

THE JERUSALEM TRUST

ANNUAL REPORT

5 APRIL 2021

The Peak
5 Wilton Road
London SW1V 1AP

CONTENTS

	PAGE
1 The Report of the Trustees	2 – 10
2 Statement of Trustees' Responsibilities	11
3 Independent Auditors' Report	12-14
4 Statement of Financial Activities	15
5 Balance Sheet	16
6 Cash Flow Statement	17
7 Notes to the Accounts	18-25

THE JERUSALEM TRUST

5 April 2021

Legal and Administrative

The Jerusalem Trust (No. 285696) was established under a Trust Deed dated 28 September 1982 and became a registered charity on 13 December 1982.

Trustees	Lady Susan Sainsbury The Rt Hon Sir Timothy Sainsbury Mr Mark Browning Prof Peter Frankopan Mr Colin Harbidge Mrs Melanie Townsend Mr David Wright	
Registered Office	The Peak 5 Wilton Road London SW1V 1AP	
Principal Officers	Mrs K Everett Ms V McLachlan Mr BM Woodruff Ms R Tiley	Chief Operating Officer Executive Executive Executive
Bankers	Child & Co 1 Fleet Street London EC4Y 1BD	
Solicitors	Portrait Solicitors 21, Whitefriars Street London EC4Y 8JJ	
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Investment Advisers	Sarasin & Partners Juxon House 100 St Paul's Churchyard London EC4M 8BU	

Investment Powers

The Trust Deed empowers the Trustees to appoint investment advisers, who have discretion to invest the funds of the Trust within guidelines established by the Trustees.

Objects

The objects of the Trust as given in the Trust Deed are:

- i) to or for the advancement of the Christian religion and the promotion for charitable purposes only of any Christian body or organisation;
- ii) to or for the advancement of Christian education and learning;
- iii) to or towards or for the benefit of such one or more charitable purposes or charitable institutions as shall be supported, undertaken or effected by any Christian body or organisation at such time or times in such manner and in such proportions as the Trustees may from time to time at their discretion determine.

Organisation

The Trust is one of the Sainsbury Family Charitable Trusts (SFCT), which share a common administration.

Trustees are appointed by the Settlor, with the exception of one Trustee who is appointed by the Bishop of Winchester. All Trustees are provided with relevant information relating to their responsibilities as Trustees.

Trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The Charity has reviewed its governance arrangements against the principles within the code and believes that it is compliant with the code whilst maintaining its need to operate its governance efficiently.

The remuneration of the senior staff (including key management personnel) is reviewed by the Chairman on an annual basis taking into account the requirements of their role and performance during the year. From time to time the SFCT Management Committee benchmarks pay levels against the comparable positions in similar organisations.

The Trust and its Trustees are fully aware of the requirements and duties set out in the Charities (Protection and Social Investment) Act 2016. The Trust does not raise funds from the public and as such has no fundraising activities requiring disclosure under SI 62A of the Charities Act 2011.

The Trustees are responsible for the overall direction and supervision of the Jerusalem Trust; they set the Trust's strategy, review proposals and approve grants. The Trustees delegate day-to-day operations to the Trust's Lead Executive, Victoria McLachlan.

Policies

During the period the Trustees considered proposals under the following categories:

Christian Education
Christian Evangelism and Relief Work Overseas
Christian Media
Evangelism and Christian Mission in the UK
Christian Art

Proposals are generally invited by the Trustees or initiated at their request. Trustees do not normally make grants towards building or repair work for churches and grants are not normally made to individuals.

There have been no significant changes in the grant making policies of the Trust over the period under review. However, their Education and Media categories have been under review. The Covid-19 pandemic also elicited a temporary emergency support grant programme for current grantees in particular need.

Reserves Policy

It is the policy of the Trustees to approve grants for payment over a period of years, subject to certain conditions over the life of the grant. Those expected to be paid within twelve months of the year end are accrued in the accounts, whilst those due to be paid later than this are not accrued. These are referred to in note 4 to the accounts and amount to £1,012,000. They represent funds earmarked for continued support to certain existing beneficiaries, although formal commitments have not yet been made.

