

Company No. 355248

Registered Charity No. 225910

JNF CHARITABLE TRUST

FINANCIAL STATEMENTS

31st DECEMBER 2004



Horwath Clark Whitehill

Horwath Clark Whitehill LLP
Chartered Accountants
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COMPANIES HOUSE 31/10/2005

JNF CHARITABLE TRUST
GENERAL INFORMATION FOR THE YEAR
ENDED 31st DECEMBER 2004

Directors and Trustees	G. Seal (Mrs) – Chairman S. Lovatt D. L. Shore S. D. Kibel FCA S. Winters (Resigned 14 th July 2005) K. Abramson G. Berg A. Caplin E. M. Harris S. Leigh (Appointed 1 st February 2004, resigned 15 th February 2005) S. Pearlman A. Plancey (Rabbi) H. M. Rosen R. M. Simmons (Resigned 7 th June 2004) P. Wagman (Appointed 6 th September 2004) 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, Mr S. Pearlman and Mrs P. Wagman who, being eligible, offer themselves for re-election.

Company Secretary	H. Bratt		
Registered Office	JNF House Spring Villa Park Spring Villa Road Edgware Middlesex, HA8 7ED		
Company Number	355248		
Registered Charity No.	225910		
Auditors	Horwath Clark Whitehill LLP St Bride's House 10 Salisbury Square EC4Y 8EH		
Bankers	<table> <tr> <td>Barclays Bank 54 Lombard Street London, EC3P 3AH</td><td>Bank of Scotland 14 – 16 Cockspur Street London SW1Y 5BL</td></tr> </table>	Barclays Bank 54 Lombard Street London, EC3P 3AH	Bank of Scotland 14 – 16 Cockspur Street London SW1Y 5BL
Barclays Bank 54 Lombard Street London, EC3P 3AH	Bank of Scotland 14 – 16 Cockspur Street London SW1Y 5BL		

JNF CHARITABLE TRUST
TRUSTEES' REPORT FOR THE YEAR
ENDED 31st DECEMBER 2004

The directors, who are also the charity trustees, have pleasure in submitting their report and audited accounts for the year, ended 31st December 2004.

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, dated 21st July 1939.

PRINCIPAL ACTIVITIES

The principal objectives and activities of the charity are the relief of poverty and other charitable activities in the territory of the State of Israel and there have been no changes in these objectives and activities since last year.

To achieve the objectives of the charity, activities are organised within a framework of committees, individuals, office-based and arranged activities, events and legacy programmes.

Committees

Committee fundraising is achieved by providing each group with a project to fulfil by means of activities such as supper quizzes, dinners, and individual solicited face-to-face fundraising and brochure advertising.

Individuals

The charity has a number of patrons and friends / lay leaders. These unpaid volunteers as well as paid staff organise events and meetings locally to raise both awareness and funds for the charity.

Office-based

Within the offices of the charity, it is the job of the professional staff to not only find and establish new committees, but to also initiate new means of fundraising – as well as continuing the established programs – throughout the year. The staff also provide backup to volunteers and lay leaders in order to enable them to focus on the task of fundraising from their social circles.

Events and Legacy Programmes

One of our most successful and unpredictable sources is through the legacy department. Deceased benefactors bequeath money to Israel in their wills – to be administered by JNF and distributed to projects as specified. Each year many bequeath money of varying amounts – some through our own in-house will-writing service – which will only be received after their death. This source of income is of course unpredictable and variable.

JNF CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31st DECEMBER 2004 (continued)

In the year 2004, JNF continued its established events and fundraising calendar which included:

- Direct fundraising – one to one meetings with individuals and charitable trusts
- Green Sunday – the annual nationwide telethon
- Missions to Israel – taking groups of donors to visit projects and then fundraising both directly and indirectly as a result of the visit
- Walk For Water – a sponsored trek through the desert in Southern Israel
- The Annual Car Rally – a sponsored drive from London to either Jerusalem or a shorter version to other countries (in 2004 London to Israel)
- Dinners –special lunches honouring community members in London, Manchester and Leeds
- Local Committee Events – a summer jazz party, an Elvis impressionist evening, a boat disco, several supper quizzes, race evenings and film events, festival related balls and discos, as well as cultural evenings and literary lunches
- Youth events – around the UK new young groups started up through 2004 holding events ranging from speakers, culinary demonstrations, discos and dinners.

The trustees are satisfied with the effectiveness of the company's fundraising activities, though it is a continual evolution year on year to improve and innovate in an increasingly crowded marketplace.

