



British Friends of the Hebrew University of Jerusalem
Financial Statements
Year Ended 30 September 2022

Charity registration number: 209691
Company registration number: 06350828

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

REFERENCE AND ADMINISTRATION DETAILS

YEAR ENDED 30 SEPTEMBER 2022

Charity registration number	209691
Company registration number	06350828
Trustees	Jeremy Amias Appointed 05/12/2022 Jenny Arwas MBE Alan Steven Jacobs, Chair Denise Nicole Joseph Isaac Kaye PhD Hon, President Jonathan Andrew David Marks Anthony Graham Page Alan Henry Philipp, Hon, Treasurer Joseph Smouha KC Derek Bryan Spitz Benjamin Stowe Appointed 29/09/2022 Simon Tobelem David Mark Wernick
Chief Executive Officer	Nigel Salomon
Registered office	2nd Floor Supreme House 300 Regents Park Road London N3 2JX
Independent Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Solicitor	CH. Hausmann & Co. 5 De Walden Court 85 New Cavendish Street, London W1W 6XD
Bankers	Barclays Bank PLC 28 Hampstead High Street Hampstead London NW3 1QB

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

The Trustees present their report and the audited financial statements of the charity for the year ended 30th September 2022.

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

Trustees of the charity

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

Jeremy Amias Appointed (IC) 05/12/2022
Jenny Arwas MBE (RC)
Alan Steven Jacobs, Chair (RC, FAC, IC, G)
Denise Nicole Joseph (FAC)
Isaac Kaye PhD Hon, President (RC, G)
Jonathan Andrew David Marks (G)
Anthony Graham Page
Alan Henry Philipp, Hon, Treasurer (RC, IC, GC, G)
Joseph Smouha KC
Derek Bryan Spitz
Benjamin Stowe Appointed 29/09/2022
Simon Tobelem (FAC)
David Mark Wernick (GC, G)

FAC = Finance and Audit Committee

G = Hebrew University Governors

GC = Grants Committee

IC = Investment Committee

RC = Remuneration Committee

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

Objectives and Activities

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

The purposes of BFHU are:

1. fundraising in support of the academic development of the Hebrew University, including research, scholarships, and capital projects
2. promoting awareness and standing of the Hebrew University and its global impact.
3. undertaking events and activities to generate awareness and, in turn, income for the cause; and
4. ensuring the long-term financial, operational, and reputational sustainability of the organisation

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

Achievements and performance

Charitable activities

During the year, the Charity made grants to the Hebrew University and students of £3.8m (2021 £4.2m). In addition, a small number of grants totalling £244,000 (2021 £244,000) were made to Hebrew University students continuing postgraduate studies in the UK.

Financial Report

Total income of £7.3m, including donations remitted directly to the Hebrew University, exceeded the budgeted income of £6.5m.

BFHU's investment portfolio achieved a blended total negative net return of (11.1)% in the 12 months to 30.9.22. Historically, over a period of 10 years, the organisation has achieved a 6.5% per annum total return, which is above the annual target of 5%. This has allowed the charity to maintain a 3.5% annual distribution to the Hebrew University, supporting the objectives of the BFHU-held endowments.

Highlights of the Year – the Hebrew University of Jerusalem

Post Covid, university life returned to normal with on-campus face to face teaching restored. Travel restrictions eased, visitor numbers on campus grew rapidly, including both individuals and delegations. Academics and researchers could gradually travel again, renewing and building collaborative relationships, which had been badly impacted for over two years. The University's leadership and faculty were also able to restart visits to the Friends organisations.

The University also saw a new peak of over 25,000 in its student body.

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Reflecting the University's growing support for minorities, Arab students represented 14%, and Haredi (ultra-orthodox Jewish) students made up 2.4%.

A new and important measure is first-generation students (defined as those with parents whose highest level of education was non-academic) – they comprised 18% of new undergraduates.

Faculty numbers grew 4.4% in 2 years to 1034.

After a three-year gap, the annual International Board of Governors gathering took place in Jerusalem with over 20 Friends Associations represented, including from Israel.

Major capital projects include:

- the André Cohen Deloro Building for Computational Medicine
- the 150,000 sq. m. High-Tech HUJI Park
- the Justice Mishael Cheshin Center for Advanced Legal Studies in the Faculty of Law
- NEQST Innovation Building – a hub for Quantum Computing and Nanotechnology
- the Centre for Climate Studies
- the Barry Skolnick Biosafety Level 3 National Laboratory
- the Koret School of Veterinary Medicine Heidi Rothberg Imaging Center
- the Institute of Archaeology building renovation
- the Kennedy Leigh Complex for Ecosystems in Agriculture

A strategic 10-year plan continued to be developed based on 5 key principles.

- academic & research excellence
- internationalisation
- a tolerant and pluralist campus environment
- engagement with the local community
- collaborating to share knowledge globally.

