

Charity number: 275919

**THE EXILARCH'S FOUNDATION
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

THE EXILARCH'S FOUNDATION

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THE EXILARCH'S FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021

Trustees:	D.A. Dangoor CBE DL(Exilarch) M.J. Dangoor E.B. Dangoor	
Charity Number:	275919	
Address:	4 Carlos Place Mayfair London W1K 3AW	
Auditors:	Wilson Wright LLP 5 Fleet Place London EC4M 7RD	
Bankers:	Barclays Bank plc 1 Churchill Place London E14 5HP	National Westminster Bank Kensington Royal Gardens 55 Kensington High Street London W8 5ZG
Solicitors:	Ince Gordon Dadds LLP Aldgate Tower, 2 Lenman Street London E1 8QN	Farrer & Co LLP 66 Lincolns Inn Fields London WC2A 3LH
Investment manager:	Quilter Plc Senator House 85 Queen Victoria Street London EC4V 4AB	

THE EXILARCH'S FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and the audited financial statements of The Exilarch's Foundation for the year ended 31 December 2021.

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Reference and administrative information

The Charity was established by a Trust Deed dated 2 April 1978. Its registered charity number is 275919 and its principal office is at 4 Carlos Place, London W1K 3AW,

Aims and purposes

The Charity is established to carry out all charitable objects, in any part of the world, within the legal meaning of the term, at the absolute discretion of the trustees. The trustees are constantly considering potential new charitable opportunities.

Governance and management

The Charity is governed by its Trust Deed dated 2 April 1978.

The power of appointment of new or additional trustees and the choice of successor is vested exclusively in the Exilarch, D.A. Dangoor CBE. No formal policies have been adopted for the induction and training of trustees.

The trustees during the year and at the date of this report were as follows:-

D.A. Dangoor CBE DL (Exilarch)
M.J. Dangoor
R.D. Dangoor (died 5 April 2022)
E.B. Dangoor

The trustees are legally responsible for the overall management and control of the charity and meet regularly throughout the year. The investment committee (consisting of D.A. Dangoor CBE DL and M.J. Dangoor) reviews the charity's investments and investment policies, taking professional advice where appropriate.

R.D. Dangoor, sadly passed away on 5 April 2022. He was a founding trustee of The Exilarch's Foundation in 1978, which has distributed large amounts to good causes over many years. His benevolence and tireless hard work for good causes will be greatly missed by all who came into contact with him.

THE EXILARCH'S FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Public Benefit

The Charities Act 2011 requires all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its Charities and Public Benefit guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit or benefits and secondly, that the benefit must be to the public or a section of the public. The trustees consider that they have complied with Section 17 of the Charities Act 2011 including the guidance "public benefit: running a charity (PB2)".

Aims, objectives, activities and achievements during 2021

Aim 1 - Iraq

The trustees have continued to keep their long-term sights on the eventual re-establishment of a Jewish community in Iraq through the setting up of educational and religious institutions. The trustees' strategy for achieving this principal aim, for so long as the security position in Iraq remains sufficiently unsettled for it to be impossible for Jews to resettle in significant numbers in Iraq and therefore impossible for the Charity to acquire land and/or begin construction on projects in Iraq, is to maintain appropriate levels of reserves and to monitor developments in Iraq with the assistance of a network of contacts throughout the Middle East, members of the former community of Iraqi Jews and academics worldwide, and public sources of information. In consultation with professional advisers and the Charity Commission, the trustees have undertaken to carry out regular assessments of when the re-establishment of the Jewish community and large-scale expenditure by the Charity from this fund might become possible.

The Charity held a designated fund of £10 million (2020: £10 million) for the purpose of assisting the setting up of educational and religious institutions in a future re-established Jewish community in Iraq.

The trustees continue to take note of:

- (a) discussions taking place among Iraqi Jewish communities in Israel, the USA and elsewhere regarding the likelihood that circumstances will in due course permit the effective re-establishment of a Jewish community in Baghdad;
- (b) discussions with members of the Iraqi parliament who are believed to be sympathetic to this cause;
- (c) progress towards a confederation of Middle Eastern interests wishing to see the return to Iraq of many of the educated/business classes who have left the country over the past decades;
- (d) moves towards the recognition of the importance in world heritage terms of identifying and preserving holy sites in Iraq, many of which relate to the Jewish faith, reflecting the long history of the Jewish people in Iraq and the region; and
- (e) the fact that some businesses with Jewish connections were already becoming involved within Iraq.

