

Company No. 355248

JNF CHARITABLE TRUST
FINANCIAL STATEMENTS
31 DECEMBER 1995



JNF CHARITABLE TRUST

(Company with liability limited by guarantee without share capital)

REPORT OF THE MEMBERS OF THE BOARD OF MANAGEMENT

The members of the Board of Management have pleasure in submitting their report to the members together with the audited financial statements of the company for 18 months ended 31 December 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continues to be to relieve poverty in the territory of the State of Israel.

After including the balance brought forward of £876,983 there is a balance carried forward on Revenue Account of £465,694 (note 7).

A proportion of the cost of salaries of the employees of KKL Executor and Trustee Company Limited, a fully owned subsidiary of JNF Charitable Trust, has been borne by the company.

The Members of the Board of Management anticipate that the company will continue operating at a similar level of activity in the coming year.

The Members of the Board of Management since the last report were:

Chairman:

Mrs G Seal (appointed 14 October 1996)

Members of the Board:

G Seal (Mrs) Chairman

B Bloom (appointed 1 February 1996)

S D Kibel FCA

S Lovatt (appointed 1 February 1996)

H Rosen (Mrs) (appointed 1 February 1996)

R Simmons

J D Zinkin FCA

S Brendlor (Mrs) (resigned 31 August 1995)

E Brown (resigned 31 August 1995)

S Obrart (died 1 August 1995)

Company Secretary:

H R Bratt (appointed 6 September 1996)

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REPORT OF THE MEMBERS OF THE BOARD OF MANAGEMENT (CONTINUED)

Auditors

A resolution proposing the re-appointment of Clark Whitehill as auditors of the company will be put to the members at the Annual General Meeting.

By order of the Board



H R Bratt
Secretary

25 November 1996

Harold Poster House
Kingsbury Circle
Kingsbury
London NW9

STATEMENT OF HONORARY OFFICERS' RESPONSIBILITIES

Company law requires the honorary officers to prepare accounts for each financial year or period which give a true and fair view of the organisation's state of affairs at the end of the year or period and of its profit or loss for that period. In preparing the accounts the honorary officers are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

prepare the accounts on the going concern basis unless it is inappropriate to assume that the organisation will continue in business.

The honorary officers are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF JNF CHARITABLE TRUST

We have audited the accounts on pages 6 to 14, which have been prepared under the accounting policies set out on page 9 & 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's honorary officers are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the honorary officers in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995, and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

CLARK WHITEHILL
25 New Street Square
London EC4A 3LN

25 November 1996



CLARK WHITEHILL
Chartered Accountants and
Registered Auditor

REPORT OF THE AUDITORS TO THE BOARD OF MANAGEMENT

OF JNF CHARITABLE TRUST

PURSUANT TO SECTION 248 OF THE COMPANIES ACT 1985

We have established by reference to aggregate of each of the turnover, total assets and number of employees (derived from audited accounts of the company and its subsidiary undertakings), that the group meets the qualifying conditions set out in Section 249 of the Companies Act 1985.

In our opinion the company is therefore entitled for the period ended 31 December 1995 to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985.

CLARK WHITEHILL

25 November 1996

JNF CHARITABLE TRUST

(Company with liability limited by guarantee without share capital)

REVENUE ACCOUNT

18 MONTHS ENDED 31 DECEMBER 1995

	NOTES	31 December 1995 £	Year ended 30 June 1994 £
INCOME			
Covenanted income	1	116,329	81,836
		-----	-----
		116,329	81,836
Donations		974,151	1,002,891
General bequests		3,309,647	2,881,628
		-----	-----
		4,283,798	3,884,519
Income from shares in subsidiary undertaking		0	12,248
Other interest receivable and similar income		106,461	15,069
Surplus on disposal of assets		1,858	0
		-----	-----
		108,319	27,317
		-----	-----
TOTAL INCOME		4,508,446	3,993,672
		-----	-----
STAFF COSTS			
Wages and salaries		722,864	466,954
Social security costs		61,614	47,672
Pension contributions		42,418	23,804
		-----	-----
		826,896	538,430
DEPRECIATION	1	30,666	19,928
ADMINISTRATION EXPENSES	9	546,673	326,459
		-----	-----
TOTAL EXPENDITURE	1	1,404,235	884,817
		-----	-----
SURPLUS OF COVENANTED AND GENERAL INCOME OVER EXPENDITURE FOR THE PERIOD		3,104,211	3,108,855
BALANCE CARRIED FORWARD TO NEXT PAGE		3,104,211	3,108,855
		-----	-----

JNF CHARITABLE TRUST
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REVENUE ACCOUNT
18 MONTHS ENDED 31 DECEMBER 1995

	NOTES	31 December 1995 £	Year ended 30 June 1994 £
BALANCE BROUGHT FORWARD FROM PREVIOUS PAGE		3,104,211	3,108,855
Remittances to Keren Kayemeth Leisrael	10	3,515,500 -----	3,311,500 -----
RETAINED RESERVES FOR THE FINANCIAL PERIOD		(411,289)	(202,645)
Retained reserves 1 July 1994		876,983 -----	1,079,628 -----
RETAINED RESERVES 31 DECEMBER 1995		£465,694 -----	£876,983 -----

The notes on pages 9 to 14 form part of these accounts.