Fundraising will continue to focus on seven significant themes underpinning the University's 7-year \$1bn centenary campaign which covers human health, leadership for tomorrow, a better world, internationalisation & collaboration, building capacity, hi-tech Jerusalem, and sustainable planet.

Following the signing of the Abraham Accords in September 2020, the University has developed relationships with academia from Morocco, Bahrain, and the Gulf States, such as Morocco's Mohammed VI Polytechnic University hosting a delegation from The Hebrew University. In addition, HU started a new course 'The Geopolitics of the UAE,' within the Department of Islamic and Middle Eastern studies.

Highlights of the Year – the British Friends

Gradually from around May 2022 onwards events slowly moved from virtual to physical, with donors, both current and potential, starting to travel to visit campus. Both the University and BFHU have retained the use of hybrid communication tools, applying the learnings during Covid to help extend audiences and encounters. Zoom was employed and continues to be used for donor meetings with students and researchers whom they support and to expand physical audiences to international

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

participants. Several members of the University leadership also addressed BFHU Board meetings on Zoom.

The year ushered in new trustees, including Jeremy Amias bringing extensive experience from the world of finance and banking along with Benjamin Stowe. Benjamin is a graduate of the HU's Rothberg International school and former chair of the BFHU young professionals committee. Alan Jacobs succeeded Isaac Kaye as Chair; Isaac became President, continuing his family's support for the Hebrew University for more than sixty years. Reflecting increased involvement of board members six trustees attended the June 2022 HU international gathering in Jerusalem.

Over 30 BFHU Zoom events took place during the year with Friends' organisations generally making available their own events to Friends globally, increasing the range of subjects and audience reach, including the following:

- in June 2022, Ukraine's President Zelensky addressed the HU community at a hybrid event: the speaker in Kyiv, an audience in an auditorium on campus, on streaming channels to a global HU audience.
- The 2021 annual Lionel Cohen lecture given on Zoom by The Rt. Hon. Lord Andrew Burrows KC, Justice of the United Kingdom Supreme Court.
- The 2022 annual Lionel Cohen Law lecture, in its 70th year, went ahead on campus with guest speaker Lord Burnett, Lord Chief Justice of England & Wales.
- The annual Thea Zucker memorial lecture in partnership with the Institute of Jewish Studies, University College London, was given by Prof Sergio della Pergola.

Fundraising

The BFHU fundraising team follows the principles of professionalism, respect, gratitude, open communication, and sensitivity to donor needs. We encourage campus visits which are generally transformative in connecting with the Hebrew University. The organisation is registered with the Fundraising Regulator and adheres to the Fundraising Code of Practice.

BFHU is a long-established charity with donor relationships that are often multi-generational. Voluntary funds are generated in several ways, including bi-annual mailed appeals and special events and major donors include estates, individuals and institutional foundations, including family trusts. The bi-annual BFHU gala dinner, postponed from 2021, took place in May 2022, attended by 160 guests, with four researchers attending from the Hebrew University.

The Hebrew University is a seven-faculty, interdisciplinary institution with multiple needs. British Friends donors have, over many years, developed their own diverse interests. Knowing and understanding donors and reconciling with the University's preferences is key to managing donor relationships.

We are grateful to our significant donors who remained loyal and generous during the year, recognising the criticality of support for research during Covid and support for students at all levels who faced financial and personal challenges.

Donations

Current year donations, along with the distribution made from restricted endowment funds, helped to support over 500 scholarships, including, in line with the University's priorities, to minorities such as Haredi, Arab and Ethiopian students. These scholarships play a vital role in enabling students to study at the Hebrew University who might otherwise have been unable to attend due to financial constraints, especially in the ongoing challenging economic environment. The University has also provided support for Ukrainian academics and students fleeing conflict and finding sanctuary at the Hebrew University in 2022.

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

Research donations were targeted at most Faculties of the Hebrew University but with particular emphasis on medical science.

Ceremonies

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

- The Kaye Prize awards for scientific innovation.
- The Polonsky Prizes for creativity and originality in the Humanistic Disciplines
- The Ellis & Alma Birk prizes in law, clinical legal education, and agriculture
- The Sir Sigmund and Lady Hazel Sternberg prizes for interfaith understanding
- The Barbara Sieratzki memorial lecture
- Ceremonies at the Wall of Benefactors and the Wall of Life honouring UK donors at the June Board of Governors gathering.

Legacy campaign

Since 1998, BFHU has maintained a programme of legacy missions to the Hebrew University, providing an opportunity to see the University in action. The week-long trip helps build lifelong connections and secures a legacy commitment to the Hebrew University designated in line with the donor wishes.

Despite some ongoing Covid restrictions, a mission of 9 participants visited the Hebrew University in May 2022, enjoying a group reunion later in the year.

BFHU continued its series of Zoom bespoke events to our Honours Club, the name given to those who commit to a legacy in support of the Hebrew University. One event was held at the BFHU office.