The trustees are keeping the designation of funds for this purpose under review.

THE EXILARCH'S FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Aim 2 – other charitable purposes

Alongside their above objective, the trustees have during 2021 sought to identify effective ways of deploying the Charity's resources so as to deliver maximum impact without adversely affecting its capacity to achieve its principal objective.

Monotheism

The trustees continue to explore ways to take forward the recommendations contained in the report commissioned jointly with Birkbeck College on the feasibility of creating an institute for ethical monotheism which will include academic activities of research, teaching and publication, and practical engagement with social and public ethical issues.

Major grants

During the year a grant of £1.7m was made to The Royal United Services Institute for Defence and Security (RUSI), £0.9m to Bevis Marks Synagogue Heritage Foundation, £0.2m to Jewish Homes Emergency, £0.3m to Side by Side (School) Ltd, £0.3m to Imperial College of Science, Technology and Medicine and £0.28m to the Women's Interfaith Network. Further details of grants can be found in note 7 to the accounts.

Grants for educational institutions

Funding for educational institutions in the UK has been continued throughout 2021 and into 2022.

The academic results achieved at Westminster Academy have continued to improve with more than 77% of students achieving grades 9-4 in each of the core subjects of English, Maths and Science, (63% achieving grades 9-5) with a large proportion of these not having English as a first language.

The Academy students continue to achieve good IB results and in 2022, obtained an average of 36 points out of 45 (global average circa 31/45). Five students of the Academy achieved 40+ out of 45 points.

The Charity continues to support the London Centre for Languages and Culture which was established by Pembroke College, Oxford.

Plans for future periods

The trustees resolved that whilst they would continue to consider other applications for funding made to the Charity, they wished to continue to address the following areas over the coming years.

The advancement of education and the Jewish religion in Iraq

The trustees have resolved to retain the fund designated for assisting in the re-establishment of a Jewish community in Iraq through the setting up of educational and religious institutions. They will review the level of funds designated for this large-scale project annually, and as part of the Charity's ongoing monitoring of the situation consider whether continued retention of the funds remains appropriate.

As reported previously, the trustees believe that it is to the advantage of the Charity to continue to accumulate these funds in order that the Charity may undertake the large-scale projects that will be required when the Jewish community returns to Iraq.

THE EXILARCH'S FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Educational projects and scholarships

The trustees anticipate continuing their support of the Westminster Academy, of which the Charity is the Sponsor, and which Mr David Dangoor CBE DL is also a trustee. Grants amounting to £116,317 (2020: £98,585) were awarded to Westminster Academy during the year.

Universal Monotheism

The trustees will continue to explore whether the Charity's funds might beneficially be used to support the establishment of a new university and in particular the scope for the Charity to allocate additional funds for this project so as to make a meaningful contribution to the estimated £50 million costs involved.

Financial review

Principal sources of income

During 2021 the Charity received investment income and interest of £7m (2020: £6.5m). The majority of this took the form of rental income from commercial properties.

Principal risks and uncertainties

The trustees have given consideration to the principal risks and uncertainties to which the Charity is exposed. The Charity holds a significant investment property portfolio and any substantial decrease in property values or a substantial reduction in the ratio of tenanted properties to vacant ones would impact the Charity. The trustees monitor the impact of these risks and have concluded that there are sufficient reserves within the Charity to accommodate these.

Reserves Policy

The trustees are continuing to develop and refine the charity's reserves policy, taking into account both long term and short-term projects, and monitor reserves on an ongoing basis.

The charity now holds an endowment fund of £63.86m (2020: £64.03m) and, of the other funds it holds, £10m remains designated for the specific purpose of assisting the setting up of educational and religious institutions in a future re-established Jewish community in Iraq. £5m of funds previously designated for an affordable housing project for teachers at the Westminster Academy were transferred back to general funds at the year end, as the project was no longer considered viable. At the balance sheet date free reserves amounted to £20.7m (2020: £14.6m).

