

Company No. 355248

Registered Charity: 225910

JNF CHARITABLE TRUST

FINANCIAL STATEMENTS

31 DECEMBER 1997



JNF CHARITABLE TRUST

GENERAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 1997

Directors and Trustees	G Seal (Mrs) Chairman B Bloom (Resigned 5 February 1997) S D Kibel FCA S Lovatt H Rosen (Mrs) R Simmons S Winters (Appointed 27 October 1997) Executive Director J D Zinkin
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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 R Simmons and J D Zinkin who, being eligible, offer themselves for re-election.

Company Secretary	H Bratt
Registered Office	58-70 Edgware Way Edgware, Middx 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 31 DECEMBER 1997

The directors, who are also the charity trustees, have pleasure in submitting their report and audited financial statements for the year ended 31 December 1997.

ORGANISATION

The Trust 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 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 inauguration of the Negev water project.

Funds are remitted to Keren Kayemeth Lelsrael, who manage and administer the company's work in Israel, on a regular basis. Keren Kayemeth Lelsrael is the Israeli equivalent of the Jewish National Fund.

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 are shown in the attached accounts.

After including the balance brought forward of £485,320, fund balances totalling £1,622,394 are carried forward.

A proportion of the cost of salaries of employees of KKL Executor and Trustee Company Limited, 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.

INVESTMENT POWERS

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

JNF CHARITABLE TRUST
TRUSTEES' REPORT FOR THE YEAR
ENDED 31 DECEMBER 1997 (continued)

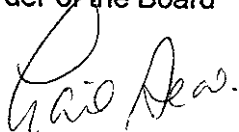
ASSET COVER FOR FUNDS

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

AUDITORS

After the year end the auditors changed their name to Horwath Clark Whitehill and have signed the audit report in their new name. A resolution proposing their re-appointment 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

11 January 1999

58-70 Edgware Way
Edgware
Middx HA8 8GQ

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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.

AUDITORS' REPORT TO THE TRUSTEES OF JNF CHARITABLE TRUST

We have audited the accounts on pages 7 to 15, which have been prepared under the accounting policies set out on page 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 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 honorary officers in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Unqualified opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1997, 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

LONDON

11 January 1999

JNF CHARITABLE TRUST
(Company with liability limited by guarantee without share capital)
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 DECEMBER 1997

INCOME & EXPENDITURE	NOTES	Unrestricted Funds £	Restricted Funds £	TOTAL 1997 £	TOTAL 1996 £
INCOMING RESOURCES					
Covenanted income, donations & legacies	1	4,669,031	275,000	4,944,031	5,276,905
Investment income		<u>32,428</u>	<u>0</u>	<u>32,428</u>	<u>40,522</u>
TOTAL INCOMING RESOURCES		<u>4,701,459</u>	<u>275,000</u>	<u>4,976,459</u>	<u>5,317,427</u>
RESOURCES EXPENDED					
<u>Direct Charitable</u>					
<u>Expenditure:</u>					
Remittances to Israel		2,462,878	275,000	2,737,878	4,164,258
Support costs		398,408	0	398,408	369,923
<u>Other Expenditure:</u>					
Fundraising and publicity		660,184	0	660,184	757,260
Management and administration of the charity		<u>42,915</u>	<u>0</u>	<u>42,915</u>	<u>56,360</u>
		<u>3,564,385</u>	<u>275,000</u>	<u>3,839,385</u>	<u>5,347,801</u>
NET INCOMING/(OUTGOING) RESOURCES		1,137,074	0	1,137,074	(30,374)
Fund balances brought forward 1 January 1997		<u>485,320</u>	<u>0</u>	<u>485,320</u>	<u>515,694</u>
FUND BALANCES CARRIED FORWARD AT 31 DECEMBER 1997	8	<u><u>£1,622,394</u></u>	<u><u>£0</u></u>	<u><u>£1,622,394</u></u>	<u><u>£485,320</u></u>