Cash flow projections for income and expenditure are regularly reviewed to ensure that the level of available resources is adequate and that the Trust is in a position to meet all its commitments.

The Trustees consider that when possible it is appropriate to hold free funds, both to meet the short-term working capital needs of the Trust and in anticipation of the potential payment of subsequent grant instalments. In the unlikely event that the Trustees find themselves unable to meet current commitments from unrestricted reserves, they would be willing to draw on expendable endowment in order to meet those commitments as they see fit.

As at 5 April 2021, the Trust held total funds of £114.76 million, comprising of an expendable endowment fund of £114.25 million and unrestricted reserves of £510k.

Investment Policy and Performance

Trustees meet with their investment managers regularly to discuss investment strategy and also to seek to ensure that the Trust's income requirements are met, and that long term capital growth is in line with relevant indices. The Trustees normally hold investments for the long term and look principally to income for their grant making, supplemented by the use of capital where required.

The Trust's main portfolio rose in value over the past 12 months, producing a total return net of all costs of +27.7% as markets rebounded from their March 2020 nadir on the back of supportive monetary and fiscal policy provided by governments and central banks globally. Performance was well ahead of the portfolio's long-term UK CPI +4% target, which rose +4.5% over the period. Having outperformed its composite benchmark in recent years, the portfolio's relative performance this year was more challenging despite the strong absolute return, with the composite benchmark rising +29.8%. This is attributed to the market leadership of cyclical sectors catalysed in November 2020 by positive vaccine announcements, presenting a challenge for our thematic investment process which naturally leads us to invest in higher quality, sustainable growth opportunities than those favoured by the market in the second half of the year. Elsewhere in the portfolio, bonds, alternative investments and commercial property all generated positive returns.

THE JERUSALEM TRUST

5 April 2021

A total of 300,000 J Sainsbury shares were sold in December 2020 and January 2021 at an average price of £2.36. The shares generated a total shareholder return of +22% for the year, behind the wider UK equity market return of +32%. As at 5 April 2021, J Sainsbury shares represented 6.1% of the Trust's value.

The Trust received £3,076,424 of income over the twelve-month period. No capital was withdrawn.

Risk Assessment

The Trustees have examined the major strategic, business and operational risks to which the Trust may be exposed. Through the joint office of the Sainsbury Family Charitable Trusts, adequate systems are in place to meet such potential risks as the Trustees have identified. The Trustees continue to be vigilant and to keep processes under review.

The Trustees identified the uncertainty of financial returns to constitute the charity's major financial risk. This is mitigated by having a diversified financial portfolio under the management of a major investment house. The Trustees regularly review investment strategy and monitor financial performance. They also operate a grant distribution formula which helps to ensure the stability of resources available for grant awards in any given year.

Another major risk is a misuse of funds by a grantee charity. To mitigate this risk the Trustees normally restrict grants to charities registered with the Charity Commission or equivalent bodies. The awards are made following a thorough assessment and grants are regularly monitored; multi-year grants are paid only on receipt of satisfactory progress reports.

Charity and Public Benefit

Trustees are aware of the Charity Commission guidance on Public Benefit and confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to it. They consider the full information which follows in this annual report, about the Trust's aims, activities and achievements in the many areas of interest that the Trust supports demonstrates the benefit to its beneficiaries, and through them to the Public, that arise from those activities.

Review of the Past Period

The Trustees met four times during the year to make grants and a further twice to review investment activity.

The asset value of the Trust increased by 24% from £92.6 million at 5 April 2020 to £114.8 million at 5 April 2021. The net unrestricted income of the Trust for the year after charging grant related support costs was £2.8 million compared to £2.8 million for the year to 5 April 2020.

Trustees have decided that the best way of benchmarking the expenses incurred in running the charity is to measure these costs relative to its day to day activity of grant-making, as income alone is an unsuitable benchmark for charitable activity. On that basis, grant related support costs represented 11% of the value of grants paid, which totalled £2.4 million.