It is the Charity's policy to retain reserves of a minimum of twelve months total expenditure excluding grants.

At the balance sheet date, the charity had net current liabilities of £2.4m (2020: net current assets of £1.8m). However, as noted below an investment property was sold post year end for £6.6m plus costs, therefore generating significant cash reserves to cover total expenditure for a minimum of twelve months.

THE EXILARCH'S FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

Investment Policy, Performance and Objectives

The Charity's policy is to invest primarily in real estate and donations have been received on that basis. The trustees consider these investments to be secure both in the medium and long term and their performance in terms of capital growth and income is expected to compare well to the rest of the market. The Charity is also exploring some non-property investments.

The Charity's investment properties were independently revalued at the balance sheet date. The resultant unrealised losses in the year of £0.5m (2020: £0.2m) are considered to mirror the current market conditions of the property sector in the UK.

Impact of COVID-19

In 2020, the WHO declared a global COVID-19 pandemic and restrictions were put in place in the UK to contain the spread of this disease. The effects of the COVID-19 pandemic and subsequent lockdowns have impacted the income of the Foundation in 2021 as reflected in these financial statements. In some instances, the charity has continued to provide rent concessions and extended payment periods, to assist lessees to remain viable in this difficult period.

The trustees continue to monitor the charity's reserves, which are significant, on an ongoing basis and have regard to these prior to entering into grant commitments.

Events after the reporting date

The charity sold an investment property in April 2022 for £6.6m plus costs. The property was valued at £6.6m as at 31 December 2021 and is included within these accounts.

Statement of Trustees' Responsibilities

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

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

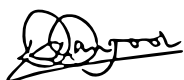
THE EXILARCH'S FOUNDATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approval

This report was approved by the trustees on31 October 2022.....and signed on their behalf.



Exilarch
D.A. Dangoor CBE DL

THE EXILARCH'S FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EXILARCH'S FOUNDATION

Opinion

We have audited the financial statements of The Exilarch's Foundation ("the charity") for the year ended 31 December 2021, which comprise the statement of financial activities, the balance sheet, the statement of cashflows, and notes to the financial statements, including a summary of significant accounting policies. The financial 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for Opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the 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.

THE EXILARCH'S FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EXILARCH'S FOUNDATION

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 this gives rise to a material misstatement in the financial statements themselves. 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

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

THE EXILARCH'S FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EXILARCH'S FOUNDATION

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charity and the charity sector, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with charity regulations, 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 the Charities (Accounts and Reports) Regulations 2008 and Charities Act 2011. 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 posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the auditors included:

- discussions with the trustees, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- assessing management's significant judgements and estimates in particular those relating to the valuation of the charity's property portfolio; and
- identifying and testing manual journal entries, in particular any journal entries posted with unclear rationale.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

THE EXILARCH'S FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE EXILARCH'S FOUNDATION

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Wilson Wright LLP
Chartered Accountants and Statutory Auditors
5 Fleet Place
London EC4M 7RD

Date: 31 October 2022

Wilson Wright LLP 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 EXILARCH'S FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

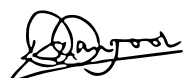
	Notes	Unrestricted Funds 2021 £	Expendable Endowment 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Investments	4	7,023,142	-	7,023,142	6,504,437
Other income	5	5,268	-	5,268	-
Total income		7,028,410	-	7,028,410	6,504,437
Expenditure on:					
Cost of raising funds	6	292,011	-	292,011	188,575
Charitable activities	7	6,257,770	-	6,257,770	3,969,902
Total expenditure		6,549,781	-	6,549,781	4,158,477
Net income		478,629	-	478,629	2,345,960
Net gains/(losses) on investments	14.1,14.3	614,301	(173,862)	440,439	1,518,880
Net movement in funds		1,092,930	(173,862)	919,068	3,864,840
Reconciliation of funds					
Total funds brought forward		37,864,159	64,029,853	101,894,012	98,029,172
Total funds carried forward		38,957,089	63,855,991	102,813,080	101,894,012

