

ANNUAL REPORT and ACCOUNTS 2016

SUPPORTING ISRAEL FOR LIFE This Year and Every Year

*The leading UK
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JNF Charitable Trust
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“In the past year, JNF UK has continued its vital work looking after the sick and needy in Israel and helping children and young adults thrive and flourish.

We have built and renovated schools, kindergartens and educational facilities. We have created scholarships, rehabilitation centres and schemes to improve entire towns.

We are working to enhance the education, welfare and health of all people across the Negev and Israel, as well as investing in cultural centres and supporting cultural activities. ”

Samuel Hayek
Chairman of JNF UK

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Chairman's Review

Samuel Hayek, JNF UK Chairman

JNF UK has worked for over 115 years to build Israel and to support its people. At every stage in its history, Israel has benefited from the generosity of the Jewish diaspora. Today's needs are different from those of the past, but our mission remains the same - to ensure the long term survival of the Jewish people in our homeland.

The Negev has always been important to Israel's security. Today it presents an exciting opportunity for a growing population and JNF UK is proud to be at the forefront of its development. Many weaker Negev communities struggle with socio-economic problems and need help to improve and thrive. JNF UK works hard every day to strengthen these communities and to enhance the established ones.

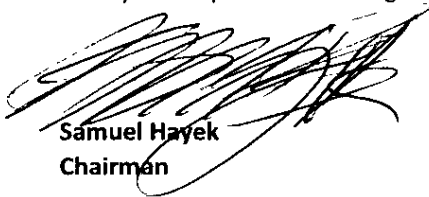
In 2016 we continued to focus on the Negev, working closely with mayors and local municipalities to put in place improvements across several towns. During the year we committed £6.6 million to new projects in Israel. Working town by town, we make sure that every project contributes to the entire community as part of a bigger plan to improve every aspect of life for all the citizens.

For example, we continued our work in Arad, where we are renovating several kindergartens to ensure children benefit from the best start in life. The Joy Bickler Arad Youth Centre, which is in the heart of the city, serves 1,500 teenagers, providing a safe place for them to enjoy leisure time and develop into young adults, ensuring better opportunities and futures. The late Joy Bickler was a great supporter of Israel and, through a generous legacy she left to JNF UK, we dedicated the Centre in her name. We are renovating the city's only theatre, the Oron Theatre, reinvigorating the city's cultural life for all of society. Together with the Arad municipality, we are developing the Nesharim Park at the entrance to the city, transforming it into a regional park complete with a playground, new lighting and attractive landscaping.

We are also applying this holistic approach to the towns of Mitzpe Ramon, Kiryat Malachi and Yerucham, where we have completed projects and have exciting plans for even more development and improvement.

I am pleased to present the 2016 Accounts, showing JNF in a strong and healthy financial position.

With your help we are building the future of Israel!



Samuel Hayek
Chairman

Who we are

History and Heritage

JNF Charitable Trust was registered as a charity in England and Wales in July 1939. We are also known as JNF UK and operate under this name for day-to-day operations, alongside other 'Jewish National Funds' from all over the world, which also undertake projects in Israel.

In 1901, at the Fifth Zionist Congress in Basel, the Jewish National Fund/Keren Kayemet LeYisrael (JNF/KKL) was founded. JNF/KKL was the vision of Theodore Herzl who, having witnessed incidents of anti-Semitism, proposed the establishment of an organisation to purchase land for an independent Jewish state in Eretz Yisrael. JNF/KKL was founded on the Zionist principles and ideals of establishing and developing a Jewish state.

The JNF Blue Box was introduced at the same time as the Fund was established, as a vehicle for Jews across the world – rich and poor, young and old, from every community – to contribute towards the building of a Jewish homeland.

Since JNF UK's inception, it has committed to enabling people to live fulfilled, independent lives on Israeli soil. We are the oldest and largest fundraising organisation in the world which is fully dedicated to supporting the growth and prosperity of Israel.

In its early years JNF focused on purchasing land, planting trees, draining swamps, boosting local infrastructure and laying the foundation blocks for a functioning state. The Jewish National Fund became an environmental trail-blazer planting more than 240 million trees, building more than 210 reservoirs, developing over 250,000 acres of land and creating more than 100 parks.

JNF UK Today

JNF UK plays an on-going role in securing the future of Israel, by developing the Negev region in the South, building new communities and nurturing existing ones. The Negev plays an integral role in the continuing story of Israel's success, and we actively support the vision of a thriving and flourishing desert.

We have dramatically enhanced the lives of countless people in the region and continue to work tirelessly to transform the lives of many more. We achieve this through special projects that bring communities together, foster the inspirational pioneering spirit of modern Zionists and support all those who dare to dream.

Our operations span three separate but related organisations. JNF UK continues to support Israel's development through direct fundraising activities, including appeals and events, as well as the much-loved Blue Box. KKL Charity Accounts, operating under the trading name SmartGiving, provides a charity accounts and payroll giving service. KKL Executor & Trustee Company Limited operates a will writing and executorship service and the JNF UK's legacy administration.

Our Vision

“If you will it, it is no dream...” – Theodore Herzl

Our vision for the Negev is for it to become an area where communities thrive and make a significant contribution to Israel's economy. A region in which young families will readily make their homes, where opportunity is brimming, education thriving and where residents can get out as much as they put in. We envisage a Negev which is safe and secure, allowing families, young and old, to live the Zionist dream.

Since 1901, JNF has been integral to Israel's growth and progress. Together with our partners and working closely with the government of Israel, we have helped provide an infrastructure that has benefited many Negev communities and contributed to the wider goal of providing a sustainable and viable future for Israel.

Israel's first Prime Minister David Ben-Gurion famously stated that “it is in the Negev that the creativity and pioneering vigour of Israel shall be tested.” Today, JNF UK is meeting that challenge – realising the Zionist dream in the sands of the desert.

Our Mission: Project Negev

JNF UK's core mission is to help build, develop and strengthen the State of Israel for all of its citizens.

Since our early years, our focus has shifted to that part of the State of Israel known as the Negev — the large desert region in the south of Israel which comprises around 60% of Israel's landmass. It is home to less than 10% of Israel's population and is largely unpopulated. JNF UK's support for the Negev dates back over 20 years. The Negev was and remains an impoverished area, lacking basic infrastructure and community cohesion. While the central and northern areas of Israel are and have been well supported by numerous charities and organisations for many years, the Negev has received significantly less support. JNF UK saw an opportunity to make a real difference.

Today, JNF UK is building new communities, developing existing ones and nurturing and sustaining the vulnerable front-line towns of southern Israel. We are building schools, parks, playgrounds and community and medical centres. We are repairing reservoirs, planting forests and supporting local agriculture helping to make the desert more fertile. JNF UK is working with a new generation of pioneers, young Israeli volunteers who are leaving behind comfortable lives elsewhere in the country to develop the Negev. We are forming dynamic partnerships with local NGOs and the Israeli government, whose aim is to achieve a 70% increase in the Negev's population over the next decade.

Our Strategy

David Ben Gurion saw the development of the Negev as Israel's greatest challenge, a challenge that would define its future. Israel's destiny would only be secure, he foretold, when millions of Jews would call the desert home. JNF UK shares this vision. Our strategy is to support projects that will not merely improve the lives of those who already call the Negev home, but will create incentives for people to settle and stay in the Negev. For this reason, bringing employment, education and better healthcare to the region is our priority.

It is a challenge to live in a town lacking infrastructure in the middle of a desert. Young people in Arad had nowhere to meet before we built a Youth Centre. There were few opportunities for employment in Mitzpe Ramon outside of tourism and agriculture before we began work on the Business Valley. Until recently, cancer patients and those who have suffered accidents or serious illness were forced to travel to the centre of Israel in order to obtain the care they need, but thanks to The Ruach Dromit Cancer Care Centre in Be'er Sheva and the Ezra LeMarpeh Rehabilitative Facility in Sderot, two of the many projects that are benefitting from our recent appeals, patients can now receive treatment and support locally.

Infrastructure is more than roads and power stations. If a new generation is to make its home in the Negev it must feel able to build fulfilling lives in the desert. JNF UK is at the forefront of this mission.

