

Company No. 355248

Registered Charity No. 225910

JNF CHARITABLE TRUST

FINANCIAL STATEMENTS

31st DECEMBER 1999



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JNF CHARITABLE TRUST

GENERAL INFORMATION FOR THE YEAR ENDED 31ST DECEMBER 1999

Directors and Trustees	G. Seal (Mrs) – Chairman S. D. Kibel FCA S. Lovatt H. Rosen (Mrs) R. Simmons S. Winters – Executive Director J. D. Zinkin FCA
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The directors are elected at annual general meetings and one third of them must offer themselves for re-election each year.

The directors retiring by rotation are Mrs. G. Seal, Mr. S.D. Kibel and Mr. S. Lovatt who, being eligible, offer themselves for re-election.

Company Secretary	H. Bratt
Registered Office	58-70 Edgware Way Edgware Middlesex HA8 8GQ
Company Number	355248
Registered Charity No.	225910
Auditors	Horwath Clark Whitehill 25 New Street Square London EC4A 3LN
Bankers	Bank Leumi (UK) Plc 4-7 Woodstock Street London W1A 2AF

JNF CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31st DECEMBER 1999

The directors, who are also the charity trustees, have pleasure in submitting their report and audited accounts for the year ended 31st December 1999.

ORGANISATION

The company is a registered charity and a company limited by guarantee, without share capital. It is governed by its Memorandum and Articles of Association.

PRINCIPAL ACTIVITIES

The principal object of the company is the relief of poverty and other charitable activities in the territory of the State of Israel and there have been no changes in objects or policies since last year.

Activities are arranged and operated by the company to raise funds for this object, including direct fund-raising, events and legacy programmes. Major events during the year included Walk for Water and the London to Jerusalem Car Rally.

Funds are remitted via Keren Kayemeth Lelsrael, Jerusalem, Israel, who manage and administer the company's work in Israel on a regular basis on the charity's behalf.

The company is organised into various departments to meet these objectives, each reporting to the Executive Director, who in turn reports to the Board.

REVIEW OF ACTIVITIES

The results for the year show in the attached accounts.

After including the balance brought forward of £1,493,365, fund balances totalling £2,400,162 are carried forward.

A proportion of the cost of salaries of employees of KKL Executor and Trustee Company Limited (a subsidiary company), relating to their activities on behalf of the charity in raising revenues for the charity through legacies, has been borne by the company.

The directors anticipate that the company will continue operating successfully in the coming year.

JNF CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31st DECEMBER 1999 (continued)

INVESTMENT POWERS

For the purposes of the above objects, the Memorandum and Articles of Association empower the company to invest any monies not immediately required for its purposes in such investments, securities or properties as may be thought fit.

RESERVE POLICY

It is the policy of the trustees for the charity to hold reserves against its obligations. The trustees believe that a reserve equivalent to three month's expenditure should be held, and at least this level of reserves was held as at 31st December 1999.

ASSET COVER FOR FUNDS

In the opinion of the directors, the funds held by the charity are sufficient to meet its obligations.

AUDITORS

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

By Order of the Board



Mrs. G. Seal
Trustee

8th January 2001

AUDITORS' REPORT TO THE TRUSTEES OF JNF CHARITABLE TRUST

We have audited the accounts on page 7 to 16, which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 6 the company's directors, who also act as Trustees for the charitable activities of JNF Charitable Trust, 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 directors 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.

Fundamental uncertainty

In forming our opinion, we have examined the disclosures made in note 8 to the accounts, concerning the uncertainty regarding beneficial ownership of land and property which have been excluded from the accounts of the charity. If beneficial ownership of these assets is established they would require to be included in the balance sheet of the charity. This would increase the value of fixed assets by an estimated £55,350,000 as at 31st December 1998, reserves by a corresponding amount and incoming resources for the year by £398,000. As at 31st December 1999 no further information was available. Our opinion is not qualified in this respect.

AUDITORS' REPORT TO THE TRUSTEES OF JNF CHARITABLE TRUST
(Continued)

Unqualified Opinion

In our opinion the accounts give a true and fair view of the company's affairs as at 31st December 1999 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HORWATH CLARK WHITEHILL
Chartered Accountants and
Registered Auditor
25 New Street Square
London EC4A 3LN

8th January 2001

JNF CHARITABLE TRUST

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors (who are also Trustees) 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 surplus or deficit for that period. In preparing the accounts the directors 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the accounts comply with the Companies Act 1985. 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.