THE EXILARCH'S FOUNDATION

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	10.1		111,801,435		106,777,151
Current assets					
Debtors	11	1,596,235		2,027,046	
Cash at bank		<u>2,211,496</u>		<u>4,723,796</u>	
		3,807,731		6,750,842	
Creditors: amounts falling due within one year	12	<u>(6,206,032)</u>		<u>(4,978,998)</u>	
Net current (liabilities)/assets			(2,398,301)		1,771,844
Creditors: amounts falling due after more than one year	13		(6,590,054)		(6,654,983)
Total net assets			<u>102,813,080</u>		<u>101,894,012</u>
Funds of the charity					
Expendable endowment fund	14.1		63,855,991		64,029,853
Unrestricted funds:					
Designated	14.2		18,250,000		23,250,000
General	14.3		20,707,089		14,614,159
Total funds			<u>102,813,080</u>		<u>101,894,012</u>

The financial statements were approved by the board of trustees on ~~31.10.2022~~ and signed on their behalf by:



D.A. Dangoor CBE DL
Exilarch

THE EXILARCH'S FOUNDATION

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Net cash used in operating activities	16		(4,860,124)		(7,822,068)
Cash flows from investing activities					
Interest received		371		7,759	
Dividends and rental income from investments		7,022,771		6,568,359	
Purchase of investment properties		(5,588,117)		(7,697,533)	
Purchase of other investments		(1,814,316)		(463,138)	
Proceeds on disposal of investments		358,430		139,993	
Proceeds from sale of investment properties		<u>2,368,685</u>		<u>8,679,846</u>	
Net cash flows from investing activities			<u>2,347,824</u>		<u>7,235,286</u>
Change in cash and cash equivalents in the year			(2,512,300)		(586,782)
Cash and cash equivalents at the beginning of the year			<u>4,723,796</u>		<u>5,310,578</u>
Cash and cash equivalents at the end of the year			<u><u>2,211,496</u></u>		<u><u>4,723,796</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 Status

The Exilarch's Foundation is an unincorporated charity governed by a Trust Deed and is registered with the Charity Commission for England and Wales. The address of the registered office is 4 Carlos Place, Mayfair, London, W1K 3AW.

2 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation of accounts and assessment of going concern

The financial statements(accounts) have been prepared under the historical cost convention except for investments which have been included at fair value and in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 , the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts have been prepared to give a " true and fair " view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a " true and fair view". This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Exilarch's Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in pounds sterling and rounded to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the Board of Trustees consider there are no material uncertainties existing that may cast significant doubt as to its ability to continue as a going concern.

At the balance sheet date, the charity had net current liabilities of £2.4m (2020: net current assets of £1.8m). However, an investment property was sold post year end for £6.6m plus costs, therefore generating significant cash reserves to cover total expenditure for a minimum of twelve months, in line with the charity's reserves policy.

The Board of Trustees has considered the continuing uncertainty arising from the COVID-19 pandemic and does not believe this to have a material impact on going concern.

2.3 Consolidated and financial statements

Consolidated financial statements for the Charity and its wholly owned subsidiary, Edufilms Limited have not been prepared as the subsidiary was immaterial. As such the accounts reflect only the transactions and balances of the Charity.

2.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (continued)

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised at the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executors to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when there has been a grant of probate, the executors have established there are sufficient assets in the estate to pay the legacy and the conditions attached to the legacy are either within the control of the charity or have been met. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term. Incentives for lessees to enter into lease agreements are spread evenly over the lease terms, even if the payments are not made on such a basis. Rental income is measured at the fair value of the consideration receivable excluding VAT.

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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds represent investment property and related costs associated with deriving rental income.
- Expenditure on charitable activities comprises grants payable and associated costs incurred by the charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support it.
- Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. Unconditional grant offer is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant.

The provision of a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average loan rate in the year in which the grant award is made. This discount rate is regarded by the trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Charity.

All expenditure is accounted for on an accruals basis. Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2 Accounting policies (continued)

2.6 Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

Governance costs and support costs relating to the cost of raising funds and expenditure on charitable activities have been apportioned on an equal basis. The allocation of support and governance costs is analysed in note 8.

2.7 Operating Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the closing rate of the month preceding that in which the transaction occurred. Exchange differences are taken to the Statement of Financial Activities.

