26,676	775,862	-	802,538

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Other income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Investment income	-	-	29,560	29,560
Total for 2022	-	-	29,560	29,560
Investment income	-	-	33,604	33,604
Total for 2021	-	-	33,604	33,604

4 Expenditure on raising funds

a) Costs of generating donations and legacies

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Staff costs and other sundries	75,519	-	-	75,519
Total for 2022	75,519	-	-	75,519
Staff costs and other sundries	46,066	-	-	46,066
Total for 2021	46,066	-	-	46,066

b) Investment management costs

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Investment management costs	-	-	3,782	3,782
Total for 2022	-	-	3,782	3,782
Investment management costs	-	-	3,678	3,678
Total for 2021	-	-	3,678	3,678

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

5 Expenditure on charitable activities

	Note	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
Grant funding of activities	6	-	1,605,067	-	1,605,067
Support costs	7	35,604	(108,470)	-	(72,866)
Total for 2022		35,604	1,496,597	-	1,532,201
Grant funding of activities	6	-	843,752	-	843,752
Support costs	7	67,753	(1,138)	-	66,615
Total for 2021 (As restated)		67,753	842,614	-	910,367

6 Grant expenditure

	2022 £	2021 £
Azrieli Jerusalem College of Engineering	4,000	3,353
Beit Natan	1,773	1,773
City as a school project	8,867	-
East Jerusalem special needs educational	9,750	-
Elderly Care Homat Shmuel	-	11,135
Eliezer Ben Yehudah School	-	1,000
Elwyn Israel	24,773	25,000
Encore! Educational Theatre Company	-	1,354
George Pinto Fellowship - training for doctoral students to establish not-for-profit initiatives which will benefit Jerusalem's residents	180,778	-
Hassadna Conservatory Building	115,950	-
Hassadna Scholarships	147,676	97,709
Homeless in Jerusalem (Etnahta)	3,800	2,000
Israel Free Loan Association (now Ogen)	1,920	-
Jerusalem Botanical Gardens	413,703	7,451
Jerusalem Cinematheque	3,349	-
Jerusalem Intercultural Centre - non-political organisation involved in making the city culturally representative of all residents	29,485	16,200
Jerusalem Print Workshop	18,469	12,300
JMC	-	27,571
Matan	-	1,308
Max Rayne Hand in Hand School	10,925	13,650
Merkaz Rachel Centre	2,850	-
Museum of Islamic Art	10,000	-
Naggar School of Photography	173,312	124,425
Other	-	6,509
Other donations less than £1,000 each	2,713	11,366
Pardes (Sefer Torah)	-	8,196
Presidents Fund (Keren Li)	7,125	-

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	2022 £	2021 £
Secular Yeshiva	49,999	37,254
Shared living fund - various projects addressing coexistence issues amongst Jerusalem's different communities	186,614	48,750
Signs in Jewish Quarter	25,755	8,643
Steinsaltz	-	7,451
Talking Peace	4,432	354,354
Tsad Kedema	63,927	-
Wohl Archaeological Museum	8,769	-
Yad Sarah	3,940	-
Khan Theatre	-	15,000
Ukraine Refugees	2,510	-
Shared living Hub - Home of the Tolerance Coalition	30,139	-
Woman's Counseling Centre	8,365	-
Pardes	8,365	-
B'nai Brith World Center	11,327	-
Meitarim (R'Melchior)	6,692	-
Kishoret	15,044	-
Jerusalem College of Technology	5,019	-
Feuerstein	1,587	-
Emunah	1,366	-
	<u>1,605,068</u>	<u>843,752</u>

7 Analysis of support costs

	2022 £	(As restated) 2021 £
Audit & Accounts	10,360	7,573
Prism administration fee	34,800	34,800
Other costs	-	485
Foreign exchange movement - unrestricted	(9,555)	24,895
Foreign exchange movement - restricted	(108,471)	(1,138)
	<u>(72,866)</u>	<u>66,615</u>

8 Staff costs

There is one employee. (2021: 1)

The UK National Director is considered to be the key management personnel. Key management personnel remuneration totalled £33,000 (2021: £33,000).