Impact of charitable activities

The Hebrew University is the first Israeli institution of higher education to conduct a study to explore in detail the impact of financial aid provided to 2,000 students. The University has partnered with Social Finance Israel (SFI) to conduct a study to focus on the measurable effect of such scholarships. The study's key findings were:

- Students from diverse fields of study, who received financial aid, finished their studies faster compared to their peers with similar incomes who applied but were not awarded aid.
- Scholarship recipients reported that financial aid helped them academically also.
- In terms of employment, students' financial aid status (whether requested, received, or not) had no bearing on the sector in which they found employment: private, public, or the third sector.
- 22% of the alumni reported finding employment in high-tech, including graduates from non-technological programs and faculties. - yet only 9% of the jobs nationwide are in high-tech.
- This study provided evidence that students who are helped to graduate increased their income, pay increased taxes, and thus contribute more to the State. While 50 million NIS went towards need-based scholarships, the potential value created during these years, based on the recipients' predicted income, tax, and increased GDP, was estimated to be just under 200 million NIS – translating into an almost 4-fold return.

GDPR

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

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

Strategic Risks

Risk Policy

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

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

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

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

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

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

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

Investment risks such as poor returns and foreign exchange exposure.

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

The Trustees believe that the challenging macroeconomic outlook, including inflationary pressures, could have a negative financial effect beyond the short term. They also recognise that, although annual endowment grants are made in sterling, Hebrew University expends money mainly in Shekels. The portfolios have a high weighting in overseas equities and UK equities that generate much of their earnings overseas. This reduces some of the foreign exchange risks.

COVID-19 has had a limited impact on the global endowment portfolio because it is well-diversified. Although income may be reduced, the Trustees believe the accumulated total return is sufficient to maintain the annual 3.5% distribution to the Hebrew University, which is now fixed at the US dollar rate prevailing at 1 October 2022.

Maintain a strong reserve position to support operational needs.

Income risks such as disproportionate reliance on key donors.

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

Governance risks such as poor compliance due to working from home.

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

Reserves Policy

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

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

The charity believes that it will need reserves to cover a least 12 months' overheads plus £150,000 to cover the cost of funding fundraising activities where the sponsorship is received after the event has taken place. Accordingly, as at 30 September 2022, the targeted free reserves position was £760,000.

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

At the year-end, the charity held total funds of £34,332,446. Most of these funds are endowed or restricted and therefore do not form part of the free reserves. Excluding these funds and those funds held as tangible fixed assets, the free reserves were £1,751,054 (2021 £3,727,603).

The current level of free reserves is above the target level even after accounting for the grant commitment of \$2m towards a capital project of \$8m for the construction of an additional floor at the Faculty of Social Science building in 2022-23. The grant is reflected in creditors falling due within one year and over one year, see pages 38-39.

Future priorities

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

A review of the organisation's professional structure, skills and cost-base will also take place to ensure the ability to deflect threats and take advantage of potential new opportunities, particularly those

concerning philanthropic foundations. This work will represent the most fundamental organisational review for many years.

In parallel, the organisation remains committed to consistent professional engagement with current donors and to securing new support wherever possible in line with the Hebrew University's priorities. Co-funding with other partners, including other HU Friends, will remain an area of focus.

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

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

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

Mindful of the many macro-economic challenges, Trustees welcome the performance of 2021/22.

Financial review

During the year under review, the Charity showed an unrestricted net deficit of £1,976,549 (2021: surplus of £827,730), leaving a retained balance on general funds of £1,751,054 as of 30th September 2022.

Income for the year amounted to £3,670,143 (2021: £4,648,738), £3,020,532 (2021: £4,124,003) of which was donated by our generous supporters and £649,611 (2021: £524,735) was generated from other activities and our investment funds. This enabled the Charity to make grants to the University and students totalling £5,560,886 (2021: £4,304,484).

The donations made directly by donors associated with BHFU to the Hebrew University are significant. To enable the readers of the accounts to appreciate the broader contribution that the Charity makes

YEAR ENDED 30 SEPTEMBER 2022

to the University, the value of these donations and the corresponding donation expenditure are set out in the memorandum income and expenditure analysis. The Trustees consider this a valuable measure of the scale of funding to the HU that the charity generates.

BFHU's Contribution to the Hebrew University of Jerusalem						
<u>Income</u>	Note	2022			2021	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Total income as presented		211,456	2,870,798	587,889	3,670,143	4,648,738
Direct donations to the Hebrew University (HU)		-	3,616,075	-	3,616,075	3,696,172
Total income attributable to the BFHU by the HU	18	211,456	6,486,873	587,889	7,286,218	8,344,910
<u>Expenditure</u>						
	Note	2022			2021	
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £	Total £
Grants funding activities as presented	6	-	5,560,886	-	5,560,886	4,304,484
Direct donations to the Hebrew University (HU)		-	3,616,075	-	3,616,075	3,696,172
Total grants attributable to the BFHU by the HU	18	-	9,176,961	-	9,176,961	8,000,656

At the year end the Charity had unrestricted funds of £1.8m, restricted funds of £871k and available expendable endowment resources of £31.7m.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

Structure, Governance and Management

Nature of Governing Document

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

Organisational structure (Structure, Governance and Management)

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

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

Recruitment and appointment of Trustees

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

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

Induction and training of Trustees

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

Arrangements for setting key management personnel remuneration

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

Investment policies & performance

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

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

The investment portfolios are benchmarked for total return against the FTSE 100.