The grants approved may be analysed by number and by value in the categories set out below:

	Grants Approved	Value £
Christian Education	1	200,000
Christian Evangelism and Relief Work Overseas	24	437,600
Christian Media	10	1,195,500
Evangelism and Christian Mission in the UK	105	1,560,000
	140	3,393,100

GRANTS APPROVED

CHRISTIAN EDUCATION - £200,000

Trustees' priority areas in this category are as follows:

- The development of Christian education and curriculum materials for schools in RE and other subjects;
- The support of RE as a subject, both curriculum development and support for RE teachers and teacher training;
- The support, training and retention of Christian teachers in all subjects and lay training.
- Projects which encourage Christians in leadership in schools;
- Adult and lay education.

In 2020/21, Trustees initially committed 32% of their budget to Christian Education. However, as this category was under review, they agreed to suspend the majority of grant-making in this area until a new strategy is approved.

Small grants to Schools for Christian RE materials - £200,000

Towards the Jerusalem Trust RE Small Grants Scheme.

CHRISTIAN EVANGELISM AND RELIEF WORK OVERSEAS - £437,600

Trustees' priority areas in this category are as follows:

- Christian relief and development work overseas;
- Support for theological training colleges;
- Capacity building of local churches;
- The translation of Christian literature;
- The support of persecuted Christians.

The Trust's geographical focus areas are Anglophone sub-Saharan Africa and Ethiopia, Jordan, Syria, Lebanon, Egypt, Iraq and Iran. The Trustees regularly review their geographical priority areas.

In 2020/21, Trustees committed 10% of their budget to Christian Evangelism and Relief Work Overseas.

Arab World Ministry of Pioneers - £10,000

Towards Christian health and nutrition project in Jordan

Catholic Agency for Overseas Development (CAFOD) - £25,000

Towards resilient community building in Sierra Leone

Christian Solidarity Worldwide - £21,500

£21,500 towards supporting persecuted Christians

Dignity - £9,750

Towards digitising discipleship resources

Iraqi Christians in Need - £9,350

Towards education support project in Baghdad

Mosaic Middle East - £20,000

Towards the Olive Tree Centre, Amman

Reach Beyond - £10,000

Towards VOX Radio HQ

Saint's Projects Trust - £10,000

Towards House of Hope Church

Starfish Asia - £10,000

Towards Scholarship Fund, Pakistan

Tearfund - £140,000

Towards four projects in Ethiopia, Malawi, Zimbabwe and East and Central Africa with the split to be determined by Tearfund

Christian Evangelism and Relief Work Overseas CV-19 emergency grants:

Catholic Agency for Overseas Development (CAFOD) – 2 grants totalling £60,000

Christian Solidarity Worldwide – £10,000

Foundation for Relief & Reconciliation in the Middle East - £10,000

Mission Aviation Fellowship - £15,000

Mosaic Middle East - £20,000

Open Doors with Brother Andrew - £10,000

Tearfund - £35,000

A further six smaller grants were awarded totalling £12,000.

CHRISTIAN MEDIA - £1,195,500

Trustees' priority areas in this category are as follows:

- Media projects that promote Christianity in the UK, North Africa and the Middle East;
- Supporting training and networking projects for Christians working professionally in all areas of the media and for those considering media careers;
- The use of digital media and the internet for creative ways to promote Christianity.

Trustees committed 14% of their budget to Christian Media.

Crown Jesus Ministries - £10,000

Towards digital project and equipment for online resource hub

Jerusalem Productions – £1,020,000 over three years

Towards the core staffing and resourcing of JPL Ltd/Four8Media

Middle East Media - £50,000 over two years

Towards three media projects in the Middle East

Passion Trust - £40,000 over two years

Towards Easter 2021 and 2022 Passion plays

Premier Christian Media Trust - £40,000 over two years

Towards Leap of Faith digital literacy Project

Saltmine Trust - £20,000

Towards The Liberator theatre production

Christian Media CV-19 emergency grants:

SAT 7 Trust Ltd – Oxford - £10,000

A further three smaller grants were awarded totalling £5,500.

EVANGELISM AND CHRISTIAN MISSION IN THE UK - £1,560,000

The trustees' priority areas in this category are as follows:

- Christian projects that work with children and young people, in particular those working with children who have little or no contact with the church;
- Support for youth work and projects with young adults;
- Evangelistic projects, especially new and emerging evangelists;
- Work with prisoners, ex-prisoners and their families.