JNF UK is focused on having a more holistic approach to its strategy, developing the Negev town by town, in conjunction with local mayors and municipalities. By focusing on varied projects all within the same town, the progress we bring is more than the sum of its parts. An across the board effort in each town helps enhance life for different social groups, improving the overall quality of life for the entire town. This is apparent from our work in Yerucham, Mitzpe Ramon, Kiryat Malachi and Arad.

We hope that with your support we will be able to adopt and support more and more towns like these in the Negev.

Current Projects

INTRODUCTION

JNF UK supports an extraordinary array of projects throughout southern Israel, the breadth of which reflects the diversity of Israeli ingenuity and resourcefulness. Many of the projects we support would simply not exist without JNF UK and the generosity of our donors.

JNF UK does not merely provide funding. We are proud of our 'added value' – the support we bring to projects in the form of financial and strategic advice, raw materials and teams of enthusiastic volunteers - that make each pound donated to JNF UK go further.

SOME OF THE PROJECTS JNF UK SUPPORTS

Yerucham

Founded as a development town in 1951, Yerucham lies in the central Negev, about 30 minutes drive south east of Be'er Sheva. It has a population of 10,000 and has long suffered from social deprivation and a lack of infrastructure that has caused the image of the town to suffer. This has led to negative immigration and high levels of poverty. However, in recent years, thanks to the dynamic leadership of Mayor Michael Biton, the town is experiencing major regeneration and a new lease of life.

Early Childhood Centre

With over 1,300 children from low income families, Yerucham had a lack of facilities to address their needs. JNF UK proudly funded the creation of The Anita and Ralph Harris Day Care Centre for children up to the age of nine.

The early childhood years are crucial to the formation of a child's identity, personality and ability to realise his or her innate potential. These should be spent within a safe, stable and stimulating environment, where the child's natural curiosity for learning and their physical needs are met. The new Early Childhood Centre is a community resource that acts as the hub and main host for a wide array of formal and informal educational programmes, enrichment activities and services to promote healthy development for children, parents, and the community. For children who need special attention, it serves the entire region offering speech therapy, special needs assistance and wellbeing services. Its new building was completed in 2016, as was an extra kindergarten. During 2016, JNF UK committed to renovating six more kindergartens in Yerucham.

The Early Childhood Centre also serves as the organisational and administrative umbrella for programmes to identify, treat, enrich and educate children in other early childhood settings within the local authority.

Expansion and Renovation of Yerucham Musical Conservatory

Every child in Yerucham is able to study and enjoy music, thanks to a ground-breaking policy that music should be an integral part of the primary school curriculum. Every one of the 414 primary schoolchildren in the town is being taught how to play a musical instrument. We have successfully renovated the inside of the conservatory which, like so many public buildings in Yerucham, was previously run down. Our plan now is to expand the building and increase its capacity, so that even more musical and cultural enrichment and education can take place there.

Playgrounds

As part of the process of establishing or renovating 10 public gardens within the older neighbourhoods of Yerucham, JNF UK has committed to developing playgrounds where previously these facilities have been lacking. These are a basic necessity for any family living in Israel, due to the high percentage of the population living in flats. This project will not only significantly improve the lives of current residents, but will also help the town pursue its vision of rejuvenation and assist in its mission to bring new families to the area.

The planning stage has now been completed and work has commenced to create the playgrounds. These are scheduled to be completed imminently, ready for Yerucham's parents and children to enjoy.

Lake Yerucham Recreation Park

KKL planted around 500 dunams of pine forest in the 1960s, just opposite Yerucham. Once an attractive park with a large, natural seasonal lake created by the Nahal Yerucham dam as its central feature, the whole area has now fallen into a state of neglect.

Having previously developed a playground and fitness trail as well as the park's entranceway, we are now partnering with the town of Yerucham to develop a new campsite in the same location. This will include all the necessary amenities for those staying there and will be a key leisure and tourism site in the central Negev. The site is being designed in such a way as to ensure it does not negatively affect the environment and will attract tourists as well as holidaymakers, families and school groups, from all over Israel.

Urban Forests

JNF is famous for planting trees in Israel and has planted over 250 million trees over the last 115 years. But today there is less of a need for new forests in Israel, so the efforts tend to be concentrated more on maintenance of existing forests, including planting new trees within them. There is, however, a need for carefully planned 'urban forests'. These are trees planted in the urban environment, throughout towns and cities, which when looked at together make up a forest which keeps the environment healthy for those living in the area. Particularly in the Negev, this is a difficult task to manage well as saplings need to be carefully selected and nurtured to grow into healthy mature trees. JNF UK is working to plant hundreds of these trees to make up a network of urban forests across Negev towns, starting with Yerucham, concentrating on existing public pathways, parks, schools and public spaces. Local authorities will commit to the upkeep of the trees so that the people living in these towns will enjoy the related health benefits for many years to come.

Renovation of communal areas in former social housing buildings

Most of the residential buildings used for social housing in Yerucham are over 60 years old and have been neglected. Both the internal and external communal areas are in need of extensive renovation. JNF UK is renovating these communal areas, transforming outdoor areas of dirt and rubble into attractive shared gardens. This improves the quality of life for those living in the buildings, making Yerucham a more attractive place to live. Thanks to teams of volunteers who work together with the residents and motivate them, work on three out of eight of these communal areas has already been completed.

Kiryat Malachi

Kiryat Malachi is a development town in the northern Negev. The town's population increased by 40% to 22,000 during the '90s, when a stream of new *olim* from Ethiopia and the former Soviet Union settled in the community. The effects of this rapid increase in population and the strain it placed on resources and infrastructure are still being felt today. This town is extremely poor with nearly 50% of the community on social benefits. Through our holistic approach we have selected a range of projects which encourage young people to remain in Kiryat Malachi instead of leaving to seek opportunities in central Israel. New families will also be attracted to the town as a positive place to build their future.

Young Adult Centre

Currently in its construction stage, this project will see the creation of a new 300 square metre building designed to serve young adults aged 18-30. This age group represents 30% of the city's population, so providing for them is vital for the future of the city. The centre's goal is to give the younger generation opportunities to develop in various fields. It will encourage increased higher education uptake, provide career guidance, give soldiers a range of tools to succeed in their future civilian lives and develop both local leadership opportunities and community involvement opportunities in various fields.

Development of the Entrances into the Town

In view of its prominent location next to one of the major highways in the Negev, thousands of people drive past this run-down area on a daily basis and are left with an impression of an extremely impoverished town. We have therefore committed to the renovation of the two main entrances to the town and adjoining promenade with a view to totally transforming the perception of the town and attracting new residents and businesses to Kiryat Malachi. This has been done in other towns with great success and is vital to the town's future survival. The plans for this project are progressing.

Renovation of State Kindergartens

Having equipped and renovated six kindergartens in 2016, which were previously in a serious state of disrepair, we have committed to renovating 19 more.

A kindergarten is a child's first step into the world of education and it is imperative that they enter a building that is clean, bright and has all the facilities they require. This is of particular importance in Kiryat Malachi where many of the children have grown up in poor families and need to fight to break the cycle of poverty into which they were born. Ultimately, if they are to succeed in life they and their parents must be helped from day one.

Kiryat Malachi Community Park

In 2016 we completed the renovation of the run-down public space that was the community park. Now residents can enjoy a children's playground, outdoor gym, garden and an upgraded football and basketball court. As so many in the area live in flats, outdoor spaces like this are a basic necessity.

Renovation of Amit High School

JNF UK has joined the municipality in a strategic plan to upgrade thoroughly the infrastructure of the city's educational institutions. As well as working to improve kindergartens, we have now also committed to upgrading the high school facilities in the city. Amit is the most run-down of the three major high schools in Kiryat Malachi and is in urgent need of improvement.

The school caters for 405 students in grades 7 to 12. Some of the buildings are extremely old and dilapidated without functioning air conditioning — something that can seriously impede learning in arid locations. We will be adding air conditioning, as well as plastering, decorating and improving large parts of the building.

Arad

Established in the 1960s as a modern city with a high-level socio-economic population, Arad is a remote city located in the North-East Negev region, 45 minutes drive east from Be'er Sheva. It now has a population of 24,000. Originally planned to benefit from the healthy effects of its proximity to the Dead Sea, it was intended to be a desirable destination for people to make their homes. However, as a result of neglect the city never quite delivered on this promise.