2.9 Fund accounting

The following funds are held by the Charity:-

Expendable Endowment - these are capital funds which can only be converted into expendable income at the discretion of the Exilarch.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Realised and unrealised gains and losses on investments are allocated to the appropriate fund based on opening fund balances.

2.10 Fixed asset investments

Investment properties are measured initially at cost and subsequently at fair value at the reporting date. Valuation at fair value is made on an open market value basis by reference to market evidence of transaction prices for similar properties. Fair value adjustments are recognised as gains/losses on revaluation of fixed assets in the Statement of Financial Activities.

Investments in subsidiaries are measured initially at cost and subsequently at cost less impairment.

Other investments are initially measured at cost and subsequently at fair value at the reporting date. Realised and unrealised gains and losses are shown as gains/losses on investments in the Statements of Financial Activities. Net gains on other investments are recorded after deduction of management fees and foreign exchange movements.

2.11 Loans

Concessionary loans made in furtherance of the charity's objectives and repayable after more than one year are initially recognised at the amount paid with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest. To the extent that the loan is assessed as irrecoverable, an impairment loss is recognised in the Statement of Financial Activities.

2 Accounting policies (continued)

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. Additionally all financial assets and liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial assets, which include trade and other receivables and cash at bank are initially measured at transaction price (including transaction costs) and are subsequently carried at amortised cost.

Basic financial liabilities include trade payables, grants payable, other payables and deferred income are initially recognised at transaction price and subsequently carried at amortised cost.

3 Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

As disclosed in Note 10.1, the charity's investment properties have been valued on an open market value basis by an independent professional valuer, valuation of which is based on a number of assumptions including market conditions which prevailed at the balance sheet date.

THE EXILARCH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
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4 Investment income and interest	2021	2020
	£	£
<u>Unrestricted fund</u>		
Income from:-		
Listed investments	-	158
Unlisted investments	-	117
Rent receivable	7,022,771	6,496,403
Interest on cash deposits	371	7,759
	<u>7,023,142</u>	<u>6,504,437</u>
5 Other income	2021	2020
	£	£
<u>Unrestricted fund</u>		
Other income	5,268	-
	<u>5,268</u>	<u>-</u>
6 Cost of raising funds	2021	2020
	£	£
<u>Unrestricted fund</u>		
a Investment Property Costs		
Rent payable	102,260	104,853
Rates	13,985	-
Insurance	3,262	271
Service charges	31,082	20,821
Repairs and maintenance	(61)	(94,140)
Legal and professional	47,135	67,353
	<u>197,663</u>	<u>99,158</u>
b Other costs		
Publicity	25,500	33,800
Support costs (see note 8)	54,187	55,617
Investment management fees	14,661	-
	<u>292,011</u>	<u>188,575</u>

THE EXILARCH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2021 £	2020 £	2020 £
7 Expenditure on charitable activities				
a Grants				
An analysis of grants is as follows:				
<u>Grants to institutions</u>				
<u>SOCIAL WELFARE</u>				
<u>Community development</u>				
Bevis Marks Synagogue Heritage Foundation	900,000		-	
Royal National Institute for Deaf People (RNID)	210,000		-	
Jewish Homes Emergency	200,000		-	
The Faith and Belief Forum	127,527		106,000	
Jewish Renaissance Magazine	130,365		-	
Maccabi GBP	75,181		20,000	
Chazak	60,000		20,000	
The Spanish and Portuguese Jews Congregation	50,440		175,000	
Jewish Lads and Girls Brigade	50,000		50,000	
Jewish Leadership Council	50,000		200,000	
Torah Action Life	45,000		-	
Woolf Institute	42,028		72,028	
Best Beginnings	40,000		30,000	
Beit Halochem UK	25,000		25,000	
University Jewish Chaplaincy	20,000		20,000	
Centre for Jewish Life	15,000		15,500	
Israel Philharmonic Foundation UK	17,500		-	
Jewish Book Week	-		20,000	
Norwood	-		20,000	
The Board of Deputies of British Jews	-		30,000	
The Covenant & Conversation Trust	-		180,000	
Other General Grants & Donations	491,441		315,238	
<u>Ethics</u>				
Tony Blair Institute for Global Change	50,000		-	
Global Leadership Foundation	5,000		10,000	
<u>Hospitals, Medical Education and Research</u>				
Cancer Research UK	-		1,200,000	
Magen David Adom UK	-		72,500	
The Royal Society of Medicine	80,621		-	
Other	-		35,000	
<u>General</u>	24,890		3,958	
		2,709,993		2,620,224