GRANT MAKING POLICY

The charity distributes funds in accordance with its objects on a project orientated basis. Potential projects are reviewed by a sub-committee of the Board and assessed accordingly, and are subject to final Board approval.

All grants given are closely monitored and are subject to site visits and written reports.

REVIEW OF ACTIVITIES

The full results of the year ending are shown in the attached Financial Statements. Of the money transferred to Israel over £1.4m was for the construction of reservoirs in areas of extreme aridness.

During the year the activities of the charity voucher division of the company's subsidiary, KKL Executor and Trustee Company Limited, were transferred to a newly formed subsidiary charity, KKL Charity Accounts. On the advice of the company's auditors, group accounts should include the results of KKL Charity Accounts for a full year and the financial statements, are prepared on that basis with corresponding amendments to the previous year's figures for comparative purposes.

During the year the charity completed the purchase of the freehold of its new headquarters in Edgware at a cost of £1.1m of which they took occupancy in April 2004.

After including the balance brought forward of £6,550,000 fund balances totalling £6,859,000 are carried forward.

JNF CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31st DECEMBER 2004 (continued)

INVESTMENT POWERS AND POLICY

For the purposes of the above objects, the Memorandum and Articles of Association empower the charity to invest any 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.

RESERVES 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 not less than six months' operating expenditure should be held, and at least this level of reserves was held as at 31st December 2004, when free reserves were £2,223,000.

ASSET COVER FOR FUNDS

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

RISK MANAGEMENT

The trustees have examined the major risks that the charity faces when preparing and updating its strategic plan. The charity has developed systems to monitor and control the risks to mitigate any impact that they may have on the charity in the future. It is recognised that such systems only provide reasonable assurance that major risks are adequately managed and that no absolute assurance is possible.

AUDITORS

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

By Order of the Board



Mrs. G. Seal
Trustee

12th September 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JNF CHARITABLE TRUST

We have audited the financial statements of JNF Charitable Trust for the year ended 31 December 2004 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements 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 information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
JNF CHARITABLE TRUST (Continued)**

Fundamental uncertainty

In forming our opinion, we have examined the disclosures made in note 9 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 it to be included in the balance sheet of the charity. This would have increased the value of fixed assets by an estimated £55,350,000 as at 31st December 1996, reserves by a corresponding amount. As at 31st December 2004 no further information was available. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and group as at 31 December 2004 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 LLP
Chartered Accountants and Registered Auditors
12th September 2005

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31st DECEMBER 2004

		Restricted Funds £'000	Unrestricted Funds £'000	Totals 2004 £'000	<i>Totals 2003 £'000</i>
INCOME AND EXPENDITURE	Notes				
INCOMING RESOURCES	1				
Donations		6,515	4,383	10,898	10,277
Legacies		-	722	722	890
		<u>6,515</u>	<u>5,105</u>	<u>11,620</u>	<u>11,167</u>
Activities in furtherance of charity's objects					
Educational projects		36	-	36	52
Investment income		<u>47</u>	<u>307</u>	<u>354</u>	<u>295</u>
TOTAL INCOMING RESOURCES		<u>6,598</u>	<u>5,412</u>	<u>12,010</u>	<u>11,514</u>
RESOURCES EXPENDED	1				
Cost of generating funds		110	1,757	1,867	1,536
Charitable expenditure:					
Remittances to Israel	2	780	2,102	2,882	2,871
Remittances to UK Charities	3	5,399	-	5,399	5,154
Educational projects		36	152	188	164
Support costs		260	1,033	1,293	1,055
Management and administration		<u>16</u>	<u>74</u>	<u>90</u>	<u>78</u>
		<u>6,601</u>	<u>5,118</u>	<u>11,719</u>	<u>10,858</u>
NET INCOMING / (OUTGOING) RESOURCES		(3)	294	291	656
Fund balances brought forward 1 st January 2004		<u>2,896</u>	<u>3,654</u>	<u>6,550</u>	<u>5,894</u>
FUND BALANCES CARRIED FORWARD AT 31st December 2004		<u>2,893</u>	<u>3,948</u>	<u>6,841</u>	<u>6,550</u>

The notes on pages 11 to 17 form an integral part of these accounts.