During the '90s, there was a large influx of *olim* from the former Soviet Union who were absorbed by the town. A lack of strong leadership together with the closure of several large factories in the area led to negative migration. In addition, there has been a large influx of families suffering from high levels of poverty. The consequent effect has been to lower the town's overall socio-economic condition. In 2016, the socio-economic ranking of the city dropped from five to four out of ten.

JNF UK's partnership with the town started with a few projects and has now developed into a wider ranging initiative which aims to transform the town by addressing its needs holistically.

Oron Theatre

Arad's sole theatre, the 'Oron' theatre, is used for all kinds of performances for adults and children, from movies or school plays to various cultural events. However, the theatre is very old and has never been fully renovated. The stage is small, which limits the performance of big modern productions, the cooling system is outdated and ineffective and the building does not meet modern safety standards. Moreover, the furniture is very old, contributing to an overall sense of neglect.

JNF UK has committed to renovating the theatre, which will reinvigorate the cultural life of the city, re-energising its deteriorating population.

The Joy Bickler Arad Youth Centre

Arad, like many cities in the Negev, lacks the facilities teenagers require for a positive transition into adulthood. JNF UK is dedicated to promoting leadership in Israel's youth by encouraging them to fill their time with positive experiences. To this end, we have built a youth centre in the heart of the city, the first stage of which was completed in 2016. The late Joy Bickler was a great supporter of Israel and, through a legacy she left to JNF UK, the Centre was dedicated in her name. The Joy Bickler Arad Youth Centre will serve 1,500 teenagers, aged 11 to 16, including those with special needs or considered to be at risk, by providing a safe place for them to enjoy leisure time.

As well as providing an entertainment venue and giving young residents of Arad a convenient space to socialise, the new centre features a guidance and training area, providing a home for the city's Youth Council and a venue for IDF Orientation classes.

Kindergartens

JNF UK has committed to renovating kindergartens across the Negev, including two in Arad. This work has begun during 2017.

A kindergarten is a child's first step into the world of education and it is imperative that they enter a building that is clean, bright and has all the facilities they require. This is of particular importance in towns where many of the children have grown up in poor families and need to fight to break the cycle of poverty into which they were born.

Entrance to the City

The Arad municipality plans to develop Nesharim Park at the entrance to Arad, transforming it into a central, regional park. JNF UK is helping to renovate the park, improving it so that Arad's residents and visitors will be met with a welcoming, green expanse.

Development elements include installing playground equipment and lighting fixtures, landscaping, electrical work, creating new trails, and installing seating and signage, making it an oasis of activity and serenity in the midst of the desert. The project is in its planning stage, and will be run and undertaken by the municipality.

Mitzpe Ramon

The development town of Mitzpe Ramon is located 80km from Be'er Sheva. It was founded in 1956 and now has a population of approximately 5,500. Mitzpe Ramon is an urban desert town on the edge of the spectacular Ramon Crater, with a wide variety of communities and cultures. The town's primary employment sectors are the IDF, tourism and education. It has a socio-economic ranking of four out of ten. Traditionally, the Negev's best and brightest have left southern Israel for the country's centre on graduating high school.

Business Hub

With the vision of creating job opportunities in the Negev, JNF UK is constructing a state-of-the-art business hub in Mitzpe Ramon. JNF UK purchased a 1,135 square metre hangar on a plot of about two dunams in which we are creating a business hub. This will have 1,450 square metres of high quality professional office space.

By encouraging companies to relocate to the south, JNF UK is helping the Negev become a centre for high tech innovation, development and investment. The construction of the hub will have an economic and social knock-on effect and has already attracted McCann Erickson, one of the world's leading advertising agencies, to set up a large presence there. This will also encourage other firms to base themselves in the hub and settle in the region, bringing high-paying jobs and disposable income.

The hub will provide office space for firms active in digital marketing and new media and has now passed the planning stage. The building licenses are now in place and the project should be opened during 2017. It is expected that the lower costs of setting up in the Negev will make the location attractive both to start-ups who would struggle to secure office space in Tel Aviv or Jerusalem and also to employees, who stand to benefit from reduced rents and a lower cost of living. This project will have a genuinely transformative effect on the region.

Community Centre Music Studio

Founded in 1973, the Mitzpe Ramon Community Centre serves all the town's residents by providing activities, services and programmes in accordance with the community's needs.

There is a strong tradition of a vibrant Israeli music scene emerging out of the development towns of the South. The vision of the Mitzpe Ramon Music Studio is to create a space that will help develop the local musical culture by providing musicians with professional equipment and resources to create, practice and upgrade their musical skills. The studio will include two fully equipped rooms - a tech-room, which will be operated by permitted technicians, and a rehearsal room, where performers can be recorded.

Most of the activities held in the studio will be aimed at the children and teens studying at the local conservatory. Rehearsal rooms, recording studios and professional services will also be offered to regional and national musicians at competitive rates, generating income and employment for Mitzpe Ramon residents.

School Computer Room

The main secular primary school in Mitzpe Ramon has 230 pupils. Despite moving into a brand new facility only a few years ago, the school lacked a computer classroom. JNF UK has facilitated the replacement of the old and obsolete computers, which the school had previously struggled with, creating a computer room in which 26 new computers now act as vital learning tools for the students.

Medical

Ezra LeMarpe Rehabilitation Centre in Sderot

Completed in 2016, this state-of-the-art rehabilitation centre is now operational in Sderot, a city on the Israel-Gaza border. It serves the whole Negev region, providing life-changing care to tens of thousands of people living in southern Israel without them needing to travel great distances to receive medical care.

This extraordinary, rocket-safe building offers patients an array of physical and psychological therapies, including hydrotherapy, occupational therapy and counselling services, all under one roof and all free of charge. JNF UK equipped the facility with a new physiotherapy suite. The new centre offers specialised treatment to the thousands of Negev residents who suffer post-traumatic stress disorder as a result of living with the constant threat of terror from the Gaza strip.

Refua Vesimcha

This NGO provides essential aid and assistance to patients and their families. Thanks to JNF UK, a free ambulance service for patients requiring hospital treatments such as chemotherapy, dialysis or rehabilitation, helps those who could otherwise not afford to travel to the far-away hospitals which can treat them.

Many of the workers at these programmes are volunteers. Only the drivers, coordinators and secretaries are paid. JNF UK is helping to cover the organisation's running costs.

Ruach Dromit (Cancer Care Centre)

Ruach Dromit is the Negev's first holistic treatment centre for cancer patients and their families in Be'er Sheva. It provides non-medical therapies to complement patients' hospital treatment. This helps to ease the psychological burden of battling cancer and increase the chances of recovery.

Volunteer therapists operate from two sites – Soroka Hospital and the clinic. JNF UK assisted Ruach Dromit in establishing an outpatient cancer centre near the Soroka Hospital in Be'er Sheva. The Centre provides cancer patients and their families with a range of alternative treatments, workshops and counselling services to relieve physical, emotional and mental suffering. JNF UK has been Ruach Dromit's chief sponsor since it opened in 2014, playing an instrumental role in establishing the Centre, purchasing equipment and covering running costs. Ruach Dromit now administers upwards of 220 treatments per month, helping thousands of cancer patients and their families in the Negev.

Music, Culture and Sport

Jonathan Wohl Music School in the Ono Academic College

In 2016 the Ono Academic College held an inauguration ceremony for the Jonathan Wohl Music School, which is now complete and fully operational. JNF UK has ensured that this private academic institution in central Israel will improve musical education and provide opportunities for those living in the Negev.

The JNF UK Scholarship Fund will see NIS 5 million dedicated to students from the Negev area who wish to study at the college. A steering committee made up of members from JNF UK and Ono is responsible for the operation of the scholarship. Thanks to JNF UK's support, Ono has also committed to running 100 hours of extra-curricular accredited musical education courses in the Negev every year, benefiting young people in the south. The students studying at Ono will perform two concerts per year in the Negev for the benefit of those living in the area, in two separate locations.