2021- 2022 was a challenging period for markets as Central Banks took action to control inflation by raising interest rates. Increasing interest rates led to weakness in bond markets and higher-quality growth stocks, with technology shares, especially weak.

Against this background, balanced portfolios suffered from both weaknesses in bonds and equities. Investec funds produced a negative net return (post fees) of (8.1)%, Rothschild & Co portfolio produced a negative net return of (13.61)% (post fees). By comparison, the FTSE 100 Share index produced a total return of (5.23)%.

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

Grant making policies

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

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

A sum of £60K was allocated for BFHU discretionary scholarships in 2021/22, some at the Hebrew University and some awarded to Hebrew University students extending their studies at postgraduate level in the UK. The same sum has been allocated for these purposes for 2022/23. The unused budget of £5,200 for 2021/2022 is carried forward to 2022/23.

Creditor payment policy

Creditors are paid in accordance with their payment terms.

Going concern

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

Relationship with donors

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

There were no complaints from donors during the year.

Public benefit statement

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

Trustees' responsibilities statement

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to resume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that

TRUSTEES ANNUAL REPORT

YEAR ENDED 30 SEPTEMBER 2022

the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and the
- Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Alan Jacobs

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Alan Jacobs
Trustee



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Denise Joseph
Trustee

Date: 23 May 2023

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

Opinion

We have audited the financial statements of British Friends of the Hebrew University of Jerusalem for the year ended 30 September 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2022 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' responsibilities statement set out on pages 16-17 the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 30 SEPTEMBER 2022

- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates and challenges to the underlying assumptions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



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

Date: **2 June 2023**

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 SEPTEMBER 2022

	Note	2022			2021
		Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Income and endowments from:					
Donations and legacies	2	169,638	2,263,005	587,889	3,020,532
Other activities	3	-	181,621	-	181,621
Investments	4	41,818	426,172	-	467,990
Total income and endowments		211,456	2,870,798	587,889	3,670,143
Expenditure on:					
Raising funds	5	(348,838)	(178,779)	(191,149)	(718,765)
Charitable activities	6	-	(5,560,886)	-	(5,560,886)
Total expenditure		(348,838)	(5,739,665)	(191,149)	(6,279,651)
Net losses on investments	14	-	-	(4,171,302)	(4,171,302)
Net income		(137,382)	(2,868,867)	(3,774,562)	(6,780,810)
Transfers between funds	18	(1,839,167)	2,858,677	(1,019,509)	-
Net movement in funds	18	(1,976,549)	(10,190)	(4,794,071)	(6,780,810)
Reconciliation of funds:					
Total funds brought forward	18	3,727,603	881,522	36,504,131	41,113,256
Total funds carried forward	18	1,751,054	871,332	31,710,060	34,332,446

All income and expenditure derive from continuing activities.

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

The notes on pages 25 to 45 form part of these financial statements.

YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	1,237	11,233
Investments	14	29,865,115	36,605,140
		<u>29,866,352</u>	<u>36,616,373</u>
Current assets			
Debtors	15	1,110,567	1,106,621
Cash at the bank and in hand		5,274,887	4,319,147
		<u>6,385,454</u>	<u>5,425,768</u>
Creditors: amounts falling due within one year	16	(1,092,914)	(928,885)
Net current assets		<u>5,292,540</u>	<u>4,496,883</u>
Total Assets less current liabilities		<u>35,158,892</u>	<u>41,113,256</u>
Creditors: amounts falling due within more than one year		(826,446)	-
Net assets		<u>34,332,446</u>	<u>41,113,256</u>
Charity Funds			
Expendable endowments	18	31,710,060	36,504,131
Restricted funds	18	871,332	881,522
Unrestricted funds	18	1,751,054	3,727,603
Total charity funds	18	<u>34,332,446</u>	<u>41,113,256</u>

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

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

Signed on behalf of the Board of Trustees

Alan Jacobs

.....
Alan Jacobs
Trustee
Date: 23 May 2023



.....
Denise Joseph
Trustee
Date: 23 May 2023

The notes on pages 25 to 45 form part of these financial statements.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