JNF CHARITABLE TRUST

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31st DECEMBER 2004

	Note	2004 GROUP £'000	2003 GROUP £'000	2004 CHARITY £'000	2003 CHARITY £'000
FIXED ASSETS					
Tangible assets	6	1,743	1,241	1,721	1,211
Investments	7	<u>90</u>	<u>89</u>	<u>179</u>	<u>178</u>
		1,833	1,331	1,900	1,389
CURRENT ASSETS					
Debtors	8	2,013	1,902	2,007	1,878
Investments	9	341	331	341	331
Cash at bank and in hand		<u>3,460</u>	<u>3,770</u>	<u>688</u>	<u>1,045</u>
		5,814	6,003	3,036	3,254
CREDITORS – amounts falling due within one year	10	<u>364</u>	<u>318</u>	<u>291</u>	<u>338</u>
NET CURRENT ASSETS		<u>5,450</u>	<u>5,685</u>	<u>2,745</u>	<u>2,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,283	7016	4,645	4,305
CREDITORS – amounts falling due after more than one year	11	<u>424</u>	<u>466</u>	<u>424</u>	<u>466</u>
		<u>6,859</u>	<u>6,550</u>	<u>4,221</u>	<u>3,839</u>
REPRESENTED BY:					
Revaluation reserve		18	-	18	-
Unrestricted Funds		3,948	3,654	3,958	3,665
Restricted Funds	15	<u>2,893</u>	<u>2,896</u>	<u>245</u>	<u>174</u>
		<u>6,859</u>	<u>6,550</u>	<u>4,221</u>	<u>3,839</u>

Approved by the directors on and signed on their behalf

S. J. Luke
Carol Deas

)
) Directors
)

The notes on pages 11 to 17 form an integral part of these accounts.

JNF CHARITABLE TRUST

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31st DECEMBER 2004

	£	£
	2004 GROUP £'000	2003 CHARITY £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	585	1,153
Returns on investment and servicing of finance		
- Investment Income	(354)	(73)
- Loan taken out on property	-	500
Capital expenditure and financial investment		
- Purchase of short term investments	-	(295)
- Purchase of long term investments	(1)	(89)
- Purchase of tangible assets	(594)	(1,161)
- Net disposal of tangible assets	54	-
NET CASH (OUTFLOW) / INFLOW FOR THE YEAR	<u>(310)</u>	<u>35</u>
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Statement of financial activities:		
- Net movement in funds	291	395
Investment income	354	73
Unrealised (profit) / loss on investments	(9)	4
Depreciation	57	38
Increase in creditors	4	170
(Increase) / Decrease in debtors	(112)	473
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>585</u>	<u>1,153</u>
Cash at bank and in hand at end of the year	3,460	1,045
Cash at bank and in hand at beginning of the year	(3,770)	(1,010)
CHANGE IN CASH BALANCES FOR THE YEAR	<u>(310)</u>	<u>35</u>

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS 31st DECEMBER 2004

1. ACCOUNTING CONVENTION AND POLICIES

a) Accounting Conventions

The accounts are prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by charities' (SORP 2000) 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) Group Financial Statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries KKL Charity Accounts, KKL Executor and Trustee Company Limited and Bloomsbury Advertising Agency Limited. A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of paragraph 304 of SORP 2000.

c) Incoming resources

- (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) 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 subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Remittances to Israel - includes all funds remitted to Israel by the charity in direct pursuit of its charitable objectives.

Remittances to UK Charities - in accordance with instructions received for donors' individual accounts within KKL Charity Accounts.

Educational projects - expenditure incurred in the pursuit of educational projects with attributable overheads.

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued) 31ST DECEMBER 2004

1. ACCOUNTING CONVENTION AND POLICIES (Continued)

d) Resources expended (Continued)

Support costs - expenditure incurred in providing administrative and financial services in support of the charitable expenditure above.

Management and administration - costs of the central management of JNF including constitutional and governance matters.

Irrecoverable VAT is included under the relevant expense headings.

e) Capitalisation and depreciation of tangible fixed assets

(1) Tangible fixed assets are stated in the balance sheet at cost of valuation less depreciation.

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

(3) Rates of depreciation:

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.

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

f) Expenditure

Expenditure is accounted for on an accruals basis.

g) Pension Scheme

Payments to defined contributions schemes are written off as incurred.

h) Funds

(1) Unrestricted funds comprise those funds which the trustees are free to use in accordance with the charitable objects.