The Bikurim School for Performing Arts

Bikurim is located in Eshkol, in its own campus on Kibbutz Magen. Just 4.5km from the Gaza Strip it lies in a region which has suffered from decades of conflict and neglect. Despite this, Bikurim is a school of excellence in the performing arts, providing residential music training to high school students — the first institution of its kind in the south of Israel.

The key to the success of Bikurim lies in the fact that the students live on campus. Each day the students go to the local high school for general studies, before returning to the campus and studying for an additional five hours in their respective fields. This gives the students the opportunity to immerse themselves fully in the worlds of music and art, whilst learning and playing with their peers.

This year we have helped the school to grow by building more dormitories and music rooms, allowing it to teach more students. It can now provide extra academic tutoring and support for some of the students, who come from low socio-economic backgrounds and struggle with the high standard of the local high school. We are continuing our commitment to Bikurim over the coming year.

Shavei Darom

Shavei Darom is a new community in the western Negev, situated in the Merhavim Regional Council. It lies just nine kilometres from the Gaza border. Most of the community's citizens were evacuated from Kfar Darom in Gush Katif, as part of the disengagement plan in 2005. Shavei Darom was established by the evicted families in order to recreate the community that existed in Gush Katif.

As a new community near to the Gaza strip, Shavei Darom lacks basic infrastructure. This year JNF UK created The Stanley Harris Sports Ground with two combined football pitches and basketball pitches. These facilities, which few Negev communities are without, will enable Shavei Darom to further serve its growing community. The facility is the first and only one in Shavei Darom.

Education

Ahuzat Ya'akov

This organisation is working to integrate the ultra-Orthodox population into wider Israeli society through participation in a programme that combines studies and civic or military service. The new Ahuzat Ya'akov "Campus for Excellence in Ultra-Orthodox Achievement" in Gan Yavneh (next to Ashdod) represents a vital new phase in responding to the priorities set by Israeli government authorities. Ahuzat Ya'akov is a large campus of 36,000 square metres, which was once a vocational religious high school. JNF UK is assisting with the renovation of the campus. The ultra-Orthodox do not normally access higher education, but through this project they will be able to do so, improving their chances of entering employment.

JNF UK is helping to create a modern auditorium in the building, as well as a dining hall and landscaping around the campus.

Masa Israeli

Masa Israeli is an educational values programme operated by the organisation MiBereshit, a Zionist and Jewish educational organisation. The programme is a six-day heritage journey through Israel's landscapes and historical sites which unites the various segments of Israeli society, religious and secular, around their shared values. It is targeted at high school students and members of the military and is designed to strengthen the Jewish and Zionist identity of young Israelis.

Each year 20,000 Israeli youngsters embark on a Masa Israeli programme. Since its establishment 12 years ago, over 150,000 high school students, IDF officers and commanders have participated in a Masa Israeli trip, proving the programme's ongoing effectiveness.

JNF UK has committed funds to help finance trips for 8,000 11th grade high school students from the South of Israel.

Carasso Science Park

Located in the old city of Be'er Sheva, Carasso Science Park is the largest science park in Israel, featuring an interactive museum, scientific garden and hundreds of technological and scientific games and hands-on activities for all ages. The new facility has brought residents of the Negev new learning experiences and opportunities previously unavailable to them.

The mission of the science park is to promote and develop science and technology education in the south. Working in partnership with the local schools, community centres and summer camps, it hosts daily visits from groups benefitting from educational activities.

JNF UK's support has helped equip six laboratories with advanced scientific equipment used to teach six separate fields: genetics, sight and vision, mechanics, energy, sound and hearing, and communication. Additionally, JNF UK has created a "Fab Lab" focused on the cutting-edge emerging technology of 3D printing. Through our funding of Carrasso we have invested in the youth of the Negev, helping them to further their scientific education.

Shiur Acher (alternative lessons)

By bringing together industry leaders from large companies such as Microsoft, Coca Cola, Ernst & Young and Teva and underprivileged students from the Negev, Shiur Acher helps create meaningful encounters which allow the students to learn unconventional and life changing lessons.

Accomplished professionals are recruited to teach lessons at schools on topics related to their field (marketing, law, entrepreneurship, etc.). These “alternative lessons” are aimed at empowering and inspiring children in order to help them explore exciting opportunities for their future.

Thanks to our funding the programme has continued to grow, bringing more opportunities to even larger groups of children. JNF UK’s support has enabled Shiur Acher to expand substantially its activities in the south, building new partnerships with businesses and public organisations and hiring a dedicated regional coordinator.

El Sayad Bedouin High School

El Sayad is a Bedouin village located in the northern Negev near Arad. Home to approximately 5,000 residents, of which half are aged 18 or under, the village established its first school in 2015 for 600 students from seventh to twelfth grade. The student population is expected to grow to 1,000 students within the next two years.

El Sayad is known to have the highest rate of hearing-impaired and deaf residents not only in all of Israel, but in all of the world. Approximately nine percent of El Sayad village residents are either hearing impaired or entirely deaf. The school therefore faces the additional unique challenge of trying to accommodate the many hearing-impaired and deaf students.

JNF UK is helping the school to create and equip a computer room and sports ground, to bring it up to the standard of most other Israeli schools.

Scholarship Programme for Bedouin

The Bedouin community faces big challenges and tremendous pressure as it transforms from a traditional nomadic culture into a settled, organised one. During this transition, it is crucial that the younger generation should receive high quality education, enabling individuals to integrate successfully into modern Israeli society.

The JNF Bedouin Academic Scholarship offers 10 scholarships every academic year to students from the poorer Negev Bedouin communities who have made a significant contribution to society, completed their military service or national service and are in their first or second year of studies at Sapir College. As part of the programme, participants take part in enrichment and volunteering programmes.

In this way we are strengthening the connection between the Bedouin community, the State of Israel and its institutions. We are also nurturing the next generation of leaders within Bedouin society.

Welfare

Tenufa Bakehila

Tenufa Bakehila (Building Hope) is helping up to 70 low income families in Kiryat Gat to achieve their independence by helping with desperately needed renovation of private homes. Operating in eight cities throughout Israel, the organisation has worked in over 4,000 homes during the last 23 years. In Kiryat Gat, they are mostly working with Ethiopian families.

The organisation does unique work, renovating homes to address the specific infrastructural obstacles holding back the families inhabiting them. The residents are referred to the organisation only by professional social workers, who select families where a small intervention can be leveraged for the widest impact. In addition to providing repairs and renovations, the organisation's handymen engage the families in the work, helping empower them in the process of improving their physical environment. Following the renovations, social workers take advantage of the atmosphere of renewal and change generated, to work with the beneficiary families in order to help them overcome other challenges they may be experiencing.

JNF UK has committed to supporting the renovations and we have already started work on several flats.

Krembo Wings

The only youth movement for children and youth with severe special needs in Israel, Krembo Wings provides weekly social activities for children who do not have the opportunity to participate in regular extra-curricular activities.

Around 1,100 children and young people aged 7 to 21 participate in Krembo Wings activities nationwide. Krembo Wings runs activities in eleven Negev towns and cities – Be'er Sheva, Ofakim, Sderot, Kiryat Gat, Dimona, Arad, Rahat, Arrara Banegev, Al Kaassum, Eilat and Kiryat Malachi. Activities are typically run from municipal halls. Between 80 and 120 children attend each branch on a weekly basis.

JNF UK continues to support Krembo Wings' extraordinary work, assisting with the purchase of equipment for events. This includes canopies, water-coolers, wheelchairs, portable wheelchair ramps and multimedia equipment to allow for in-branch training as well as for activities for members with special needs.

Eden Karmia

The Eden Residential Home for Girls is located on Kibbutz Karmia, a small kibbutz near Ashkelon. It was founded in 2005 and provides a therapeutic framework for teenage girls aged between 12 and 18 who have suffered abuse. The girls are referred to the home by the Ministry of Welfare's Child Support Services. There are currently 60 girls living in the home, all of whom have been removed from their families by court order. They have been deeply traumatised by years of neglect and abuse and often display self-harming patterns of behaviour.

While the Home has been carrying out important work for vulnerable girls, it had some urgent needs that were not being met. The outdoor areas were overgrown with weeds and the facilities were not as welcoming and homely as would be ideal. JNF UK has been able to expand the Nitzan building, equipping all of the girls' homes and beautifully landscaping the outdoor spaces.