STATEMENT OF CASH FLOWS

YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Cash flow from operating activities	22	(1,889,824)	2,197,119
Net cash flow from operating activities		<u>(1,889,824)</u>	<u>2,197,119</u>
Cash flow from investing activities			
(Withdrawals from) additions to the Investment Portfolio		2,348,536	1,141,204
Payments to acquire investments		(7,066,301)	(7,121,700)
Receipts from sales of investments		7,095,339	7,129,675
Interest received		31,035	34,551
Dividends received		436,955	471,461
Net cash flow from investing activities		<u>2,845,564</u>	<u>1,655,191</u>
Net increase in cash and cash equivalents		955,740	3,852,310
Cash and cash equivalents at 1 October		4,319,147	466,837
Cash and cash equivalents at 30 September		<u>5,274,887</u>	<u>4,319,147</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 October 2021 £	Cash flow £	At 30 September 2022 £
Cash and bank	<u>4,319,147</u>	<u>955,740</u>	<u>5,274,887</u>

The notes on pages 25 to 45 form part of these financial statements.

1 Summary of significant accounting policies

(a) General information and basis of preparation

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

The Charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second Edition, effective 1 January 2019), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Going concern

The financial statements have been prepared on a going concern basis and the Trustees believe that no material uncertainties exist that may cast significant doubt on the charity's ability to continue as a going concern. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the Charity to be able to continue as a going concern.

(c) Funds

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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

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

(d) Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received. For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity, and it is probable that they will be fulfilled. Amounts donated directly to the Hebrew University from UK donors are not included within the Financial Statements as the charity does not exert enough control over these funds.

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

Receipt is probable when:

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

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

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

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

(e) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

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

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

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive a grant. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

(f) Support costs allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to specific headings, they have been allocated to expenditure on raising funds and expenditure on charitable activities on a basis consistent with use of the resources, for example, allocating property costs by floor areas, or per capita staff costs by the time spent and other costs by usage. Governance costs are those incurred in connection with the running of the Charity and compliance with constitutional and statutory requirements.

The analysis of these costs is included in Note 7.

(g) Tangible fixed assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

(h) Investments

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

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

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

Debtors are recognised when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

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

(j) Leases

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

(k) Foreign currency

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

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

(l) Tax

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

(m) Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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

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

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

(n) Judgements and key sources of estimation uncertainty

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

2 Income from donations and legacies

	2022	2021
	£	£
Legacies	700,807	1,259,560
Regular giving	2,319,725	2,864,443
Total	<u>3,020,532</u>	<u>4,124,003</u>

Income from donations and legacies was £3,020,532 (2021 - £4,124,003), of which £587,889 (2021 - £1,166,280) was attributable to endowments, £2,263,005 (2021 - £2,879,180) was attributable to restricted, and £169,638 (2020 - £78,543) was attributable to unrestricted funds.

3 Restricted donations from events – Raising Funds

	2022	2021
	£	£
Events income – Conferences and similar events	181,621	18,723
Total	<u>181,621</u>	<u>18,723</u>

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Donations from events in 2022 and 2021 were attributable to restricted funds.

4 Income from investments

	2022 £	2021 £
Dividends - equities	436,955	471,642
Interest - fixed interest securities	29,669	34,358
Interest - deposits	1,366	12
Total	<u>467,990</u>	<u>506,012</u>

Income from investment was £467,990 (2021 - £506,012), of which £426,172 (2021 - £458,372) was attributable to restricted funds, and £41,818 (2021 - £47,640) was attributable to unrestricted funds. The BFHU portfolio at Rothschild does not have any individual Fixed Interest holding; the Fixed Income element is held via the R Wealth Management Investment Grade Bond Fund. This is a Luxemburg fund, and the income received is paid as a dividend.

5 Costs of raising funds

	2022 £	2021 £
Support costs	527,617	429,181
Investment management costs	191,149	173,807
Total	<u>718,766</u>	<u>602,988</u>

6 Analysis of expenditure on charitable activities

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Grants to students	244,000	-	244,000
Grants to the Hebrew University	3,928,738	130,746	4,059,484
2021 total	4,172,738	130,746	4,303,484

All of the above grants to the Hebrew University were attributable to restricted funds £5,165,370 (2021 - £3,932,738) and so were the grants to students £244,000 (2021- £244,000). Total support costs of £151,516 (2021: £130,746) are analysed in Note 7.

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

SCHOLARSHIPS

Pears Foundation is a significant major donor funding students undertaking International Masters Scholarships in Public Health, Agricultural Sciences, and International Development Studies for students from many developing nations across the globe learning new skills and techniques to support their local communities in health, nutrition, and community development. The current cohorts across the 3 programmes include students from Ghana, Tanzania, Cameroon, India, Nepal, Haiti, Malawi, Nigeria, Burkina Faso, Ethiopia, Honduras, Myanmar, Mongolia.

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

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

RESEARCH

The Carew Shaw Endowment Fund distributes £260,000 each year for a HU Distinguished Medical Faculty Award. This is normally given to encourage very bright researchers to come to HU, often after post-Doctoral work in the USA. Several of these have subsequently won European Research Council awards which recognise the contribution that their research is making internationally. This also enhances the reputation of Hebrew University.