JNF CHARITABLE TRUST

(A Company with liability limited by guarantee without share capital)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR YEAR ENDED 31st DECEMBER 1999**

	Note	1999	1998
INCOME AND EXPENDITURE			
		£	£
INCOMING RESOURCES			
Covenanted income, donations and legacies	1	5,131,502	4,873,565
Investment income		38,004	41,386
TOTAL INCOMING RESOURCES		<u>5,169,506</u>	<u>4,914,951</u>
RESOURCES EXPENDED	4		
Direct charitable expenditure:			
Remittances to Israel		3,018,345	3,651,340
Support costs		363,908	334,403
Other Expenditure:			
Fundraising and publicity		787,714	967,615
Management and administration		92,742	90,622
		<u>4,262,709</u>	<u>5,043,980</u>
NET INCOMING (OUTGOING) RESOURCES		906,797	(129,029)
 Fund balances brought forward 1 st January 1999		<u>1,493,365</u>	<u>1,622,394</u>
FUND BALANCES CARRIED FORWARD AT 31st DECEMBER 1999		<u><u>2,400,162</u></u>	<u><u>1,493,365</u></u>

The notes on pages 9 to 16 form an integral part of these accounts

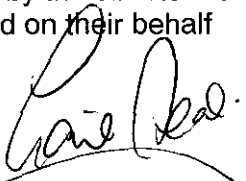
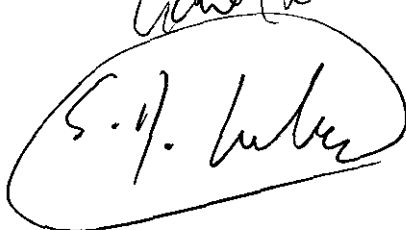
JNF CHARITABLE TRUST

(A Company with liability limited by guarantee without share capital)

BALANCE SHEET AS AT 31st DECEMBER 1999

	Note	1999	1998
		£	£
FIXED ASSETS			
Tangible assets	2	84,278	137,065
Investment in group undertakings	3	88,700	88,700
		<u>172,978</u>	<u>225,765</u>
CURRENT ASSETS			
Debtors	5	2,016,510	842,965
Investments	6	47,213	47,213
Cash at bank and in hand		383,160	510,185
		<u>2,446,883</u>	<u>1,400,363</u>
CREDITORS – amounts falling due within one year	7	<u>219,699</u>	<u>132,763</u>
NET CURRENT ASSETS		2,227,184	1,267,600
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 2,400,162</u>	<u>£ 1,493,365</u>
REPRESENTED BY:			
Unrestricted Funds	8	<u>£ 2,400,162</u>	<u>£ 1,493,365</u>

Approved by the directors on 8th January 2001
and signed on their behalf

)
) Directors
)

The notes on pages 9 to 15 form an integral part of these accounts

JNF CHARITABLE TRUST

(A Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS 31st DECEMBER 1999

1. ACCOUNTING CONVENTION AND POLICIES

- a) The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Accounting Practice by Charities and applicable accounting standards.

The Company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the formats to reflect the special nature of its activities.

- b) JNF Charitable Trust and its two wholly owned subsidiary undertakings, KKL Executor and Trustee Company Limited and Bloomsbury Advertising Agency Limited, comprise a small group as defined by the Companies Acts. Group accounts have not been prepared as, in the opinion of the directors, the consolidated results for the year would not be meaningful in the context of the group as a whole and the company itself, and the cost of preparing these would be an unnecessary use of charitable funds.
- c) (1) Covenanted and gift aid income, donations, legacies and receipts from functions are accounted for when received or notified. All income received from regional offices of the charity is accounted for on receipt and banking at head office or on earlier banking at the regional office where applicable.
- (2) Covenanted loans are released to income in accordance with the loan agreements.
- (3) Income tax recoverable in respect of covenanted and gift aid income is accounted for on a received basis.
- (4) Income from shares in subsidiary undertakings is accounted for on a received basis.
- (5) Other interest receivable and similar income is accounted for on a receivable basis.
- d) Costs are allocated to direct charitable expenditure, support costs and other expenditure based on actual direct costs plus a proportion of overhead costs.

JNF CHARITABLE TRUST

(a Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS 31ST DECEMBER 1999

1. ACCOUNTING CONVENTION AND POLICIES (Continued)
 - e) (1) Depreciation is provided to write off the cost of fixed assets over their estimated useful lives.
 - (2) Rates of depreciation:

Freehold Property -	2% of valuation at the year end.
Leasehold Property -	10% of cost 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.
 - f) Expenditure is accounted for on an accruals basis.
 - g) 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 some of the company's long-standing employees. The scheme's funds are administered by the 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 employees' working lives with the company. The contributions are determined by qualified actuaries.
 - h) The company has not produced a cashflow statement as required by FRS1 as the company falls within the definition of a small company.