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

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

BALANCE SHEET
31 DECEMBER 1997

	NOTES	1997 £	1996 £
FIXED ASSETS			
Tangible assets	2	134,847	423,328
Investment in group undertakings	3	<u>88,700</u>	<u>88,700</u>
		223,547	512,028
CURRENT ASSETS			
Debtors	5	1,599,092	68,679
Investments	6	46,166	40,663
Cash at bank and in hand		49,446	64,703
		<u>1,694,704</u>	<u>174,045</u>
CREDITORS: amounts Falling due within one year	7	<u>295,857</u>	<u>197,003</u>
NET CURRENT ASSETS		<u>1,398,847</u>	<u>(22,958)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,622,394	489,070
CREDITORS: Amounts Falling due after more than one year :			
Covenant loans		0	(3,750)
NET ASSETS		<u>£1,622,394</u> =====	<u>£485,320</u> =====
Represented by:			
UNRESTRICTED FUNDS	8	<u>£1,622,394</u> =====	<u>£485,320</u> =====

Approved by the Directors on 11 January 1999
and signed on their behalf

[Handwritten signatures]

Directors

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 1997

1. ACCOUNTING CONVENTION AND POLICIES

- a) The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting 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 results for the year are immaterial in the context of the group as a whole and the company itself.
- c) (i) Covenanted and Gift Aid income, donations, legacies and receipts from functions are accounted for when received or notified. All income received at 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. The treatment of legacies represents a change in accounting policy, however no material legacies were receivable as at 31 December 1996 and therefore no adjustment has been made to comparative figures

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

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

(ii) Income from shares in subsidiary undertakings is accounted for on a received basis.

(iii) Other interest receivable and similar income is accounted for on a receivable basis.

- d) 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
(Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 DECEMBER 1997

ACCOUNTING CONVENTION AND POLICIES (continued)

- e) (i) Depreciation is provided to write off the cost of fixed assets over their estimated useful lives.
- (ii) Rates of depreciation:
- Freehold Property – 2% of valuation at the year end.
 - 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 the majority of the company's longstanding employees. The Scheme's funds are administered by Trustees and are independent of the company's finances. The company's contributions to the scheme are charged to the Revenue Account so as to spread the costs over the employees' working lives with the company. The contributions are determined by qualified actuaries.
- Employees who have joined the company since 1993 may be invited to take up a group personal pension plan on a money purchase basis.
- h) The company has not produced a cashflow statement as required by FRS1 as the trustees believe that the Charitable Trust falls within the definition of a small company.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 DECEMBER 1997

2. TANGIBLE FIXED ASSETS

	FREEHOLD PROPERTY	LEASEHOLD PROPERTY	FURNITURE COMPUTER & EQUIPMENT	MOTOR VEHICLES	TOTAL
	£	£	£	£	£
Cost at 1 January 1997	417,878	0	80,810	16,173	514,861
Disposals	(353,969)		(2,978)	(4,000)	(360,947)
Additions	0	14,270	41,979	23,920	80,169
31 DECEMBER 1997	63,909	14,270	119,811	36,093	234,083
Depreciation at 1 January 1997	5,778	0	70,082	15,673	91,533
Depreciation on Disposal	(466)	0	(2,978)	(3,500)	(6,944)
Charge for Period	1,278	1,427	5,962	5,980	14,647
31 DECEMBER 1997	6,590	1,427	73,066	18,153	99,236
NET BOOK VALUES:					
31 DECEMBER 1997	<u>57,319</u>	<u>12,843</u>	<u>46,745</u>	<u>17,940</u>	<u>134,847</u>
31 DECEMBER 1996	<u>412,100</u>	<u>0</u>	<u>10,728</u>	<u>500</u>	<u>423,328</u>

The remaining freehold property was last revalued in 1993 at a total of £63,909. The directors consider the current value of this property to be not less than this amount.