In 2020/21, Trustees committed 41% of their budget to Evangelism and Christian Mission in the UK.

Alpha International - £160,000 over two years

Towards Alpha core costs, and the Alpha evangelism course in the UK.

THE JERUSALEM TRUST

5 April 2021

Bethany Christian Trust - £10,000

Towards women prisoners' project

Christians Against Poverty - £90,000 over three years

Towards core costs and expansion

Evangelical Alliance - £60,000 over two years

Towards EA Gospel: Young Adult Conversation

Fusion - £30,000 over two years

Towards core costs

Hope Into Action - £60,000 over two years

Towards core costs

London Institute for Contemporary Christianity- £60,000 over three years

Towards the Sustaining Transformative Disciples Project

Luis Palau Evangelistic Association – Europe - £40,000

Towards core costs

Orchards - £10,000

Towards counselling and casework

Parliamentary Christian Fellowship Trust - £5,000

Towards Senior Parliamentary Officer Salary

Prison Advice & Care Trust (PACT) - £135,000

Towards the Just People project

Sandes Soldiers' and Airmen's Centre - £40,000 over two years

Towards core costs

St Luke's Healthcare for the Clergy - £10,000

Towards mental health support and resilience resources

St Mary's Andover - £120,000 over three years.

Towards core costs

Urban Expression - £90,000 over three years

Towards core costs

Urban Saints – Crusaders - £40,000

Towards core costs and expansion

Youth for Christ in Britain – British Youth for Christ - £150,000 over three years

Towards the delivery of the urban strategy

Evangelism and Christian Mission in the UK CV-19 emergency grants:

Andover Foodbank – 2 grants totalling £5,000

Baby Basics - £10,000

Basingstoke Foodbank – 2 grants totalling £10,000

Beyond the Streets - £10,000

Bible Reading Fellowship - £10,000

Changing Tunes- £10,000

Church Action on Poverty - £20,000

Church Army - £20,000

Church Revitalisation Trust - £20,000

Churches in Reading Drop-in Centre - £5,000

Clapham Park Foodbank - £5,000

Emmaus – Oxford - £1,000

Faithworks Wessex - £2,000

Fegans - £10,000

Good Neighbours Network - £1,000

Hereford Foodbank – 2 grants totalling £5,000

Holy Trinity Church, Brompton - £5,000

Home for Good - £10,000

Hope Into Action - £10,000

Kintsugi Hope - £10,000

Leeds City Mission - £5,000

Linking Lives UK - £5,000

Message Trust - £15,000

One Church, Brighton - £5,000

THE JERUSALEM TRUST

5 April 2021

Oxford Food Hub - £1,000

Readifood - £5,000

Safe Families for Children - £10,000

Salvation Army - £25,000

SCRATCH - Southampton City and Region Action to Combat Hardship - £2,000

St Andrew's Church, Oxford - £1,000

St Mary's Southampton - £15,000

St Michael's Church, Wimbledon - £5,000

St Swithun's, Bournemouth - £15,000

Swindon Food Collective - £5,000

Transforming Lives for Good - £10,000

Trussell Trust - £25,000

Wandsworth Foodbank - £5,000

West Berks Foodbank - £5,000

Witney & West Oxfordshire Foodbank - £2,000

XLP - £10,000

Youth for Christ in Britain - British Youth for Christ - £10,000

Youthscape - £10,000

A further forty-three smaller grants were awarded totalling £80,000.

GRANTS CANCELLED

Grants totalling £120,000 were cancelled, refunded or amended during the period.

Future Plans

The Trust will continue to support the activities set out on page 4 by the award of grants. However, the Trustees are committed to considering a new grant-making strategy in 2021-22 which will not restrict the work of the Trust to the current budgets by category. Trustees will also consider supporting long standing beneficiaries to help them overcome the challenges of the Covid-19 pandemic.

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE ACCOUNTS

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and 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.