The girls of Eden study in a building located inside the kibbutz. This building is in a major state of disrepair and is in urgent need of renovation, which we have committed to support this year.

Orr Shalom, Ashkelon

Orr Shalom cares for 1,400 children, aged between zero and 18, who have been removed from their homes by social services due to severe physical, sexual and emotional abuse and/or neglect. Around 200 of these children are currently cared for in 20 family homes (four of which are located in Ashkelon) as they require more care than can be provided in a traditional foster setting. These children live as a family with devoted house parents and are escorted by a professional staff of social workers, psychologists, teachers and girls on their year of National Service.

JNF UK has provided funds to facilitate the renovation of the homes. The works range from improving the outside areas, giving the children more space in which to play, to installing new air-conditioning units indoors to make them comfortable in the Negev heat.

JNF UK has also equipped Orr Shalom's psychotherapy centre in Ashkelon with computers and equipment to help the therapists and children with their work and social connections. Building work was carried out to make it wheelchair accessible and the outside area was landscaped to give these deeply troubled children a more pleasant environment to be in.

Others

HaShomer HaChadash (Land Protection and Youth Leadership)

Established in 2007, HaShomer HaChadash (The New Guardians) helps farmers in the Negev and Galilee protect their land and livestock from the vandalism, theft and arson that plague rural communities in Israel's periphery. Starting out with 40 volunteers at its foundation, HaShomer HaChadash has grown to become a force many thousands strong. The organisation could not have achieved this success without JNF UK.

JNF UK continues its support of HaShomer HaChadash, assisting with its running costs so that it can maintain a presence in remote areas.

Derech Eretz (Youth Programme)

Established in 2011, Derech Eretz is a six-month pre-army programme aimed at helping those who have graduated from high school but not yet started their military service. Unlike most previously existing programmes, which assist either upper middle class young people or those considered to be at risk, Derech Eretz develops the capabilities of high-potential teenagers from Israel's social and geographic periphery, as many of them find that circumstances such as academic failure, family instability or financial difficulty effect their prospects of entering military service.

Derech Eretz facilitates social mobility and encourages participants to take responsibility for their lives. The programme encourages initiative, pioneering spirit and volunteerism, helping make military service more meaningful whilst also laying the groundwork for a life of success and giving back to the community. Operating from campuses in the Negev, Derech Eretz also hopes to engage and inspire its participants to take up the next great pioneering mission of settling and developing the Negev.

Derech Eretz began life on a small campus in Nitzana, with only 23 participants. Today, with the support of JNF UK, the programme has opened up an additional two campuses in Yerucham and Yad Mordechai. A new post-army programme was also created to provide youngsters who are at the start of their adult lives with career counselling, academic consultation, mentoring, and life-skills workshops.

JNF Charitable Trust

Structure, Governance, Management and Financial Review

Governing Document

The company is a registered charity and a company limited by guarantee, without share capital originally incorporated on 21 July 1939. It is governed by its Memorandum and Articles of Association, the most recent version of which was adopted on 11 February 2008.

Appointment of Trustees

As set out in the Articles of Association the Chairman and up to 2 Vice-Chairmen are elected by the members for a term of up to 3 years. Up to 2 Treasurers are appointed by resolution of the Trustees for a similar period. The foregoing (together with the Chairman of the Charity's subsidiary KKL Executor & Trustee Company Limited) comprises the Honorary Officers of the Charity. They, together with up to 12 further Trustees, comprise the Board of Trustees of the Charity. One third of them must offer themselves for re-election each year.

The Trustees retiring by rotation are S Hayek, M Sinclair, E Gorji, M Lee, M Waisman, M Mansour and Rabbi A Kimche who, being eligible, offer themselves for re-election. During the year no new Trustees were appointed. G Falter was appointed as a new Trustee on 25 January 2017 and H Wayne was appointed as a new Trustee on 25 April 2017. S Aaron resigned as a Trustee on 25 January 2017.

Trustee Induction and Training

New Trustees undergo an orientation process to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction period they meet key employees and other Trustees.

Organisation

The Board of Trustees, which can have up to 19 members, administers the Charity. The Board meets not less than quarterly and there are sub-committees which meet more regularly. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity.

Related Parties

KKL Charity Accounts Limited is a connected party as a majority of the board members of that charity are on the board of JNF Charitable Trust. Their results are consolidated into JNF Charitable Trust's results. KKL Executor & Trustee Company Limited is a wholly owned subsidiary of the Charity and operates a will writing and executorship service (in its capacity as a Trust Corporation) and the Charity's legacy administration.

Risk Management and Internal Control

The Charity is committed to a policy of identifying, monitoring and managing the risks that might adversely affect the activities in which it is involved. In this context, risk is defined as the potential for loss, financial and reputational, inherent in the environment in which the Charity operates and in the nature of the transactions undertaken. The Trustees believe that an appropriate review of risks is necessary, that risks are ranked and periodically reviewed and that appropriate action is identified to mitigate the consequences of the risks.

The organisation is run on a day-to-day basis by the Chief Executive who is supported by a Senior Management Team consisting of the Deputy Chief Executive, the Finance Director, the Head of Marketing and Events, the Operations and Projects Manager and the Director of KKL Executor & Trustee Company Limited.

The Trustees and Senior Management Team are supported by a number of committees which are as follows:

- **Management Committee.** The Management Committee comprises a number of Trustees and members of the Senior Management Team, which meets more regularly than the main Board and to which the Board has delegated certain decision-making powers.
- **Finance Committee.** The Finance Committee meets on a monthly basis to discuss all financial matters relating to the Charity. The Committee is chaired by the Chairman and consists of selected members of the Board together with selected members of the Senior Management Team.
- **Projects Committee.** This Committee receives and considers requests for funding projects, deciding how the application fits in with the medium to long term plan of JNF UK, and how much to allocate from both existing funds and potential future funds.

Criteria for the assessment of projects is summarised as follows:

- projects should be in Israel and preferably in the Negev
- the contribution and support of JNF UK will make a significant difference to the success of the project
- the project and any partner organisations must satisfy JNF UK's requirements regarding transparency and accountability
- the project must be charitable under UK law and adhere to any legal restraints
- the project should not be in receipt of funds from any other UK charity.

In setting its programme of funding each year the Charity takes into consideration the Charity Commission's general guidance on public benefit in Israel and the UK. The Trustees always ensure that the funding JNF UK undertakes is in line with its charitable objectives and aims.

Risk Management

The Trustees have overall responsibility for the Charity's systems of internal control that are designed by Senior Management to ensure effective and efficient operations, including financial reporting, and compliance with laws and regulations. In establishing and reviewing the system of internal control, the Trustees and Senior Management have regard to the materiality of relevant risks, the likelihood of loss being incurred and the cost of control.

The Trustees believe that the principal risk faced by the Charity is the effect of the recent economic downturn on our donors.

The Trustees have resolved that future project commitments will be in Sterling to mitigate exchange risk with the Israeli Shekel.

Volunteers

JNF UK is grateful for the considerable contribution made by volunteers to its activities. As well as the expertise provided by lay experts on the Charity's Board and Committees, which is hugely beneficial to the professional management of the organisation, JNF UK's fundraising and operational activities are substantially enhanced by our loyal team of volunteers, which we hope to expand in future years.

Financial Review

The full results for the year to 31 December 2016 are shown in the attached Financial Statements.

The Consolidated Statement of Financial Activities set out on page 24 reflects all incoming resources.

Our total income decreased by 14% to £12,417,000 compared to £14,389,000 for the previous year. Donations have increased to £1,633,000 from £1,624,000, an increase of less than 1%. Legacies decreased by £1,943,000 to £2,387,000 and KKL Charity Accounts income increased by £105,000.

The funding of project commitments to Israel decreased from £4,215,000 to £1,915,000. This was the result, as shown in Note 2 on pages 29 and 30, of the Charity approving new project commitments of £6,590,000 but also releasing commitments of £4,967,000, approved in earlier years, for projects that will now not proceed.

Reserves Policy

It is the policy of the Trustees of the charity to hold reserves against its obligations. The Trustees believe that a reserve equivalent to not less than 3 months operating expenditure should be held. The unrestricted reserves at 31 December 2016 comfortably exceeded this level.