9 Auditor's remuneration

	2022 £	2021 £
Accounts	3,600	-
Audit	4,200	-
Audit predecessor firm	2,560	7,213
Other services predecessor firm	-	360
	<u>10,360</u>	<u>7,573</u>

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Taxation

The charity is a registered charity and is therefore exempt from taxation on its income and gains, to the extent that they are applied for charitable purposes.

11 Fixed asset investments

Listed Investments

	2022 Total £	2021 Total £ (As restated)
Cost or Valuation		
At 1 January 2022	3,180,490	2,899,645
Disposals	(278,287)	(174,905)
Revaluation	<u>(287,912)</u>	<u>455,750</u>
	2,614,291	3,180,490
Cash held in investment portfolio	<u>23,442</u>	<u>28,238</u>
Net book value		
At 31 December 2022	<u>2,637,733</u>	<u>3,208,728</u>

There were no investment assets outside the UK.

All fixed asset investments held are listed and are stated at fair value.

Veritas Investment Partners (UK) Ltd, currently manage The Jerusalem Foundation's endowment funds.

12 Cash and cash equivalents

	2022 £	2021 £ (As restated)
Cash at bank	2,668,886	1,734,270
Cash held in investment portfolio	<u>23,442</u>	<u>28,238</u>
	<u>2,692,328</u>	<u>1,762,508</u>

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Accruals	7,800	6,000
Funds held as agent	<u>198,321</u>	<u>-</u>
	<u>206,121</u>	<u>6,000</u>

Funds received as agent

During the year \$480,000 of funds were received as agent on behalf of Jerusalem Foundation Israel. \$240,000 was paid over in donations during the year, leaving a balance held as agent at 31 December 2022 of \$240,000. This balance is held in a USD bank account. Translated to sterling gives a balance of £198,321 held as agent.

	2022	2021
	£	£
Funds received as agent	379,500	-
Funds paid out as agent	(194,887)	-
Foreign exchange translation	<u>13,708</u>	<u>-</u>
Funds held as agent at 31 December	<u>198,321</u>	<u>-</u>

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Funds

	(As restated) Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2022 £
Unrestricted funds	(49,220)	29,386	(111,123)	55,144	-	(75,813)
Restricted funds	1,752,119	2,030,255	(1,496,597)	227,429	-	2,513,206
Endowment funds						
Khan	756,161	6,985	(883)	(15,000)	(74,003)	673,260
Kollek	1,535,685	14,275	(1,801)	(55,144)	(150,437)	1,342,578
Worms	942,253	8,300	(1,098)	(212,429)	(89,759)	647,267
	3,234,099	29,560	(3,782)	(282,573)	(314,199)	2,663,105
Total funds	4,936,998	2,089,201	(1,611,502)	-	(314,199)	5,100,498

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Other recognised gains/(losses) £	Balance at 31 December 2021 £
(As restated)						
Unrestricted funds	37,923	26,676	(113,819)	-	-	(49,220)
Restricted funds	1,600,693	775,862	(842,614)	218,178	-	1,752,119
Endowment funds						
Khan	657,124	7,510	(821)	(15,000)	107,348	756,161
Kollek	1,314,456	15,270	(1,647)	(10,655)	218,261	1,535,685
Worms	985,625	10,824	(1,210)	(192,523)	139,537	942,253
	2,957,205	33,604	(3,678)	(218,178)	465,146	3,234,099
Total funds	4,595,821	836,142	(960,111)	-	465,146	4,936,998

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

Khan Theatre Endowment Fund

The fund is held by the Trustee of the Foundation with the primary object of furthering the charitable purposes of the Khan Theatre, the principal intention being that the income derived from investments of the fund be applied on an annual basis with the capital being accumulated as an endowment.

During the year, £15,000 of accumulated income and capital was transferred to restricted funds. This was granted in the 2023 year following Trustee approval.