JNF CHARITABLE TRUST
 (Company with liability limited by guarantee with share capital)
 BALANCE SHEET
 31 DECEMBER 1995

	NOTES	31 December 1995 £	30 June 1994 £
FIXED ASSETS			
Tangible assets	2	419,573	636,550
Investment in group undertakings	3	88,700	88,700
		<u>508,273</u>	<u>725,250</u>
CURRENT ASSETS			
Debtors	4	94,643	138,492
Investments	5	65,501	65,407
Cash at bank and in hand		22,600	185,849
		<u>182,744</u>	<u>389,748</u>
CREDITORS: Amounts falling due within one year	6	167,284	68,715
		<u>167,284</u>	<u>68,715</u>
NET CURRENT ASSETS		15,460	321,033
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>523,733</u>	<u>1,046,283</u>
CREDITORS: Amounts falling due after more than one year			
Covenanted loans		8,039	8,035
		<u>8,039</u>	<u>8,035</u>
NET ASSETS		<u>£515,694</u>	<u>£1,038,248</u>
Represented by:			
REVALUATION RESERVE	7	50,000	161,265
REVENUE ACCOUNT	7	465,694	876,983
		<u>£515,694</u>	<u>£1,038,248</u>

Approved by the Board of Management on 25 November 1996
 and signed on its behalf

Paul Neal
S. J. Lunt

)
) MEMBERS OF THE BOARD OF MANAGEMENT

The notes on pages 9 to 14 form part of these accounts.

JNF CHARITABLE TRUST
(Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 1995

1. ACCOUNTING CONVENTION AND POLICIES

- a) The accounts are prepared under the historical cost convention.
- b) J N F Charitable Trust and its two wholly owned subsidiary undertakings, KKL Executor and Trustee Company Limited and Bloomsbury Advertising Agency Limited comprise a medium sized group. Advantage has therefore been taken of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

- c) (i) Covenanted and Gift Aid income, donations, bequests and receipts from functions are accounted for when received and banked at Head Office. All income received at provincial offices of the Charity is accounted for on receipt and banking at Head Office or on earlier banking at the provincial office, where applicable.

Covenanted loans are released to income in accordance with the loan agreements.

Income tax recoverable in respect of Covenanted and Gift Aid income is accounted for on a received basis.

- (ii) Income from shares in subsidiary undertakings is accounted for on a received basis.
- (iii) Other interest receivable and similar income is accounted for on a receivable basis.
- d) (i) Depreciation is provided to write off the cost of fixed assets over their estimated useful lives.
- (ii) Rates of depreciation:
 - Freehold Property - 2% of valuation at the year end.
 - Furniture and Equipment - 10% of cost at the year end.
 - Computer Equipment - 33 1/3% of cost at the year end.
 - Motor Vehicles - 25% of cost at the year end.

- e) Expenditure is accounted for on an accruals basis.

- f) The company contributes to the Zionist Federation Staff Pension Scheme, which is a funded defined benefit scheme serving a number of Jewish political and charitable organisations and which covers the majority of the company's permanent employees. The Scheme's funds are administered by Trustees and are independent of the company's finances. The company's contributions to the scheme are charged to the Revenue Account so as to spread the costs over the employee's working lives with the company. The contributions are determined by qualified actuaries and take account of any current surplus, or the funding of any deficiency, which are eliminated over the balance of the member's working lives.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 1995

- g) The company has not produced a cashflow statement as required by FRS1 as the trustees believe that the Charitable Trust falls within the definition of a small company.

2. TANGIBLE FIXED ASSETS	FREEHOLD PROPERTY	FURNITURE COMPUTER & EQUIP	MOTOR VEHICLES	TOTAL
	£	£	£	£
COST AT 1 JULY 1994	697,503	69,708	16,173	783,384
ADDITIONS	-	781	-	781
REVALUATION ADJUSTMENT	(279,625)	-	-	(279,625)
31 DECEMBER 1995	417,878	70,489	16,173	504,540
DEPRECIATION AT 1 JULY 1994	76,124	60,494	10,216	146,834
CHARGE FOR PERIOD	20,909	5,300	4,457	30,666
REVALUATION ADJUSTMENT	(92,533)	-	-	(92,533)
31 DECEMBER 1995	4,500	65,794	14,673	84,967
NET BOOK VALUE 31 DECEMBER 1995	413,378	4,695	1,500	419,573
30 JUNE 1994	621,379	9,214	5,957	636,550

The freehold property in London has been revalued at a total of £350,000 and has been included at this valuation in these accounts.