PRIZES

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Analysis of expenditure on charitable activities (continued)

LECTURES

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

7 Analysis of total expenditure on support costs

Support cost	Basis of allocation	Raising funds £	Grant-making £	Total 2022 £
Salaries & other staff costs	Staff time	241,159	103,354	344,513
Establishment costs	Staff time	43,622	36,640	80,262
Printing, advertising, and administration	Direct	(5,063)	11,522	6,459
Travelling expenses	Direct	13,948	-	13,948
Event costs	Direct	178,779	-	178,779
Governance costs	Direct	27,298	-	27,298
Information technology	Direct	27,874	-	27,874
Total 2022		527,617	151,516	679,133
<i>Support cost</i>	<i>Basis of allocation</i>	<i>Raising funds £</i>	<i>Grant-making £</i>	<i>Total 2021 £</i>
Salaries & other staff costs	Staff time	236,580	101,391	337,971
Establishment costs	Staff time	74,595	5,845	80,440
Printing, advertising, and administration	Direct	61,187	23,510	84,697
Travelling expenses	Direct	2,479	-	2,479
Event costs	Direct	1,325	-	1,325
Governance costs	Direct	29,756	-	29,756
Information technology	Direct	23,259	-	23,259
Total 2021		429,181	130,746	559,927

In 2022 & 2021 70% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to raising funds. In 2022 & 2021 30% of the salaries, national insurance costs, other staff costs, and establishment costs have been allocated to charitable activities. This is based on the best estimate of staff time.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

8	Governance costs		2022 £	2021 £
	Auditors' remuneration		19,200	17,820
	Legal fees		3,365	460
	Other		4,733	11,476
	Total		27,298	29,756
9	Analysis of grants			
		Grants to institutions £	Grants to individuals £	Total £
	Grants to students at the Hebrew University	-	194,000	194,000
	Grants to Hebrew University students who study abroad	-	50,000	50,000
	Grants to the Hebrew University:	5,165,370	-	5,165,370
	Designated projects	£2,455,413		
	Scholarships	£2,661,457		
	Prizes	£36,000		
	Institute for Medical Research	£12,500		
	2022 total	5,165,370	244,000	5,409,370
	Grants to students at the Hebrew University	-	194,000	194,000
	Grants to Hebrew University students who study abroad	-	50,000	50,000
	Grants to the Hebrew University:	3,928,728	-	3,928,728
	Designated projects	£1,601,315		
	Scholarships	£2,268,422		
	Prizes	£39,971		
	Institute for Medical Research	£19,020		
	2021 Total	4,230,541	244,000	4,474,541

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

10 Net income for the year

Net income is stated after charging / (crediting):

	2022 £	2021 £
Depreciation/Impairment of tangible fixed assets	9,996	9,996
Auditors' remuneration - Audit fees	16,000	14,850
Finance charges payable	2,583	2,568
Operating lease rentals	74,998	74,998
Net (gains) / losses on foreign exchange	(46,860)	10,922
	<hr/>	<hr/>

11 Trustees' and key management personnel remuneration and expenses

The Trustees neither received nor waived any remuneration during the year (2021- £Nil).

The total amount of employee benefits received by Key Management Personnel is £169,407 (2021 - £164,225) and includes the current year performance bonus yet to be approved and paid, plus the employer's National Insurance contributions at 13.8%. The Charity considers its Key Management personnel to comprise the Trustees and the Chief Executive. The Chief executive is the only full-time member of staff.

The Trustees did not have any expenses reimbursed during the year (2021- £Nil).

12 Staff costs and employee benefits

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

	2022 Number	2021 Number
Raising funds	3	3
Charitable activities	1	1
Governance	1	1
	<hr/>	<hr/>
	5	5
	<hr/>	<hr/>

Most of the staff are part time. The salary costs relate to approximately 3.4 full time staff.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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

	2022 Number	2021 Number
Raising funds	2	2
Charitable activities	1	1
Governance	1	1
	<u>4</u>	<u>4</u>

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

	2022 £	2021 £
Wages and salaries	302,738	300,033
Social security	31,947	30,617
Other staff costs	9,828	7,321
	<u>344,513</u>	<u>337,971</u>

Related Parties paid no staff costs or employee benefits.