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

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

2. REMITTANCES TO ISRAEL

The number and value of grants to individuals and institutions in the year was as follows:

	2004 Number	2004 Value £'000	2003 Number	2003 Value £'000
Institutions	40	2,861	28	2,845
Individuals	9	22	12	26
	<u>49</u>	<u>2,882</u>	<u>40</u>	<u>2,871</u>

A full list of grants made to institutions of £1,000 and above is available on request. Full details will be provided to the Charity Commission.

3. REMITTANCES TO UK CHARITIES

Payments to charities 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 company's own grant making policies.

4. RESOURCES EXPENDED

	Staff Costs £'000	Other Costs £'000	Total 2004 £'000	Total 2003 £'000
Fundraising and publicity	613	1,254	1,867	1,536
Remittances to Israel	-	2,882	2,882	2,871
Remittances to UK Charities	-	5,399	5,399	5,154
Educational projects	61	127	188	164
Support costs	308	985	1,293	1,055
Management and administration of the charity	36	54	90	78
	<u>1,018</u>	<u>10,701</u>	<u>11,719</u>	<u>10,858</u>
			2004 £'000	2003 £'000
Depreciation			57	46
Payment to auditors for audit services			<u>12</u>	<u>11</u>

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

5. STAFF COSTS AND TRUSTEES' REMUNERATION

Trustees are not remunerated. One trustee was reimbursed for expenses incurred of £923 (2003: £2,360).

	2004 £'000	2003 £'000
Staff Costs		
Wages and salaries	874	803
Social security	95	80
Pension costs	49	46
	<u>1,018</u>	<u>929</u>
	No	No.
Full time equivalent number of employees	<u>32</u>	<u>31</u>

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

£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	<u>1</u>	<u>1</u>

Contributions were made to a defined benefits scheme for two higher paid employees and contributions amounted to £16,254 (2003 - £15,275)

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

6. TANGIBLE FIXED ASSETS

GROUP	Freehold Property £'000	Leasehold Property £'000	Furniture, Computer & Equipment £'000	Motor Vehicles £'000	Total £'000
Cost and valuation					
At 1 st January 2004	1,127	27	203	98	1,455
Additions	405	-	114	75	594
Revaluation	18	-	-	-	18
Disposals	-	(27)	-	(70)	(97)
At 31 st December 2004	1,550	-	317	103	1,970
Depreciation					
At 1 st January 2004	-	20	148	46	214
Disposals	-	(20)	-	(24)	(44)
Charge for the year	-	-	31	26	57
At 31 st December 2004	-	-	179	48	227
Net Book Values					
At 31 st December 2004	1,550	-	138	55	1,743
At 31 st December 2003	1,127	7	55	52	1,241
Historical cost at 31 st December 2004	1,532	-	138	55	1,725
CHARITY					
Cost					
At 1 st January 2004	1,127	16	90	98	1,331
Additions	405	-	108	75	588
Revaluation	18	-	-	-	18
Disposals	-	(16)	-	(70)	(86)
At 31 st December 2004	1,550	-	198	103	1,851
Depreciation					
At 1 st January 2004	-	13	62	45	120
Disposals	-	(13)	-	(23)	(36)
Charge for the year	-	-	20	26	46
At 31 st December 2004	-	-	82	48	130
Net Book Values					
At 31 st December 2004	1,550	-	116	55	1,721
At 31 st December 2003	1,127	4	28	52	1,211
Historical cost at 31 st December 2004	1,532	-	116	55	1,703

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

6. TANGIBLE FIXED ASSETS (continued)

The property was valued at £1,550,000, by R. Last FRICS of Last & Mazin, Chartered Surveyor on 22 June 2004. The valuation was done on a market value basis.

	2004 GROUP £'000	2003 GROUP £'000	2004 CHARITY £'000	2003 CHARITY £'000
7. INVESTMENTS				
Property investment	90	89	90	89
Investment in subsidiary undertakings	-	-	89	89
	<u>90</u>	<u>89</u>	<u>179</u>	<u>178</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.

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.

	2004 GROUP £'000	2003 GROUP £'000	2004 CHARITY £'000	2003 CHARITY £'000
8. DEBTORS				
Donations and legacies receivable	1,891	1,747	1,891	1,747
Amounts owed from group undertakings	-	-	12	-
Prepayments and accrued income	<u>122</u>	<u>155</u>	<u>104</u>	<u>131</u>
	<u>2,013</u>	<u>1,902</u>	<u>2,007</u>	<u>1,878</u>

9. INVESTMENTS

Quoted Securities	307	295	307	295
Unquoted Securities	1	1	1	1
Israel Bonds	<u>33</u>	<u>35</u>	<u>33</u>	<u>35</u>
	<u>341</u>	<u>331</u>	<u>341</u>	<u>331</u>

The unsecured securities 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 31st December 2004.