THE EXILARCH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 Expenditure on charitable activities (continued)

EDUCATION

University/College

Side by Side (School) Ltd	360,000	-
Imperial College of Science, Technology and Medicine	300,000	-
Women's Interfaith Network	277,400	148,535
Birkbeck University - Monotheism & Other Grants	125,000	-
Queen Mary University (BARTS)	124,000	-
British Schools Exploring Society	120,000	120,000
Westminster Academy	116,317	98,585
Imperial Health Charity	100,000	-
Yakar	80,000	40,000
Imperial College - Space Science & Engineering Foundation	70,000	70,000
Dangoor Education	52,500	201,712
Institute for Jewish Policy Research	36,000	-
Association of Jewish Academics from Iraq	17,925	-
Weizmann Institute of Science / Weizmann UK	17,410	-
Middle East Education	-	15,000
Pardes Institute of Jewish Studies	3,666	-
Sephardi Voices USA	-	50,000
University Scholarship Scheme	(243,334)	-
Other	108,302	61,564
Sundry		
RUSI - The Royal United Services Institute for Defence and Security	1,750,000	250,000
The Royal Marines Charity Trust Fund	-	15,000
	<u>3,415,186</u>	<u>1,070,396</u>
Carried forward	<u>6,125,179</u>	<u>3,690,620</u>

THE EXILARCH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

7 Expenditure on charitable activities

a Grants (continued)		2021 £	2020 £
Brought forward		6,125,179	3,690,620
Present value adjustment on commitments made in year		(361,667)	(100,872)
Present value of grant commitments made in year	7.e	5,763,512	3,589,748
Finance costs		340,070	324,536
Support costs (see note 8)		54,188	55,618
		<u>6,157,770</u>	<u>3,969,902</u>
b <u>Other expenditure</u>			
Impairment loss on concessionary loan (see note 11(ii))		100,000	-
		<u>6,257,770</u>	<u>3,969,902</u>

c Where significant grant payments are due in greater than one year the amounts have been discounted to reflect their net present value. Finance costs represent finance charges in respect of the unwinding of the grants.

d The subsidiary's loan was in respect of programme related amounts advanced to support the restoration of a church and was in furtherance of the charity's objectives.

e Reconciliation to Grants Payable:	£	£
Commitments at 1 January 2021	10,717,222	12,576,787
Commitments made in year	5,763,512	3,589,748
Grants paid during the year	(5,798,450)	(5,704,037)
Finance costs	340,070	324,536
Difference on exchange	28,742	(69,812)
Commitments at 31 December 2021	<u>11,051,096</u>	<u>10,717,222</u>
Commitments at 31 December 2021 are payable as follows:-		
Within one year (note 12)	4,461,042	4,062,239
After more than one year (note 13)	6,590,054	6,654,983
	<u>11,051,096</u>	<u>10,717,222</u>

8 Support costs	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
	Total costs	Cost of raising funds	Expenditure on charitable activities	Total costs	Cost of raising funds	Expenditure on charitable activities
<u>Apportionment basis</u>		<u>50%</u>	<u>50%</u>		<u>50%</u>	<u>50%</u>
Property expenses	14,786	7,393	7,393	20,632	10,316	10,316
<u>Governance</u>						
Bank charges	1,132	566	566	1,492	746	746
Sundry expenses	2,583	1,291	1,292	-	-	-
Professional fees	53,944	26,972	26,972	57,986	28,993	28,993
Audit fees	35,930	17,965	17,965	31,125	15,562	15,563
	<u>108,375</u>	<u>54,187</u>	<u>54,188</u>	<u>111,235</u>	<u>55,617</u>	<u>55,618</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9 Trustees and employees

No remuneration was paid to the trustees or their connected persons for the year, nor were any expenses reimbursed to them (2020 - £nil).