The revaluation of this property was based on the sale price of the property, as contractually agreed in November 1996 (see also note 13).

The Glasgow property was last revalued in 1993 at a total of £63,909.

JNF CHARITABLE TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 1995

3. INVESTMENTS IN GROUP UNDERTAKINGS

	1995 £	1994 £
Shares at cost:		
KKL Executor and Trustee Company Limited, 250000 £1 Ordinary shares	250,000	250,000
Bloomsbury Advertising Agency Limited, 100 £1 Ordinary shares	100	100
	-----	-----
	250,100	250,100
Provision for diminution in value:		
KKL Executor and Trustee Company Limited	161,400	161,400
	-----	-----
	£88,700	£88,700
	-----	-----

The company owns all the issued share capital of both subsidiary undertakings, which are both incorporated in the United Kingdom and registered in England and Wales. Group accounts incorporating the results and net assets of the subsidiary undertakings have not been produced for the reasons set out in Note 1(b) to these financial statements.

Bloomsbury Advertising Agency Limited organises functions and collects advertising revenue. KKL Executor and Trustee Company Limited acts as executors, administrators and trustees and undertakes and executes trusts of all kinds.

Information concerning unconsolidated subsidiary undertakings

Aggregate amount of capital and reserves at 31 December 1995:
£

Bloomsbury Advertising Agency Limited	1,817
KKL Executor and Trustee Company Limited	88,690

Profit/(Loss) before taxation for the period ended 31 December 1995:
£

Bloomsbury Advertising Agency Limited	(79)
KKL Executor and Trustee Company Limited	818

In the opinion of the Board of Management, the aggregate value of the above investments is not less than the aggregate of the amounts, net of the provisions for diminution in value, at which these assets are stated in the accounts.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) 31 DECEMBER 1995

	1995 £	1994 £
4. DEBTORS		
Amounts owed by group undertakings	77,926	115,327
Other debtors	0	8,838
Prepayments and accrued income	16,717	14,327
	-----	-----
	£94,643	£138,492
	-----	-----
5. INVESTMENTS		
	1995 £	1994 £
UNQUOTED SECURITIES		
These are shown in the financial statements at their valuation for taxation purposes at the date of bequest or at their professional valuation at the date of the gift. The Committee of the Board of Management estimated the value of these securities as £501 at 31 December 1995 (1994 £407).	501	407
FREEHOLD PROPERTY		
The company has reversionary interests in freehold properties which are shown in the costs of acquisition.	25,000	25,000
ISRAEL BONDS	40,000	40,000
	-----	-----
	£65,501	£65,407
	-----	-----
6. CREDITORS: Amounts falling due within one year.		
	1995 £	1994 £
Trade Creditors	5,719	31,632
Amounts owed to group undertakings	109,458	2,524
Other creditors including taxation and Social Security	35,428	19,681
Accruals and deferred income	16,679	14,878
	-----	-----
	£167,284	£68,715
	-----	-----

JNF CHARITABLE TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 DECEMBER 1995

7. RESERVES

REVENUE ACCOUNT	1995 £	1994 £
1 July 1994	876,983	1,079,628
Retained reserves for the financial period	(411,289)	(202,645)
	-----	-----
31 December 1995	£465,694	£876,983
	-----	-----

REVALUATION RESERVE

1 July 1994	161,265	161,265
Arising on the revaluation of freehold property	(111,265)	0
	-----	-----
31 December 1995	£50,000	£161,265
	-----	-----

8. AVERAGE NUMBER OF EMPLOYEES

	No	No
Average for the year	30	40

9. ADMINISTRATION EXPENSES

	£	£
Included in the administration expenses are:		
Auditors remuneration	4,895	2,450
Fixed asset revaluation adjustment	75,827	0

10. REMITTANCES TO KEREN KAYEMETH LEISRAEL

For charitable purposes in accordance with Clause 3 (i) of the Memorandum of Association of the Company.

11. TAXATION

As the company is a registered charity no tax charge is expected to be levied on its income. All tax deducted from Covenanted and Gift Aid income donations and dividends is expected to be recoverable.

12. PENSION SCHEME COSTS

The pension scheme costs are calculated at rates determined by the Actuaries to the Scheme. The last valuation carried out by the Actuaries was at 6 April 1993 using the projected unit method of valuation.

The Pension scheme for the employees is held within the Zionist Federation Staff Pension Scheme arrangements.

13. POST BALANCE SHEET EVENT

In November 1996, the charity exchanged contracts for the sale of its London property at a price of £350,000. This price compared with a net book value of £537,092, and the reduction in value has been written off as to £111,265 against the Revaluation Reserve (see Note 7) and the balance against the Revenue Account (see note 9).