All assets are held for charitable purposes.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 DECEMBER 1997

3. INVESTMENTS IN GROUP UNDERTAKINGS

	1997 £	1996 £
Shares at cost:		
KKL Executor and Trustee Company Limited 250,000 £1 Ordinary shares	250,000	250,000
 Bloomsbury Advertising Agency Ltd 100 £1 Ordinary shares	 100	 100
	-----	-----
	250,100	250,100
Provision for diminution in value:		
KKL Executor and Trustee Company Limited	161,400	161,400
	-----	-----
	£88,700	£88,700
	=====	=====

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

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

Information concerning unconsolidated subsidiary undertakings

Aggregate amount of capital and reserves at 31 December 1997:

Bloomsbury Advertising Agency Limited	£(7,736)
KKL Executor and Trustee Company Limited	£99,327

Profit/(Loss) after taxation for the period ended 31 December 1997:

Bloomsbury Advertising Agency Limited	£(1,001)
KKL Executor and Trustee Company Limited	£8,441

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
(Company with liability limited by guarantee without share capital)

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 DECEMBER 1997

4. TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	Total 1997	Total 1996
	£	£	£	£
Fundraising and publicity	337,567	322,617	660,184	757,260
Support costs	227,831	170,577	398,408	369,923
Management and administration of the charity	30,706	12,209	42,915	56,360
	<u>596,104</u>	<u>505,403</u>	<u>1,101,507</u>	<u>1,183,543</u>

Staff costs	1997 £	1996 £
Wages and salaries	510,334	477,059
Social security	46,482	39,656
Pension costs	39,288	17,257
	<u>596,104</u>	<u>533,972</u>
	=====	=====
	No.	No.
Average number of employees	<u>30</u>	<u>28</u>
	===	===

One employee, who was a director for part of the period, received emoluments in the £40,000 - £50,000 band. Mr Simon Winters received emoluments totalling £9,167 following his appointment as director on 27 October 1997. No other director or trustee received any remuneration.

	1997	1996
	£	£
Payment to auditors for audit services	<u>4,935</u>	<u>4,935</u>

5. DEBTORS

Amounts owed by group undertakings	17,337	13,508
Legacies receivable	1,375,100	0
Prepayments and accrued income	206,655	55,171
	<u>£ 1,599,092</u>	<u>£ 68,679</u>
	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 DECEMBER 1997

6. INVESTMENTS	1997 £	1996 £
UNQUOTED SECURITIES		
These are shown in the Financial Statements at their valuation for taxation purposes at the date of bequest or at their professional valuation at the date of the gift. The Committee of the Board of Management estimated the value of these securities as £501 at 31 December 1997		
	501	501
ISRAEL BONDS	45,665	40,162
	<u>£46,166</u>	<u>£40,663</u>
	=====	=====
7. CREDITORS: Amounts falling due within one year.		
	1997 £	1996 £
Trade creditors	10,835	38,055
Amounts owed to group undertakings	83,102	109,865
Other creditors including taxation and Social security	52,878	22,829
Accruals and deferred income	<u>149,042</u>	<u>26,254</u>
	<u>£295,857</u>	<u>£197,003</u>
	=====	=====

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
31 DECEMBER 1997

8. FUND BALANCES

UNRESTRICTED FUNDS

	1997	1996
	£	£
1 January 1997	485,320	515,694
Net incoming /(outgoing) resources	1,137,074	(30,374)
	-----	-----
31 December 1997	£1,622,394	£485,320
	=====	=====

9. REMITTANCES TO KEREN KAYEMETH LEISRAEL

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

10. TAXATION

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

11. PENSION SCHEME COSTS

The pension scheme for longstanding employees is held within the Zionist Federation Staff Pension Scheme arrangements and is a final salary scheme.

The pension scheme costs are calculated at rates determined by the Actuaries to the Scheme. The last valuation carried out by the Actuaries was at 6 April 1996 using the projected unit method of valuation.

The more recently established scheme is a group personal pension plan on a money purchase basis. Contributions are set at fixed percentages of participating employees' salaries.