Operating expenditure is defined as unrestricted expenditure less donations to Israel net of support costs.

Investment Powers and Policy

The Memorandum and Articles of Association empower the charity to invest monies not immediately required for its purposes in such investments, securities or properties as may be thought fit. As monies received are normally sent to Israel in accordance with the objects of the charity as soon as possible after receipt, no significant investments other than bank deposits are held by the charity, although JNF UK have in the past been bequeathed some properties where there is a life tenant.

Statement of Trustees' Responsibilities

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

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 the year. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 2011. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website, legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditors


Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the company's and group's auditors are unaware
- that trustee has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's and group's auditors are aware of that information.

Auditors

A resolution proposing the re-appointment of the RPG Crouch Chapman LLP as Auditors of the charity will be put to members at the Annual General Meeting.

This report was approved by the board on 16 June 2017


.....
Samuel Hayek, Chairman

JNF Charitable Trust

Independent Auditors Report to the Members of JNF Charitable Trust

We have audited the financial statements of JNF Charitable Trust and its group for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part of the Companies Act 2006 regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

Respective responsibilities of trustees' and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, 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.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's and group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion of financial statements

In our opinion the financial statements give a true and fair view of the state of the charitable group's and company's affairs as at 31 December 2016 and of its incoming resources and application resources, including its income and expenditure, for the year ended. The accounts 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.

Opinion on other matters prescribed by the Companies Act 2006

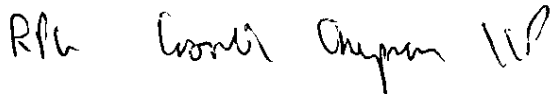
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Paul Randall BA ACA (Senior Statutory Auditor)

for and on behalf of RPG Crouch Chapman LLP
Chartered Accountants and Statutory Auditor
62 Wilson Street
London
EC2A 2BU

Date: 16 June 2017

JNF Charitable Trust

Consolidated Statement of Financial Activities for the Year Ended 31 December 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	2016 Total £'000	Unrestricted Funds £'000	Restricted Funds £'000	2015 Total £'000
INCOME							
Donations		1,092	541	1,633	1,026	598	1,624
Legacies		2,008	379	2,387	3,560	770	4,330
Investment income and interest receivable		155	-	155	348	-	348
KKL Charity Accounts income		267	7,925	8,192	278	7,809	8,087
Other income		50	-	50	-	-	-
Total Income		3,572	8,845	12,417	5,212	9,177	14,389
EXPENDITURE							
Fundraising costs of donations and legacies	2	1,258	59	1,317	906	-	906
Charitable activities							
Funding project commitments in Israel	2,3	130	1,785	1,915	3,664	551	4,215
Donations to UK charities	4	154	7,760	7,914	164	8,689	8,853
Legal costs	2	15	-	15	31	-	31
Governance costs	2	17	-	17	16	-	16
Total Expenditure	2,5,13	1,574	9,604	11,178	4,781	9,240	14,021
Net Incoming/(Outgoing) Resources		1,998	(759)	1,239	431	(63)	368
Increase in fair value of property assets and investments		46	-	46	336	-	336
NET MOVEMENT IN FUNDS		2,044	(759)	1,285	767	(63)	704
RECONCILIATION OF FUNDS							
Total funds brought forward		6,151	7,829	13,980	5,384	7,892	13,276
TOTAL FUNDS CARRIED FORWARD		8,195	7,070	15,265	6,151	7,829	13,980

The Charity has no recognised gains or losses other than the results for the year, as set out above.
All of the above incoming resources and resources expended were generated from continuing operations

The notes on pages 27 to 35 form part of these financial statements

JNF Charitable Trust

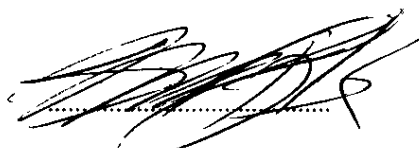
Balance Sheets as at 31 December 2016

Registered Company Number: 355248

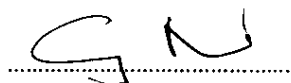
Registered Charity Number: 225910

	Notes	2016 Group £'000	2015 Group £'000	2016 Charity £'000	2015 Charity £'000
FIXED ASSETS					
Tangible Assets	8	147	1,555	102	1,552
Investments	9	945	899	1,031	985
		1,092	2,454	1,133	2,537
CURRENT ASSETS					
Debtors falling due within one year	10	3,564	4,265	3,686	4,761
Debtors falling due after one year		-	75	-	75
Cash at bank and in hand		22,594	19,168	15,904	11,969
		26,158	23,508	19,590	16,805
Creditors falling due within one year	11	(4,979)	(6,581)	(4,667)	(6,325)
NET CURRENT ASSETS		21,179	16,927	14,923	10,480
Creditors falling due after one year	12	(7,006)	(5,401)	(7,287)	(5,401)
NET ASSETS		15,265	13,980	8,769	7,616
FUNDS					
Unrestricted funds		8,195	6,151	7,916	5,836
Restricted funds	13,14	7,070	7,829	853	1,780
TOTAL FUNDS		15,265	13,980	8,769	7,616

The financial statements were approved and authorised by the Board of Trustees on 16 June 2017 and were signed on its behalf by:



Samuel Hayek, Chairman



Gary Mond, Trustee

The notes on pages 27 to 35 form part of these financial statements.

JNF Charitable Trust

Consolidated Cash Flows for the Year Ended 31 December 2016

	Notes	2016 Group £'000	2015 Group £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	16	1,881	598
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income		155	348
Acquisition of tangible assets		(130)	(14)
Proceeds from the sale of tangible assets		1,520	-
Net cash provided by investing assets		<u>1,545</u>	<u>334</u>
Change in cash and cash equivalents in the reporting period		3,426	932
Cash and cash equivalents at the beginning of the reporting period		19,168	18,236
Cash and cash equivalents at the end of the reporting period		<u>22,594</u>	<u>19,168</u>

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

1. ACCOUNTING CONVENTION AND POLICIES

JNF Charitable Trust is registered under the Companies Act 2006 no 355248 and is registered with the Charity Commission no 225910.

a) Accounting Conventions

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 (FR102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The reporting currency is GBP and the figures in the accounts are rounded to the nearest thousand pounds. JNF Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Group Financial Statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries KKL Executor and Trustee Company Limited, JNF UK Israel Limited and KKL Charity Accounts Limited. A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of paragraph 397 of SORP FRS102. The Charity had incoming resources of £4,229,000 (2015: £6,529,000) and expenditure of £3,076,000 (2015: £5,122,000) and net incoming resources of £1,153,000 for the year (2015: Net incoming resources of £1,407,000).

c) Incoming resources

Donations, legacies and receipts from functions are accounted for when received or notified. Donated services are included at their fair value to the charity. Gift Aid recoverable in respect of income is accounted for on a receivable basis. Income from shares in subsidiary undertakings is accounted for on a received basis. Other interest receivable and similar income is accounted for on a receivable basis.

d) Resources expended

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised when the conditions attaching are fulfilled. Grants offered, which are subject to conditions that have not been met at the year end, are noted as a commitment, but are not accrued as expenditure in the financial statements. Remittances to Israel includes all funds remitted to Israel by the charity in direct pursuit of its charitable objectives and their associated support costs and governance costs. Remittances to UK Charities - in accordance with instructions received for donors' individual accounts within KKL Charity Accounts Limited and include their associated support costs and governance costs. Support costs is expenditure incurred in providing administrative and financial services in support of the charitable expenditure above. Support costs are generally allocated over charitable expenditure headings in a similar proportion to existing expenditure under those headings. Governance costs - costs that are incurred in compliance with constitutional, legal and statutory requirements related to the general running of the Charity and are incurred in support on the charitable expenditure above. Governance costs are generally allocated over charitable expenditure. Irrecoverable VAT is included under the relevant expense headings.

e) Capitalisation and depreciation of tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is provided to write off the cost of fixed assets over their estimated useful lives.

Rates of depreciation:

- Leasehold improvements are amortised over the period of the lease.
- Furniture and Equipment - 10% of the net book value.
- Computer Equipment - 33 1/3% of the net book value.
- Motor Vehicles - 25% of the net book value.