JNF CHARITABLE TRUST

(A Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 1999 (continued)

2. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Leasehold Property</u>	<u>Furniture, Computer & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost	£	£	£	£	£
At 1 st December 1999	63,909	14,855	126,220	38,919	243,903
Disposals	(63,909)		(61,280)	(15,500)	(140,689)
Additions			10,052	22,905	32,957
At 31 st December 1999	NIL	14,855	74,992	46,324	136,171
Depreciation					
At 1 st December 1999	7,869	2,908	80,551	15,510	106,838
Eliminated on disposals	(7,869)		(60,784)	(7,550)	(76,203)
Charge for the year		1,486	8,191	11,581	21,258
At 31 st December 1999	NIL	4,394	27,958	19,541	51,893
Net Book Values					
At 31 st December 1999	NIL	10,461	47,034	26,783	84,278
At 31 st December 1998	56,041	11,946	45,669	23,409	137,065

JNF CHARITABLE TRUST

(A Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 1999 (continued)

2. INVESTMENTS IN GROUP UNDERTAKINGS

	1999 £	1998 £
Shares at cost:		
KKL Executor and Trustee Company Limited 250,000 £1 Ordinary Shares	250,000	250,000
Bloomsbury Advertising Agency Limited 100 £1 Ordinary Shares	<u>100</u> 250,100	<u>100</u> 250,100
Provision for diminution in value:		
KKL Executor and Trustee Company Limited	<u>161,400</u> <u>88,700</u>	<u>161,400</u> <u>88,700</u>

The company owns all the issued share capital of both subsidiary undertakings, which are 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 31st December 1999:

Bloomsbury Advertising Agency Limited	£ (9,159)
KKL Executor and Trustee Limited	£ 82,639

JNF CHARITABLE TRUST

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 1999
(continued)

3. INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Profit (Loss) after taxation for the period ended 31st December 1999

Bloomsbury Advertising Agency Limited	£ (1,070)
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KKL Executor and Trustee Limited	£ (9,421)
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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.

JNF CHARITABLE TRUST

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 1999 (continued)

4. RESOURCES EXPENDED

	Staff Costs £	Other Costs £	Total 1999 £	Total 1998 £
Fundraising and publicity	364,162	423,552	787,714	967,615
Support costs	132,689	231,219	363,908	334,403
Management and administration of the charity	67,570	25,172	92,742	90,622
	<u>564,421</u>	<u>679,943</u>	<u>1,244,364</u>	<u>1,392,640</u>

1999 £	1998 £
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Staff Costs

Wages and salaries	495,507	557,881
Social security	46,718	48,674
Pension costs	22,196	15,356
	<u>564,421</u>	<u>621,911</u>

Average number of employees	No. 26	No. 30
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One director received emoluments in the £60,000 - £70,000 band.
No other director or trustee received any remuneration,
or reimbursement of expenses.

	1999 £	1998 £
Payment to auditors for audit services	<u>3,750</u>	<u>3,525</u>

JNF CHARITABLE TRUST

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NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 1999
(continued)

	1999 £	1998 £
5. DEBTORS		
Legacies receivable	1,886,000	705,000
Prepayments and accrued income	130,510	137,965
	<u>2,016,510</u>	<u>£842,965</u>
6. INVESTMENTS		
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 at £501 as at 31 st December 1999	501	501
Israel Bonds	46,712	46,712
	<u>47,213</u>	<u>47,213</u>
7. CREDITORS: Amounts falling due within one year		
Trade creditors	32,536	30,978
Amounts owed to group undertakings	2,073	25,439
Other creditors including taxation and social security	38,741	27,682
Accruals and deferred income	146,349	48,664
	<u>219,699</u>	<u>132,763</u>

JNF CHARITABLE TRUST

(A Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 1999 (continued)

8. DISPUTE WITH KEREN KAYEMETH LEISRAEL

The Trustees of the charity have been advised that certain monies sent over the years to its Israeli agent, Keren Kayemeth Lelsrael and used in the purchase of land and properties in Israel, had been purchased by Keren Kayemeth Lelsrael in trust for the charity, that the charity had the beneficial ownership thereof and was entitled to rent arising therefrom. Whilst the Trustees are confident that the advice which they have received is correct, they are aware that the Directors of Keren Kayemeth Lelsrael dispute this. The Trustees are investigating the position in conjunction with a firm of Israeli auditors.

Keren Kayemeth Lelsrael's own financial statements had reflected such cost of the land and properties. As at 31st December 1996, the last Balance Sheet available from Keren Kayemeth Lelsrael showing such information, the Trust Fund within those financial statements showed the cost of such land and properties and their development amounted to £55.35m. Keren Kayemeth Lelsrael reported to the Trustees that these assets produced an income of £398,000 in 1996.

The Trustees have resolved that these assets cannot be reflected in the charity's accounts until the position has been clarified.