There were no persons employed by the charity during the year or the previous year.

10.1 Fixed asset investments

	UK Investment Properties £	Listed Investments £	Shares in group undertaking £	Other investments £	Total £
Fair values					
At 1 January 2021	105,045,000	165,056	1	1,567,094	106,777,151
Additions at cost	5,588,117	-	-	1,814,316	7,402,433
Disposals at carrying value	(2,200,000)	-	-	(358,430)	(2,558,430)
Gain on fair value adjustments	(463,117)	48,648	-	594,750	180,281
At 31 December 2021	<u>107,970,000</u>	<u>213,704</u>	<u>1</u>	<u>3,617,730</u>	<u>111,801,435</u>

The investment properties have been revalued at the reporting year end date on an open market value basis by an independent Chartered surveyor, Foxglove Property Limited and represent their fair value.

The charity is a leasehold tenant and pays a peppercorn rent to the freeholder of a property which is owned by a company in which the trustees are directors/shareholders with control of the company.

Listed investments are carried at fair value and represent investment in equities which are traded in quoted public markets, primarily the London Stock Exchange.

See note 10.2 for shares in group undertakings.

**Analysis of investments at fair value
at 31 December 2021**

	2021 £	2020 £
UK investments		
Ordinary shares:		
Listed	<u>213,704</u>	<u>165,056</u>
Investments amounting to more than 5 per cent of the total portfolio:		
Airlines Group SA	28,990	39,750
Entain plc	<u>178,912</u>	<u>119,803</u>

10.2 Interest in subsidiary

	Shares in group undertaking £
At cost less impairment	
Balance at 1 January 2021 and at 31 December 2021	<u>1</u>
Details of the Charity's subsidiary:	
Company	Country of
	Class
	Shares held
	Principal
Edufilms Limited	England & Ordinary 100% Educational
The results of Edufilms Limited for the year ended 31 December 2021 were as follows:	
	£
Capital and reserves	<u>8,077</u>
Profit for the year	<u>14,694</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11 Debtors

	2021	2020
	£	£
Trade debtors	838,984	1,175,620
Amounts owed by subsidiary undertaking	57,471	53,571
Other debtors	368,016	508,776
Prepayments and accrued income	331,764	289,079
	<u>1,596,235</u>	<u>2,027,046</u>

Amounts owed by subsidiary undertaking represent concessionary loans made to facilitate the production and distribution of educational films. There is no fixed repayment term and the amount does not bear interest.

Other receivables include Concessionary loans detailed as follows:

- (i) A £225,000 (2020 - £225,000) drawdown in respect of a £360,000 loan to a company to fund a feasibility study into the provision of affordable housing for teachers at the Westminster Academy. The loan is interest free and repayable on the date on which the company enters into a development agreement with a developer on terms agreed by the charity. No agreement has since materialised as a potential developer has decided not to proceed. Accordingly, the balance previously provided for, has now been written off, as it is considered irrecoverable.
- (ii) A £100,000 (2020 - £134,802) loan to a Trust to support the restoration of a church. The interest free loan was repayable in July 2021, however due to strains resulting from Covid-19, the funding commitment was restructured and the remaining funding commitment of £100,000 was terminated in October 2021, with remaining funds sitting on the loan account written off.
- (iii) A £350,000 (2020 - £350,000) interest free loan which was originally repayable in November 2019 and remains outstanding to assist in the purchase and fitting out of a property for an organisation with a vision to enhance Jewish youth's lives. The loan is underwritten by a guarantor and additionally, the charity has a second mortgage charge against the property.

All three loans meet the criterion for treatment as programme related concessionary loans.
D.A. Dangoor CBE DL is a director of the Westminster Academy.

12 Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	129,072	42,087
Taxation and social security	294,922	211,785
Other creditors	278,276	217,621
Accruals and deferred income	1,042,720	445,266
Grants payable	4,461,042	4,062,239
	<u>6,206,032</u>	<u>4,978,998</u>

13 Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Grants payable	<u>6,590,054</u>	<u>6,654,983</u>

THE EXILARCH'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
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14.1 Expendable endowment fund	2021	2020
	£	£
At 1 January 2021	64,029,853	63,210,356
(Loss)/gain on investments in the year	(173,862)	819,497
At 31 December 2021	<u>63,855,991</u>	<u>64,029,853</u>

The capital can only be converted into expendable income at the discretion of the Exilarch.