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

f) Impairment

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

Property and investments are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as expenditure in the Statement of Financial Activities.

g) Pension Scheme

Payments to defined contributions schemes are written off as incurred.

h) Funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted funds are funds which have been given for particular purposes and projects.

i) Investments

Investments are valued at market value at the balance sheet date. Realised gains and losses on investments are calculated by comparing the sale proceeds with the market value at the end of the previous financial year. Unrealised gains and losses represent the difference between the market value of investments held at the end of the financial year with their value at the beginning of the year or with their cost if purchased subsequently.

j) Foreign Currencies

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

2. TOTAL RESOURCES EXPENDED

	Fundraising £'000	Project Funding in Israel £'000	Donations to UK Charities £'000	Governance and Legal £'000	2016 Total £'000	2015 £'000
Staff costs	501	166	76	-	743	583
Direct costs	345	1,631	7,838	32	9,846	12,889
	846	1,797	7,914	32	10,589	13,472
Share of support costs	471	118	-	-	589	549
	1,317	1,915	7,914	32	11,178	14,021

The analysis by fund is:

	Fundraising £'000	Project Funding in Israel £'000	Donations to UK Charities £'000	Governance and Legal £'000	2016 Total £'000	2015 £'000
Unrestricted fund	1,258	130	154	32	1,574	4,781
Restricted fund	59	1,785	7,760	-	9,604	9,240
	1,317	1,915	7,914	32	11,178	14,021

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

The resources expended are stated after charging:

	2016 £'000	2015 £'000
Depreciation	21	26
Payments to auditors for audit services	14	14
Payments to auditors for non-audit services	3	3

3. FUNDING PROJECT COMMITMENTS IN ISRAEL

	2016 £'000	2015 £'000
Education/Training	1,319	2,429
Advancement of Health	1,083	26
Youth	336	18
Development/Employment	1,137	143
Economic/Community	1,341	519
Environment	1,159	877
Emergency	24	-
Welfare	63	194
Donation less than £25,000	128	133
Total funding committed to new projects	6,590	4,339
Release of prior year project commitments	(4,967)	(1,631)
Currency exchange adjustments	(38)	432
Direct staff costs and share of allocated costs	284	325
Other net charitable expenditure	46	750
	1,915	4,215

The amounts released were reallocated to new projects in 2016. A full list of the projects approved is set out on pages 36 and 37.

4. DONATIONS TO UK CHARITIES

Payments to UK charities principally represent payments from KKL Charity Accounts through individual and corporate KKL Charity sub-accounts. Details of these payments are not disclosed as they are made in accordance with specific restrictions imposed by the donors and are not necessarily representative of the Charity's own grant making policies.

5. SUPPORT COSTS

An analysis of the major support costs in Note 2 is as follows:

	2016 £'000	2015 £'000
Staff costs	300	299
Direct costs	289	250
	589	549
Analysed between:		
Fundraising	471	224
Funding project commitments in Israel	118	325
	589	549

6. TRUSTEES' REMUNERATION AND BENEFITS

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

There were no trustees' remuneration or benefits for the years ended 31 December 2016 and 31 December 2015.

There were no trustees' expenses paid for the years ended 31 December 2016 and 31 December 2015.

7. STAFF COSTS

	2016	2015
	£'000	£'000
Salaries	865	778
Social security costs	118	84
Pension costs	60	20
	1,043	882

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

	2016	2015
Fundraising	3	5
Bequests Department	3	3
Charity Accounts	2	3
Israel Project Team	4	-
Finance	3	3
Marketing	2	3
Management, HR and Administration	2	3
	19	20

The number of employees whose emoluments (including benefits), as defined for taxation purposes, amounted to over £60,000 in the year was as follows:

	2016	2015
£70,000 - £80,000	-	1
£80,000 - £90,000	2	1

Contributions were made to defined contribution schemes for two high paid employees (2015: one employee) and contributions amounted to £12,300 (2015: £4,000). The total is disclosed above.

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

8. TANGIBLE FIXED ASSETS

GROUP

	Freehold Property £'000	Leasehold Improvements £'000	Furniture, Computer and Equipment £'000	Motor Vehicles £'000	Total £'000
COST					
At 1 January 2016	1,500	-	427	41	1,968
Additions	-	71	7	51	129
Disposals	(1,500)	-	-	(41)	(1,541)
At 31 December 2016	-	71	434	51	556
DEPRECIATION					
At 1 January 2016	-	-	391	22	413
Charge for year	-	1	8	12	21
Disposals	-	-	-	(25)	(25)
At 31 December 2016	-	1	399	9	409
NET BOOK VALUE					
At 31 December 2016	-	70	35	42	147
At 31 December 2015	1,500	-	36	19	1,555

CHARITY

	Freehold Property £'000	Leasehold Improvements £'000	Furniture, Computer and Equipment £'000	Motor Vehicles £'000	Total £'000
COST					
At 1 January 2016	1,500	-	296	41	1,837
Additions	-	71	7	-	78
Disposals	(1,500)	-	-	(41)	(1,541)
At 31 December 2016	-	71	303	-	374
DEPRECIATION					
At 1 January 2016	-	-	263	22	285
Charge for year	-	1	8	3	12
Disposals	-	-	-	(25)	(25)
At 31 December 2016	-	1	271	-	272
NET BOOK VALUE					
At 31 December 2016	-	70	32	-	102
At 31 December 2015	1,500	-	33	19	1,552

The leasehold property is the Charity's Head Office, based in Hendon, London. The old Head Office, which was freehold, was sold in 2016 for £1,495,000.

9. INVESTMENTS

Group Group Charity Charity

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Property investments	803	803	803	803
Investment in subsidiary undertakings	-	-	89	89
Quoted investments	139	93	139	93
Investments held for KKL Charity Accounts clients	3	3	-	-
	945	899	1,031	985

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Donations and legacies receivable	2,251	3,189	2,251	3,189
Prepayments and accrued income	1,313	1,151	896	1,061
Due from subsidiary undertakings	-	-	539	586
	3,564	4,340	3,686	4,836

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Trade creditors	405	407	39	149
Accruals and deferred income	52	47	24	47
Taxation and social security	25	22	25	24
Project commitments	4,497	6,105	4,497	6,105
Due to subsidiary undertakings	-	-	82	-
	4,979	6,581	4,667	6,325

12. CREDITORS: AMOUNTS FALLING DUE OVER ONE YEAR

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Project commitments	7,006	5,401	7,287	5,401

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

13. RESTRICTED FUNDS

	Balance at 1 January 2016 £'000	Incoming resources £'000	Resources expended £'000	Balance at 31 December 2016 £'000
KKL Charity Accounts	6,052	7,925	(7,760)	6,217
Yerucham Early Childhood Centre	208	31	(239)	-
Environmental	235	52	(147)	140
Reservoirs	150	-	(150)	-
Emergency	2	29	-	31
Soroka Medical Research	66	-	(66)	-
Or Movement	6	-	(6)	-
Benji Hillman	1	74	(65)	10
Tel Sheva Playground	16	-	(16)	-
Beit Uri	26	23	(26)	23
Holocaust Centre	20	-	(20)	-
Sderot- Ezra Lemarpeh	87	6	(93)	-
Desert Stars	20	20	(40)	-
Mariann's Early Learning Centre	104	-	(104)	-
Kibbutz Lavi	123	-	(123)	-
Kiryat Malachi Kindergartens	50	-	(50)	-
ESRA	647	-	-	647
Carasso Science Park	-	70	(70)	-
Refua Vesimcha	-	200	(200)	-
JDC (Edible Gardens)	-	10	(10)	-
Eshkol Music School	-	20	(20)	-
Macon Arava	-	2	-	2
Derech Eretz	-	1	(1)	-
Legacies	-	379	(379)	-
Other	16	3	(19)	-
	7,829	8,845	9,604	7,070

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Fixed assets	147	-	147	1,555
Investments	942	3	945	899
Current assets	19,091	7,067	26,158	23,508
Current liabilities	(4,979)	-	(4,979)	(6,581)
Creditors more than 1 year	(7,006)	-	(7,006)	(5,401)
	8,195	7,070	15,265	13,980