Approved by the Board of Trustees on 14 October 2021 and signed on their behalf by



.....TRUSTEE

Lady Susan Sainsbury

Independent Auditor's Report to the Trustees of The Jerusalem Trust

Opinion

We have audited the financial statements of The Headley Trust ('the charity') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of 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'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 trustees are responsible for the other information contained within the annual report. 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.

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 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- 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 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR).

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

THE JERUSALEM TRUST

5 April 2021

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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

London

Date 13 December 2021

Crowe U.K. 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.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Unrestricted Funds £'000	Expendable Endowment £'000	Total Funds	
				2021 £'000	2020 £'000
Income					
Income from investments	2	3,079	-	3,079	2,996
Donations and gifts			-	-	27
Total income and endowments		3,079	-	3,079	3,023
Expenditure					
Cost of raising funds					
Investment management costs	3	-	444	444	403
Charitable activities					
Grant-making:					
Grant expenditure	4	2,409	-	2,409	2,939
Grant related support costs	5	265	-	265	265
Cost of grant-making		2,674	-	2,674	3,204
Total expenditure		2,674	444	3,118	3,607
Net operating (deficit)		405	(444)	(39)	(584)
Exchange gains/(losses)			1,554	1,554	(720)
Net gains/(losses) on investments	8	-	20,635	20,635	(6,165)
Net movement in funds		405	21,745	22,150	(7,469)
Reconciliation of funds					
Total funds brought forward		105	92,503	92,608	100,077
Total funds carried forward		510	114,248	114,758	92,608

The notes on pages 17 to 24 form part of these accounts.

THE JERUSALEM TRUST

5 April 2021

BALANCE SHEET AS AT 5 APRIL 2021

	Notes	£'000	2021 £'000	2020 £'000
FIXED ASSETS				
Tangible fixed assets	7		23	11
Investments	8		116,476	94,641
			<u>116,499</u>	<u>94,652</u>
CURRENT ASSETS				
Debtors	9	162		731
Cash at bank and in hand		<u>1,005</u>		<u>1,026</u>
		1,167		1,757
CURRENT LIABILITIES				
Creditors - amounts falling due within 1 year	10	<u>2,908</u>		3,801
NET CURRENT LIABILITIES			(1,741)	(2,044)
NET ASSETS			<u>114,758</u>	<u>92,608</u>
CAPITAL FUNDS				
Expendable endowment	11		114,248	92,503
INCOME FUNDS				
Unrestricted funds	11		510	105
			<u>114,758</u>	<u>92,608</u>

The financial statements were approved and authorised for issue by the Trustees on 14 October 2021 and were signed on their behalf by :

 TRUSTEE
Lady Susan Sainsbury

The notes on pages 17 to 24 form part of these accounts.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Net cash (used in) operating activities	(1,653)	(4,378)
Cash flows from investing activities		
Dividends and interest	3,060	3,072
Purchase of investments	(32,506)	(29,516)
Sale of investments	33,439	30,005
Net cash generated by investing activities	3,993	3,561
Change in cash and cash equivalents in the year	2,340	(817)
Cash and cash equivalents at the beginning of the year	2,757	3,574
Cash and cash equivalents at the end of the year	5,097	2,757

Reconciliation of net expenditure to net cash flow from operating activities	2021	2020
	£'000	£'000
Net movement in funds (as per the statement of financial activities)	22,150	(7,469)
(Gains)/losses on investments	(20,635)	6,165
Dividends and interest	(3,060)	(3,072)
Exchange gains/(losses)	228	(473)
Depreciation charge	8	5
Decrease in debtors	570	273
(Decrease)/increase in creditors	(894)	193
Fixed assets additions	(20)	-
Net cash (used in) operating activities	(1,653)	(4,378)

Analysis of the balance of cash as shown in the balance sheet

	2021	2020	Change in year
	£'000	£'000	£'000
Cash at bank and in hand	1,005	1,026	(21)
Cash balances held by investment manager for reinvestment	4,092	1,731	2,361
	5,097	2,757	2,340

NOTES TO THE ACCOUNTS

CHARITY INFORMATION

The charity is unincorporated and registered in England and Wales with the Charity Commission (registration number 285696).