The Teddy Kollek General Maintenance Fund

The Teddy Kollek General Maintenance Fund comprises the merger of the two previously held funds on the 24 August 1998. The first of these funds, known as the General Maintenance Fund, was originally established in commemoration of the 70th birthday of the late Mr Teddy Kollek, the former Mayor of Jerusalem, as a general endowment fund for the promotion of the charitable activities of the Foundation. The second of the funds, known as the Teddy Kollek Fund, was established in honour of the late Mr Teddy Kollek with a view to the support of charitable activities promoting welfare, educational and arts-related projects in, and in the preservation of the heritage of Jerusalem.

In view of the commonality of the objectives of the two funds, for administrative convenience, it was decided to merge these two funds into a single fund in order to pursue the combined objectives set out above. The income and where considered appropriate the capital is to be applied by the Trustee at its discretion of the furtherance of the objectives set out above.

During the year £55,144 was transferred to unrestricted funds.

The Della and Fred S Worms Endowment Fund

The fund was created in 2012. The Trustee of the Foundation holds the fund and will respond to suggestions made by Della Worms for appropriate beneficiaries in Jerusalem. The income and where considered appropriate the capital is to be applied by the Trustee at its discretion of the furtherance of the charities objectives. During the year £212,429 was transferred to restricted funds in anticipation of future grants.

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds at 31 December 2022 £
Fixed asset investments	-	-	2,637,733	2,637,733
Current assets	130,308	2,513,206	25,372	2,668,886
Current liabilities	(206,121)	-	-	(206,121)
Total net assets	(75,813)	2,513,206	2,663,105	5,100,498
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds at 31 December 2021 £(As restated)
Fixed asset investments	-	-	3,208,728	3,208,728
Current assets	(19,463)	1,752,119	25,371	1,758,027
Current liabilities	(29,757)	-	-	(29,757)
Total net assets	(49,220)	1,752,119	3,234,099	4,936,998

16 Other financial commitments

At 31 December 2022 the Foundation had no annual commitments under non-cancellable operating leases.

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Prior period adjustment

Fund classification:

During the year the Trustees identified that unrestricted Funds incorrectly included funds which were restricted. These were funds which had been incorrectly categorised between 2018 and 2021. A full review of the classification of income and expenditure over the past 5 years was undertaken to fully reconcile the restricted fund held.

As a result of the review, a prior period adjustment has been made, to reallocate these these identified funds to restricted funds. The total amount reclassified as restricted funds was £185,654. The adjustment reclassifies these funds only and there is no net effect on total funds.

The effect of the prior period adjustment on reserves as at 1 January 2022 is as follows:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
As previously reported	223,577	1,415,039	2,957,205	4,595,821
Reclassification of income	(312,996)	312,996	-	-
Reclassification of expenditure	(22,179)	22,179	-	-
Reclassification of historic balance	149,521	(149,521)	-	-
As restated 1 January 2022	<u>37,923</u>	<u>1,600,693</u>	<u>2,957,205</u>	<u>4,595,821</u>

Income and expenditure classification:

As part of the above fund review the prior year's comparatives in the Statement Of Financial Activities have been updated to reflect a decrease to unrestricted income and increase to restricted income of £2,144. In addition, unrestricted expenditure has been increased and restricted expenditure reduced by £43,996. There is no net impact on total income, expenditure or reserves from this adjustment.

Foreign exchange:

It was identified that the US dollar bank account had not been retranslated to reflect the movement in exchange rates. A prior period adjustment has been made to correctly retranslate this balance. The foreign exchange loss totalled £23,757. The net impact on net assets is a reduction of £23,757.

18 Directors of the corporate Trustee

The Directors of Jerusalem Foundation Trustees Limited during the year were as follows:

Dame Vivien Duffield DBE
 Lord Leigh of Hurley
 Mt Jack Livingstone OBE
 Mrs Carolyn Mishon
 Mr Guy Naggar
 Mr Martin Paisner CBE
 Mr Michael Rosenfeld
 Mrs Joanne Turner
 Mr Shai Doron

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Related party transactions

During the year the charity made the following related party transactions:

The Maurice and Vivienne Wohl Philanthropic Foundation

Martin Paisner a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Maurice and Vivienne Wohl Philanthropic Foundation. During the year the Maurice and Vivienne Wohl Philanthropic Foundation made restricted donations totalling £801,912 (2021: Nil) to The Jerusalem Foundation. At the balance sheet date the amount due to/from The Maurice and Vivienne Wohl Philanthropic Foundation was £Nil (2021 - £Nil).