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

15. SUBSIDIARY COMPANIES

The Charity owns two active subsidiaries, KKL Executor and Trustee Company Limited and JNF UK Israel Limited. A summary of their results is shown below:

	Total Income £'000	Total Expenditure £'000	Total 2016 £'000	Total 2015 £'000
KKL Executor and Trustee Limited	274	(270)	4	5
JNF UK Israel Limited	324	(323)	1	-
	598	593	5	5

The aggregate of the assets, liabilities and funds were:

	Assets £'000	Liabilities £'000	Funds 2016 £'000	Funds 2015 £'000
KKL Executor and Trustee Limited	443	(354)	89	85
JNF UK Israel Limited	270	(269)	1	-
	713	(623)	90	5

The Charity also owns the following dormant subsidiaries:

JNF Limited
Jewish National Fund Limited
Jewish National Fund for Israel Limited
JNF UK Limited
JNF Executor and Trustee Company Limited
KKL Limited

16. RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2016 £'000	2015 £'000
Net Income for the year, as per the Statement of Financial Activities	1,285	704
Adjustments for:		
Investment income	(155)	(348)
Depreciation	21	26
Profit on the sale of tangible assets	(3)	-
Increase in fair value of investments	(46)	(336)
Increase in creditors	3	1,520
Decrease/(Increase) in debtors	776	(968)
Net cash flow from Operating Activities	1,881	598

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2016

17. CONNECTED CHARITIES

KKL Charity Accounts is a connected charity (Charity Number 1105998), which operates from the same address as the Charity. The Trustees of KKL Charity Accounts are also Trustees of this Charity and it is therefore treated as a subsidiary. A summary of its results are shown below:

	Restricted Funds £'000	Unrestricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Total income	7,925	305	8,230	8,257
Total expenditure	(7,760)	(192)	(7,952)	(8,966)
Net result	165	113	278	(709)

The aggregate of its assets, liabilities and funds were:

	2016 £'000	2015 £'000
Assets	6,761	7,060
Liabilities	(115)	(692)
Net assets	6,645	6,368
Unrestricted funds	429	316
Restricted funds	6,217	6,052
Total funds	6,645	6,368

18. FINANCIAL ASSETS AND LIABILITIES

	Group 2016 £'000	Group 2015 £'000	Charity 2016 £'000	Charity 2015 £'000
Financial assets measured at fair value through the Statement of Financial Activities	23,539	20,067	16,935	12,954
Financial assets measured at amortised cost	2,251	3,973	2,251	3,973
	25,790	24,040	19,186	16,927
Financial liabilities measured at amortised cost	(11,908)	(11,913)	(11,823)	(11,655)

FULL LIST OF PROJECT COMMITMENTS IN ISRAEL

	2016 £'000	2015 £'000
Education/Training		
Kiryat Malachi - renovation of 17 state kindergartens	316	-
Kiryat Malachi - renovation of Amit High School	105	-
Arad – Ma'or Hadarom – renovation of 2 kindergartens	63	-
Ahuzat Ya'akov – integration of ultra-orthodox community into Israeli workforce	295	-
Yerucham – renovation of 6 state kindergartens	105	-
Bedouin Academy scholarships	71	-
Sheizaf – establishing first kindergarten in settlement	69	-
Al-Sayyid – computer lab and sports ground in a Bedouin school	116	-
HaShomer HaChadash	179	157
Nitzana/Yerucham Derech Eretz programmes	-	135
Yerucham - expansion and renovation of Music Conservatory	-	165
Yerucham Education/Training - equipping Second Floor of Learning Centre	-	25
Yerucham - Renovating Renanim Kindergarten	-	25
Equipping new kindergartens for Autistic Children in Be'er Sheva	-	35
Bikurim – Youth Village	-	24
Bikurim – Music School	-	304
Nachson Pre Army Programme - developing New Campus in Eshkol (Habsor campus)	-	117
Kiryat Malachi - renovation of state kindergartens	-	262
Ono Academic College	-	1,000
Matnat Shichrur (Heritage Gift) - 10 days educational trips for new veteran soldiers	-	33
Ofanim - Mobile Labs in the Negev	-	32
Meitarim Lachish Pre Army Programme - equipping the Eliav Campus	-	29
The Carasso Science Museum - creating and equipping laboratories	-	86
	1,319	2,429
Advancement of Health		
Refuah VeSimcha – funding of operational expenses for three years	1,083	-
Beit Uri	-	2
Ruach Dromit- Out Patient clinic	-	24
	1,083	26
Youth		
Derech Eretz pre-Army Programme	126	-
Derech Eretz pre-Army Programme – Kmehim Campus	84	-
Masa Israeli – youth programme	84	-
Young Pioneers of Chiran – public playground and youth programme	42	-
Sderot Young Adult Centre	-	18
	336	18
Development/Employment		
Mitzpe Ramon – funding of second phase of development	1,053	-
Gvachim Accelerator Programmes	84	143
	1,137	143
Economic/Community		
Kiryat Malachi – renovation and upgrade of old commercial centre	421	-
Arad – renovation of Oron Theatre	421	-
Mitzpe Ramon – renovation and equipment for music studio in community centre	37	-
S.A.H.I. – commercial vehicle for emergency warehouse	31	-
Nitzan Community Village – construction of a sports field	47	-
B'Nei Dkalim Community Village – construction of a public playground	139	-
Moshav Karmei Katif – construction of a sports field	72	-
Neta Community Village – construction of a public playground	104	-
Eliav Community Village – construction of a sports field	69	-

	2016 £'000	2015 £'000
Shavei Darom - Ampitheatre	-	76
Shavei Darom - construction of sports grounds	-	87
Shiur Acher - expanding horizons in the Southern Periphery 2015-2017	-	49
Nitzanei Hanegev - renovation of Be'er Sheva Scouts Centre	-	35
Ramat Hanegev - Young adult centre	-	42
Ahuzat Negev Ofakim - developing Community Garden and renovation of centre	-	34
Kiryat Malachi - renovation of the Community Centre and deaf club	-	24
Renovation of Yachini Community Centre	-	29
Yerucham - Yeruham Design Terminal	-	48
Yerucham - renovation of communal areas of former social housing buildings	-	37
Hof Ashkelon Regional Council - renovation of the Community Centre	-	58
	1,341	519
Environment		
Be'eri and Kissufim forests – tree planting	474	-
Arad – entrance to Nesharim Park and city	53	-
Lake Yerucham – developing recreation area and campsite	421	-
KKL British Park – development of Srigim recreation area	211	-
Ofakim – developing park and playground	-	134
Yerucham - developing public gardens	-	174
Kiryat Malachi - development of the entrances	-	416
Kiryat Malachi - Community Park	-	87
Arad	-	66
	1,159	877
Emergency		
Northern Fire Appeal	24	-
	24	-
Welfare		
Tnufa Bakehila – renovation of low-income family homes in Kiryat Gat	63	-
Be'er Sova - Community Nutritional Centre	-	26
Eden Karmia - renovation of a home for girls “at-risk”	-	143
Orr Shalom - renovation of foster homes and psychotherapy centre	-	25
	63	194
Donation less than £25,000	128	133
Total donations to charities/projects	6,590	4,339
Release of prior year project commitments	(4,967)	(1,631)
Currency exchange adjustments	(38)	432
Direct staff costs and share of allocated costs	284	325
Other net charitable expenditure	46	750
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The amounts released were reallocated to new projects in 2016.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number	355248 (England and Wales)
Registered Charity number	225910
Registered office	Mountcliff House 154 Brent Street London NW4 2BF
Trustees	S Hayek – Chairman Dr M Sinclair – Vice Chairman S Aaron (resigned 25 April 2017) G Avshalom D Berens G Falter (appointed 24 January 2017) E Gorji Rabbi A Kimche M Lee M Mansour G Mond B Perl MBE D Seal M Waisman H Wayne (appointed 25 April 2017)
Company Secretary	D Berens
Auditors	RPG Crouch Chapman LLP 62 Wilson Street London EC2A 2BU
Solicitors	Mischon de Reya Summit House 12 Red Lion Square London WC1R 4QD
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP

**JNF Charitable Trust
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