The address of the registered office is:

The Peak
5 Wilton Road
London
SW1V 1AP

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements 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 (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS102.

Having assessed the Trust's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

The investment portfolios have performed strongly during the year and have recovered the reduction in value, caused by the impact of the Covid-19 pandemic, reported for last year. The endowment assets of the Trust remain significant, and these will continue to return income to the Trust. The level of income generated by the portfolios has now stabilised and the Trust will continue to pay out to its beneficiaries in accordance with the provisions of the Trust Deed.

b) Income

Income is shown gross, including the associated tax credit unless the tax so deducted is considered irrecoverable.

Dividends are included by reference to their due dates.

Interest is recorded only when it has been received.

c) Expenditure

Costs of generating funds represent amounts paid to the Trust's external investment advisors.

Charitable activities expenditure comprises grants and donations awarded by the Trustees in accordance with the criteria set out in the Trust Deed, together with grant related support costs.

Grants for which there is a legally binding commitment are accounted for within the Statement of Financial Activities. Payments that are due within one year of the period-end date are included within grants payable in the Statement of Financial Activities. Other grants are accounted for in the Statement of Financial Activities when conditions attaching to the grant are fulfilled.

Grant related support costs represent staff, office and governance costs incurred in managing the grant award programme.

d) Cost of administration

These costs include a share of the staff and office costs of the joint offices of the Sainsbury Family Charitable Trusts, which are allocated in proportion to the time spent on Trust matters and grants paid.

e) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include fees for statutory audit and legal fees where relevant.

NOTES TO THE ACCOUNTS**1. PRINCIPAL ACCOUNTING POLICIES continued****f) Investments**

Net realised and unrealised gains and losses are reflected in the Statement of Financial Activities.

Investments are shown at mid market value.

Partial disposals are accounted for using average book value.

g) Financial instruments

The Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash at bank and in hand, together with accrued interest and other debtors. Financial liabilities held at amortised cost comprise grants payable and accruals.

Investments, including bonds held as part of an investment portfolio, are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure.

At the balance sheet date the charity held financial assets at fair value of £112,384k (2020: £92,910k).

h) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, cash held for reinvestment and short term deposits.

i) Fixed assets

Fixed assets are depreciated at rates which reflect their useful life to the Trust. Leashold improvements are depreciated over the life of the lease.

j) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

NOTES TO THE ACCOUNTS

2. INCOME FROM INVESTMENTS

Income received on investments may be analysed as follows:

	2021		2020	
	£'000	%	£'000	%
Government fixed interest	173	6	161	5
Other fixed interest	250	8	218	7
UK equities	742	24	879	30
Overseas equities	1,535	50	1,299	44
Alternatives	204	7	157	5
Property	137	4	220	7
Multi Assets	34	1	41	1
Interest	4	0	21	1
	3,079	100	2,996	100

3. COST OF RAISING FUNDS

These costs relate to the investment manager's fees. The Trustees are of the opinion that these relate to the generation of a total return on the investment portfolio and, as such, have charged the Expendable Endowment with these fees.

4. GRANTS PAYABLE

	2021		2020	
	£'000	£'000	£'000	£'000
Reconciliation of grants payable:				
Commitments at 6 April 2020		3,129		3,119
Grants not accrued at 6 April 2020	148		372	
Grants approved in the year	3,393		2,810	
Grants cancelled, refunded or amended	(120)		(95)	
Grants not accrued at 5 April 2021	(1,012)		(148)	
Grants payable for the year		2,409		2,939
Grants paid during the year		(2,855)		(2,929)
Commitments at 5 April 2021		2,683		3,129
Commitments at 5 April 2021 are payable as follows:				
		2021		2020
		£'000		£'000
Within one year (note 10)		2,683		3,129

Commitments

In addition to the amounts committed and accrued noted above, the Trustees have also authorised certain grants which are subject to the recipient fulfilling certain conditions relating to the delivery of the grant-funded activities.

The total amount authorised but not accrued as expenditure at 5 April 2021 was £1,012,000 (2020: £148,000). This total will all be payable during 2022/23 and 2023/24.

The Trustees are confident that these authorised amounts will be met from future income.