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

	2022 Number	2021 Number
£60,001 - £70,000	1	1
£150,001 - £160,001 - £170,000	1	1
	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

13 Tangible fixed assets

	Land £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation:				
At 1 October 2021	26,000	7,308	63,609	96,917
Additions	-	-	-	-
At 30 September 2022	26,000	7,308	63,609	96,917
Depreciation/Impairment:				
At 1 October 2021	14,768	7,307	63,609	85,684
Charge for the year	9,996	-	-	9,996
At 30 September 2022	24,764	7,307	63,609	95,680
Net book value:				
At 30 September 2022	1,236	1	-	1,237
At 30 September 2021	11,232	1	-	11,233

Land in Israel

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

14 Fixed asset investments

	Listed investments £
<u>Fair value</u>	
At 1 October 2020	36,605,140
Additions at cost	7,066,301
Disposals proceeds	(7,095,339)
Revaluations	(4,171,302)
Investment management fees	(191,149)
Transfers in/(out) to portfolio	(2,348,536)
At 30 September 2022	<u>29,865,115</u>
<u>Historical Cost:</u>	
At 30 September 2022	<u>25,771,704</u>

Listed Investments at fair value comprise:

	2022 £	2021 £
Investment Funds	2,526,044	1,919,022
UK listed investments	5,814,307	8,572,698
UK cash deposits	399,635	1,071,417
Fixed income	5,104,797	5,369,946
UK other investments	1,928,500	1,470,704
Overseas investments	14,091,832	18,201,353
	<u>29,865,115</u>	<u>36,605,140</u>

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

The net losses on investments comprise realised gains of £1,904,923 and unrealised losses of £6,076,225.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

15 Debtors

	2022	2021
	£	£
Trade Debtors	-	800
Legacies due	1,062,871	1,061,479
Prepayments	41,398	29,139
Gift aid recoverable	6,298	15,203
	<hr/>	<hr/>
	<u>1,110,567</u>	<u>1,106,621</u>

16 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	27,647	17,579
Grant commitments	826,446	772,877
Other tax and social security	7,905	7,977
Other creditors	33	771
Accruals	121,155	129,681
	<hr/>	<hr/>
	<u>1,092,914</u>	<u>928,885</u>

Creditors: amounts falling due within more than one year

	2022	2021
	£	£
Grants commitments	826,446	-
	<hr/>	<hr/>
	<u>826,446</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

17 Financial commitments

The operating lease represents a premises lease signed on 18th October 2018 and expiring on the 30th September 2023.

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

	2022 £	2021 £
Not later than one year	74,998	74,998
Later than one and not later than five years	-	74,998
	<u>74,998</u>	<u>149,996</u>

18 Fund reconciliation

Fund descriptions

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

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

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

Endowment funds

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Unrestricted funds

	Balance at 1 October 2021 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2022 £
Unrestricted – General	3,727,603	211,456	(348,838)	(1,839,167)	-	1,751,054
Total 2022	3,727,603	211,456	(348,838)	(1,839,167)	-	1,751,054

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

	Balance at 1 October 2020 £	Income £	Expenditure £	Transfers £	Gains / (losses) £	Balance at 30 September 2021 £
Unrestricted – General	4,555,333	126,183	(427,856)	(526,057)	-	3,727,603
Total 2021	4,555,333	126,183	(427,856)	(526,057)	-	3,727,603

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

- Transfers of £186,725 were made from unrestricted funds to restricted funds regarding the charity's contribution towards matching scholarships.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Restricted funds

		Balance at 1 October 2021	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2022
		£	£	£	£	£	£
Restricted		881,522	2,870,798	(5,739,665)	2,858,677	-	871,332
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		881,522	2,870,798	(5,739,665)	2,858,677	-	871,332
Expendable Endowment funds	19	36,504,131	587,889	(191,149)	(1,019,509)	(4,171,302)	31,710,060
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		36,504,131	587,889	-	(1,019,509)	(4,171,302)	31,710,060
2022 Total		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		37,385,652	3,458,687	(5,930,814)	1,839,168	(4,171,302)	32,581,392

		Balance at 1 October 2020	Income	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
		£	£	£	£	£	£
Restricted		888,186	3,356,275	(4,304,809)	707,372	234,497	881,521
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		888,186	3,356,275	(4,304,809)	707,372	234,497	881,521
Expendable Endowment funds	19	30,334,368	1,166,280	-	(181,315)	5,358,605	36,504,131
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		30,334,368	1,166,280	-	(181,315)	5,358,605	36,504,131
2021 Total		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		31,222,554	4,522,555	(4,304,809)	526,057	5,419,296	37,385,652

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Restricted Funds

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

At the year-end, £484k worth of donations were restricted for projects within the Hebrew University, and £387k of scholarships were awaiting confirmation of students and projects.

In total, £1,019,509 grants were made from the expendable endowment funds for 21-22.

Endowment Funds

The Trustees have agreed to spend up to a total of 3.5% of the balance of Expendable Endowment funds at the beginning of the year, £1,181k, which is less than the income and gains for the current year.