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

	2004 GROUP £'000	2003 GROUP £'000	2004 CHARITY £'000	2003 CHARITY £'000
10. CREDITORS: Amounts falling due within one year				
Trade creditors	104	126	75	97
Amounts owed to group undertakings	-	-	54	53
Loan payable within one year	40	34	40	34
Bank Overdraft	97	4	-	-
Taxation and social security	59	26	59	26
Accruals and deferred income	64	128	63	128
	<u>364</u>	<u>318</u>	<u>291</u>	<u>338</u>

11. CREDITORS: Amounts falling after more than one year

Secured loan over the property	<u>424</u>	<u>466</u>	<u>424</u>	<u>466</u>
	<u>424</u>	<u>466</u>	<u>424</u>	<u>466</u>

The loan is secured on the new head office. The loan is repayable over 10 years at base rate + 1.35%.

The amounts fall due as follows

1 - 2 years	42	40	42	40
2 - 5 Years	144	136	144	136
Over 5 years	238	290	238	290
	<u>424</u>	<u>466</u>	<u>424</u>	<u>466</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Revaluation Reserve £'000	Total £'000
Fixed Assets	1,815	-	18	1,833
Current Assets	2,779	3,035	-	5,814
Current Liabilities	222	142	-	364
Long Term Liabilities	424	-	-	424
Net Assets	<u>3,948</u>	<u>2,893</u>	<u>18</u>	<u>6,859</u>

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

13. 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, had been used by Keren Kayemeth Lelsrael in the purchase of land and properties in Israel in trust for the charity and 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 continue to investigate the position in conjunction with their professional advisors.

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.

14. SUBSIDIARY COMPANIES

The Charity owns the following subsidiaries.

- KKL Executor & Trustee Company Limited acts as executors and trustees.
- KKL Charity Accounts is the group's charity voucher division which administers charitable funds and distributes monies to UK Charities on behalf of donors.
- Bloomsbury Advertising Agency, now almost dormant, provides advertising services.

A summary of their results are shown below:

	KKL Charity Accounts		KKL Executor & Trustee Company Ltd		Bloomsbury Advertising Agency	
	2004	2003	2004	2003	2004	2003
	£'000	£'000	£'000	£'000	£'000	£'000
Total Income	5,781	5,807	281	221	6	7
Total Expenses	(5,857)	(5,550)	(281)	(221)	(4)	(3)
Net results	(75)	257	-	-	2	4

The aggregate of the assets, liabilities and funds were:

Assets	2,784	2,722	95	116	1	8
Liabilities	(137)	-	(6)	(27)	(10)	(19)
Funds	2,647	2,722	89	89	(9)	(11)

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS AS AT 31st DECEMBER 2004 (continued)

15. Restricted Funds

	Brought Forward £'000	Income £'000	Expenses £'000	Carried Forward £'000
Jerusalem Botanical Gardens	13	59	(67)	5
KKL Charity Accounts	2,722	5,586	(5,661)	2,647
Beit Uri	6	71	(95)	(18)
Educational projects	-	36	(36)	-
One Family	134	695	(677)	152
Mercaz Harmony	-	9	(8)	1
Aleh	-	96	(21)	75
Beit Issie Shapiro	21	46	(36)	31
Total	<u>2,896</u>	<u>6,598</u>	<u>(6,601)</u>	<u>2,893</u>

All restricted funds are held as cash.

Jerusalem Botanical Gardens raises money for projects and also provides scholarships for horticultural students to work at the gardens.

Educational Projects is to further the Jewish education of young people via a variety of Jewish activities.

Beit Uri is a home for handicapped children in Israel which is a dedicated project for the golf committee.

One Family provides help and support to individuals and their families who have suffered injuries from the terror campaigns.

Beit Issie Shapiro is an innovative rehabilitation centre in Ra'anana, Israel catering mainly for children with severe mental and physical disabilities.

KKL Charity Accounts is the group's charity voucher division which administers charitable funds and distributes monies to UK Charities on behalf of donors.

16. Connected charity

KKL Charity Accounts is a connected charity (charity no. 1105998) which operates from the same address as the company. The majority of the Trustees of KKL Charity Accounts are also Trustees of this charity and it is therefore treated as a member of the company's group.