NOTES TO THE ACCOUNTS

4. GRANTS PAYABLE continued

The amounts payable in the year consisted of the following:

Christian Education	
RE Small grants Programme	217,000
Christian Evangelism and Relief Work Overseas	
CAFOD	85,000
Christian Solidarity Worldwide	31,500
Mission Aviation Fellowship	15,000
Mosaic Middle East	40,000
Tearfund	175,000
Net grants payable/cancelled up to £60,000	(28,900)
Christian Media	
Middle East Media	50,000
Passion Trust	40,000
Premier Christian Media Trust	40,000
Saltmine Trust	20,000
Net grants payable/cancelled up to £15,000	40,500
Evangelism and Christian Mission in the UK	
Alpha International	160,000
Christians Against Poverty	70,000
Evangelical Alliance	60,000
Hope Into Action	70,000
Prison Advice & Care Trust	90,000
St Mary's Andover	82,500
Urban Expression	60,000
Youth for Christ in Britain - British Youth for Christ	115,000
Net grants payable/cancelled up to £50,000	636,500
Jerusalem Productions Limited	340,000
Total grants payable per Statement of Financial Activities	2,409,100

5. GRANT RELATED SUPPORT COSTS

	Grant-making	Governance	2021 Total	2020 Total
	£'000	£'000	£'000	£'000
Staff costs	160	4	164	164
Share of joint office costs	62	-	62	65
Direct costs including travel	2	-	2	9
Depreciation	8	-	8	5
	232	4	236	243
Legal and professional fees	9	-	9	9
Consultancy	6	-	6	-
Auditors' remuneration	-	14	14	13
	247	18	265	265

NOTES TO THE ACCOUNTS

6. ANALYSIS OF STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	134	134
Social security costs	14	14
Other pension costs	15	16
	163	164

As mentioned in Note 1a, the Trust is one of the Sainsbury Family Charitable Trusts which share a joint administration at the Registered Office. 2.3% (2019/20:2.4%) of the total support and administration costs of these trusts have been allocated to the Jerusalem Trust, including a proportionate share of the costs of employing the total number of staff serving in the office in 2020/21.

The average number of staff employed during the year was 8, all on a part-time basis (2019/20: 14). This equates to 1.7 full-time employees (2019/20: 2.8).

Having regard to the small number of employees, the Trust considers its key management personnel to comprise of 4 part-time staff (2019/20: 5). The total employment benefits, including employer contributions to group personal pensions, of these key management personnel, were £104,246 (2019/20: £93,015). No employee earned in excess of £60,000 in either year.

No trustee received any remuneration for their services during the current or prior year. No trustee received any reimbursement for their travel expenses during the year (2019/20:£139).

7. TANGIBLE FIXED ASSETS

Leasehold Improvements

	2021	2020
	£'000	£'000
Cost		
At 6 April 2020	52	52
Additions	20	-
At 5 April 2021	72	52
Depreciation		
At 6 April 2020	41	36
Charge for the year	8	5
At 5 April 2021	49	41
Net Book Value		
At 5 April 2021	23	11
At 5 April 2020	11	16

NOTES TO THE ACCOUNTS

8. FIXED ASSET INVESTMENTS

	2021	2020
	£'000	£'000
Market value 5 April 2020	92,674	99,328
Less: Disposals at proceeds	(33,439)	(30,005)
Add: Acquisitions at cost	32,506	29,516
Net gains/(losses) on investments	20,635	(6,165)
Market value 5 April 2021	112,376	92,674
Forward exchange contracts	8	236
Investment cash	4,092	1,731
Total investments	116,476	94,641

The investments held as at 5 April 2021 were as follows:

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£'000	£'000	£'000	£'000
Fixed Income	12,311	12,629	11,307	12,029
UK Equities	18,919	23,575	16,794	16,729
Global Equities	38,982	57,808	34,952	42,290
Property	3,469	3,641	3,469	3,695
Alternative Investments	11,240	13,148	11,003	12,418
Multi Assets	1,490	1,575	5,490	5,513
	86,411	112,376	83,015	92,674

Investments include the following holding at market value:

U.K. Equities - J Sainsbury Plc - £7,111,700 (2019/20: £6,997,509)

As part of the overall management of funds, the investment managers have entered into commitments to sell a total of CHF 1,361,000, EUR 4,217,000 and USD 20,234,600 under forward rate contracts at 5 April 2021.