14.2 Designated funds	2021	2020
	£	£
At 1 January 2021	23,250,000	23,250,000
Transfers to general fund	(5,000,000)	-
At 31 December 2021	<u>18,250,000</u>	<u>23,250,000</u>
Purposes:		
Assisting the setting up of educational and religious institutions in a future re-established Jewish community in Iraq		10,000,000
Advancement of Universal Monotheism		7,000,000
UK Israel Healthcare Innovation Project		1,250,000
		<u>18,250,000</u>

In the prior year, £5,000,000 was included within designated funds for an affordable housing project for teachers at the Westminster Academy. No such project has materialised as a potential developer has decided not to proceed. Accordingly, at the year end, the amount previously designated for this project has been transferred back to the general fund. See also note 11(i) for details.

14.3 General fund	2021	2020
	£	£
At 1 January 2021	14,614,159	11,568,816
Incoming resources in the year	7,028,410	6,504,437
Gain on investments in the year	614,301	699,383
Resources expended in the year	(6,549,781)	(4,158,477)
Transfers from designated fund	5,000,000	-
At 31 December 2021	<u>20,707,089</u>	<u>14,614,159</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15 Analysis of charity net assets between funds

	Investments	Current Assets Less Liabilities	Long Term Liabilities	Total
	£	£	£	£
Expendable Endowment	63,855,991	-	-	63,855,991
Unrestricted Funds:				
Designated	18,250,000	-	-	18,250,000
General	29,695,444	(2,398,301)	(6,590,054)	20,707,089
	<u>111,801,435</u>	<u>(2,398,301)</u>	<u>(6,590,054)</u>	<u>102,813,080</u>

16 Reconciliation of net movement in funds to net cash used in operating activities.

	2021 £	2020 £
Net movement in funds	919,068	3,864,840
Adjustments for:		
Investment income and Interest	(7,023,142)	(6,504,437)
Profit on sale of fixed assets	(168,685)	(1,579,847)
Profit on sale of fixed asset investments	(91,473)	-
Decrease in valuation of fixed assets investments	414,469	295,861
Private equity investments fair value adjustments	(594,750)	(234,485)
Impairment of concessionary loan	100,000	-
Net decrease/(increase) in debtors	169,291	(1,483,337)
Net increase/(decrease) in current liabilities	1,081,224	(321,098)
Net increase/(decrease) in grants payable	333,874	(1,859,565)
Net cash used in operating activities	<u>(4,860,124)</u>	<u>(7,822,068)</u>

THE EXILARCH'S FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17 Analysis of changes in net debt

	2021	2020
	£	£
At 1 January 2021	4,723,796	5,310,578
Cashflow movements	(2,512,300)	(586,782)
At 31 December 2021	<u>2,211,496</u>	<u>4,723,796</u>

18 Operating lease arrangements

18.1 Lessor

At the balance sheet date the charity had future minimum rentals receivable under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	7,283,236	6,961,177
Between two and five years	25,753,944	24,425,018
In over five years	36,841,035	41,750,103
	<u>69,878,215</u>	<u>73,136,298</u>

18.2 Lessee

At the balance sheet date the charity had outstanding commitments for future minimum lease

	2021	2020
	£	£
Within one year	102,260	102,260
Between two and five years	409,040	409,040
In over five years	7,210,004	7,312,264
	<u>7,721,304</u>	<u>7,823,564</u>

19 Financial commitments

Amounts contracted for but not provided:

	2021	2020
	£	£
Acquisition of fixed asset investments	<u>2,692,797</u>	<u>2,341,198</u>

20 Related parties disclosures

During the year, grants amounting to £116,317 (2020: £98,585) were awarded to Westminster Academy, of which Mr David Dangoor CBE DL CBE is a trustee.

21 Events after the reporting date

The charity sold an investment property in April 2022 for £6.6m plus costs. The property was valued at £6.6m as at 31 December 2021 and is included within these accounts.