The Maurice Wohl Charitable Foundation

Martin Paisner a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Maurice Wohl Charitable Foundation. During the year the Maurice Wohl Charitable Foundation made restricted donations totalling £422,412 (2021: Nil) to The Jerusalem Foundation. At the balance sheet date the amount due to/from The Maurice Wohl Charitable Foundation was £Nil (2021 - £Nil).

The Marcus Margulies Charitable Trust

Martin Paisner a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Marcus Margulies Charitable Trust.

During the year the Marcus Margulies Charitable Trust made restricted donations totalling £382,932 to The Jerusalem Foundation (2021: £369,390).

At the balance sheet date the amount due to/from The Marcus Margulies Charitable Trust was £Nil (2021 - £Nil).

Guy Anthony Naggar

Guy Naggar a director of the corporate trustee Jerusalem Foundation Trustees Limited has made donations to The Jerusalem Foundation totalling £184,483. (2021: £126,000)

At the balance sheet date the amount due to/from Guy Anthony Naggar was £Nil (2021 - £Nil).

The Rosenfeld Charitable Trust

Michael Rosenfeld a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Rosenfeld Charitable Trust.

During the year the Rosenfeld Charitable Trust made restricted donations totalling £50,000 (2021: Nil) to The Jerusalem Foundation.

At the balance sheet date the amount due to/from The Rosenfeld Charitable Trust was £Nil (2021 - £Nil).

Phillips and Rubens Charitable Trust

Martin Paisner a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Phillips and Rubens Charitable Trust. During the year the Phillips and Rubens Charitable Trust made restricted donations totalling £17,550 to The Jerusalem Foundation (2021: £17,550). At the balance sheet date the amount due to/from Phillips and Rubens Charitable Trust was £Nil (2021 - £Nil).

Jack Livingstone Charitable Trust

Jack Livingstone who is a director of the corporate trustee Jerusalem Foundation Trustees Limited his wife is a trustee of the Jack Livingstone Charitable Trust who has made donations to The Jerusalem Foundation totalling £100,000 (2021: Nil). At the balance sheet date the amount due to/from Jack Livingstone Charitable Trust was £Nil (2021 - £Nil).

Maurice & Vivienne Wohl Philanthropic Foundation

Martin Paisner a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Maurice & Vivienne Wohl Philanthropic Foundation.

During the year the Maurice & Vivienne Wohl Philanthropic Foundation made restricted donations totalling £NIL to The Jerusalem Foundation (2021: £7,979).

At the balance sheet date the amount due to/from Maurice & Vivienne Wohl Philanthropic Foundation was £Nil (2021 - £Nil).

Winton Family (CAF)

During the year the Winton Family (CAF) made restricted donations totalling £NIL to The Jerusalem Foundation (2021: £12,600)

At the balance sheet date the amount due to/from Winton Family (CAF) was £Nil (2021 - £Nil).

Bluston Charitable Settlement

Martin Paisner a director of the corporate trustee Jerusalem Foundation Trustees Limited is also a trustee of the Bluston Charitable Settlement. During the year the Bluston Charitable Settlement made restricted donations totalling £NIL to The Jerusalem Foundation (2021: £6,696).

At the balance sheet date the amount due to/from Bluston Charitable Settlement was £Nil (2021 - £Nil).

The Jerusalem Foundation
Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

Howard Leigh

Howard Leigh a director of the corporate trustee Jerusalem Foundation Trustees Limited has made donations to The Jerusalem Foundation totalling £NIL (2021: £2,550).

At the balance sheet date the amount due to/from Howard Leigh was £Nil (2021 - £Nil).