(2020: to sell CHF 1,861,000, EUR 2,117,000 and USD 17,023,600 and buy CHF 500,000 and USD 1,000,000).

All contracts mature on 17 June 2021 and are included within investments as forward exchange contracts.

9. DEBTORS

	2021	2020
	£'000	£'000
Investment sales	-	575
Other debtors	162	156
	162	731

10. CREDITORS - amounts falling due within one year

	2021	2020
	£'000	£'000
Grants payable within one year	2,683	3,129
Investment purchases	-	493
Professional charges	17	16
Other creditors	208	163
	2,908	3,801

NOTES TO THE ACCOUNTS

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 5 April 2021 are represented by:

Tangible fixed assets

Investments

Current assets

Current liabilities

Total net assets

Movement in the year

Opening balance as at 5 April 2020

Total income and endowments

Cost of raising funds

Cost of grant-making

Net gains on investments

Currency exchange gains

Closing balance as at 5 April 2021

Unrestricted Funds	Expendable Endowment	Totals 2021
£'000	£'000	£'000
-	23	23
-	116,476	116,476
2,302	(1,137)	1,165
(1,792)	(1,114)	(2,906)
510	114,248	114,758
105	92,503	92,608
3,079	-	3,079
-	(444)	(444)
(2,674)	-	(2,674)
-	20,635	20,635
-	1,554	1,554
510	114,248	114,758

Comparative

Fund balances at 5 April 2020 are represented by:

Tangible fixed assets

Investments

Current assets

Current liabilities

Total net assets

Movement in the year

Opening balance as at 5 April 2019

Total income and endowments

Cost of raising funds

Cost of grant-making

Net gains on investments

Currency exchange (losses)/gains

Closing balance as at 5 April 2020

Unrestricted Funds	Expendable Endowment	Totals 2020
£'000	£'000	£'000
-	11	11
-	94,641	94,641
2,306	(549)	1,757
(2,201)	(1,600)	(3,801)
105	92,503	92,608
286	99,791	100,077
3,023	-	3,023
-	(403)	(403)
(3,204)	-	(3,205)
-	(6,165)	(6,165)
-	(720)	(720)
105	92,503	92,608

12. RELATED PARTY TRANSACTIONS

Two Trustees of the Jerusalem Trust are also Directors of Jerusalem Productions Limited.

Two Trustees of Jerusalem Trust hold one share each in the Jerusalem Productions Limited, a company incorporated and registered in England (no. 02461543). The Trustees hold the shares of JPL in trust for the Trustees of the time being of the charity for its charitable purposes.

At the year end, an amount of £465,000 (2019/20: £380,000) was payable to Jerusalem Productions Limited. Grants totalling £1,020,000 (2019/20: £480,000) were awarded by the Jerusalem Trust to the Jerusalem Productions Ltd during the year, of which £680,000 was not accrued as expenditure at 5 April 2021.

NOTES TO THE ACCOUNTS

13. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2020

	Unrestricted Funds £'000	Expendable Endowment £'000	Total Funds 2020 £'000
Income			
Income from investments	2,996	-	2,996
Other income	27	-	27
Total income and endowments	3,023	-	3,023
Expenditure			
Cost of raising funds			
Investment management costs	-	403	403
Charitable activities			
Grant-making:			
Grant expenditure	2,939	-	2,939
Grant related support costs	265	-	265
Cost of grant-making	3,204	-	3,204
Total expenditure	3,204	403	3,607
Net operating deficit	(181)	(403)	(584)
Exchange (losses)/gains		(720)	(720)
Net gains on investments	-	(6,165)	(6,165)
Transfers between funds	-	-	-
Net movement in funds	(181)	(7,288)	(7,469)
Reconciliation of funds			
Total funds brought forward	286	99,791	100,077
Total funds carried forward	105	92,503	92,608