19 Expendable Endowment Funds

	Balance at 1 October 2021	Capital Additions	Expenditure	Transfers	Gains / (losses) & Fund charges	Balance at 30 September 2022
	£	£	£	£	£	£
1. Main Fund - 43 funds	5,690,777	287,175	-	(148,666)	(870,948)	4,958,338
2. Polonsky Fund	138,026	-	-	-	(49,000)	89,026
3. Archie Sherman Fund	194,098	-	-	(43,350)	(23,050)	127,698
4. Joels Fund	1,357,349	-	-	(39,955)	(171,740)	1,145,655
5. Gestetner Fund	679,278	-	-	(19,357)	(85,946)	573,975
6. BFHU Research & Teaching	2,210,954	-	-	(47,924)	(233,080)	1,929,950
7. BFHU Scholarship & Student Aid	7,113,814	250	-	(254,019)	(803,863)	6,056,182
8. Main fund - 41 Funds	6,502,722	5,113	-	(220,592)	(822,762)	5,464,481
9. Emily Erskine Fund	3,429,540	295,351	-	(122,877)	(433,925)	3,168,089
10. Carew Shaw Fund	9,088,909	-	-	(95,219)	(855,653)	8,138,037
11. Porjes Fund	98,662	-	-	(27,550)	(12,483)	58,629
2022 Total	36,504,130	587,889	-	(1,019,509)	(4,362,450)	31,710,060

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

Expendable Endowment Funds

	Balance at 1 October 2020	Capital Additions	Expenditure	Transfers	Gains / (losses)	Balance at 30 September 2021
	£	£	£	£	£	£
1. Main Fund - 43 funds	3,782,213	1,162,150	-	79,717	666,697	5,690,777
2. Polonsky Fund	98,776		-	-	39,250	138,026
3. Archie Sherman Fund	207,789	-	-	(43,251)	29,560	194,098
4. Joels Fund	1,170,499	-	-	(39,564)	226,414	1,357,349
5. Gestetner Fund	583,030	-	-	(16,529)	112,778	679,279
6. BFHU Research & Teaching	1,933,257	-	-	(28,725)	306,422	2,210,954
7. BFHU Scholarship & Student Aid	5,841,822	2,250	-	240,233	1,029,509	7,113,814
8. Main fund - 41 Funds	5,602,087	1,879	-	(184,876)	1,083,632	6,502,722
9. Emily Erskine Fund	2,949,354	-	-	(90,318)	570,504	3,429,540
10. Carew Shaw Fund	8,054,851	-	-	(64,563)	1,098,621	9,088,909
11. Porjes Fund	110,690	-	-	(33,439)	21,411	98,662
2021 Total	30,334,368	1,166,279	-	(181,315)	5,184,798	36,504,130

1. The Main Expendable Endowment Fund comprises 40 funds that distribute a fixed amount annually.
2. The Polonsky Endowment Fund is a gift of shares from the Polonsky Foundation. The income from these shares is used to fund specific grants made to the University on behalf of the foundation.
3. The Archie Sherman Fund was established for the purposes of supporting the Centre for Transgenic Organisms at the Hebrew University, as well as the cost of generating voluntary income for the BFHU.
4. The Joels Fund, i.e., the Jacob and Lena Memorial Foundation for Innovation in the Life and Medical Sciences, is an endowment for the establishment and support for a visiting chair, a senior lectureship for excellence and a research fund.
5. The Gestetner Fund is being used to support the operating budget of the Harry S Truman Research Institute for the advancement of peace.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	1,237	-	-	1,237
Fixed asset investments	-	-	29,865,115	29,865,115
Current assets	3,669,177	871,332	1,844,945	6,385,454
Current liabilities	(1,092,914)	-	-	(1,092,914)
Long term liabilities	(826,446)	-	-	(826,446)
Total 2022	1,751,054	871,332	31,710,060	34,332,446

Analysis of net assets between funds – As at 30 September 2021

	Unrestricted funds	Restricted funds	Expendable Endowment funds	Total
	£	£	£	£
Tangible fixed assets	11,233	-	-	11,223
Fixed asset investments	445,649	881,521	35,277,970	36,605,140
Current assets	4,199,607	-	1,226,161	5,425,768
Current liabilities	(928,885)	-	-	(928,885)
Total 2021	3,727,604	881,521	36,504,131	41,113,256

21 Related party transactions

The total amount of donations made by the Trustees was £388,120 (2021: £302,572). One of the trustees, Anthony Graham Page is a majority shareholder and director of Tony Page Ltd which supplied catering and related services for the Gala dinner at a cost of £115,123.

There were no other related party transactions in the current or prior year, other than Trustee and Key Management Personnel transactions detailed in Note 8.

BRITISH FRIENDS OF THE HEBREW UNIVERSITY OF JERUSALEM

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

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

	2022 £	2021 £
Net income for the year	(6,780,810)	5,335,368
Dividends received	(436,955)	(471,642)
Interest receivable	(31,035)	(34,270)
Investment management fees	191,149	173,807
Purchase of fixed assets	-	-
Depreciation and impairment of tangible fixed assets	9,996	9,996
(Gains) / losses on investments	4,171,302	(5,593,102)
(Increase) / decrease in debtors	(3,946)	2,051,565
Increase / (decrease) in creditors	990,475	725,397
	<hr/>	<hr/>
Net cash flow from operating activities	(1,889,824)	2,197,119
	<hr/>	<hr/>