

ANNUAL REPORT & ACCOUNTS 2010

# **SUPPORTING ISRAEL FOR LIFE THIS YEAR & EVERY YEAR**

*Company Number: 355248*

***The leading UK  
charity for Israel***

**JNF Charitable Trust**



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COMPANIES HOUSE



**Supporting  
Israel for Life**

# **THE FACTS RELATING TO JNF AND OUR SUPPORT FOR ISRAEL**

**JNF – ISRAEL'S  
LEADING  
HUMANITARIAN  
AND  
ENVIRONMENTAL  
CHARITY – HAS  
SUPPORTED  
ISRAEL SINCE  
1901, HELPING TO  
BUILD A  
COUNTRY OUT OF  
NOTHING**

**JNF RAISE FUNDS  
FOR THE  
BUILDING  
BLOCKS OF  
EVERYDAY LIFE  
IN ISRAEL SUCH  
AS RESERVOIRS,  
FORESTS AND THE  
DEVELOPMENT  
OF  
INFRASTRUCTURE**

**THE FIRST BLUE  
BOX WAS  
INTRODUCED IN  
1902; THERE ARE  
NOW MORE THAN  
15,000 IN THE UK  
ALONE**

**LONG BEFORE  
IT WAS  
FASHIONABLE,  
JNF'S  
ENVIRONMENTAL  
POLICIES HAVE  
HELPED TO  
OFFSET CARBON  
EMISSIONS WHILE  
HELPING THE  
EARTH'S  
ENVIRONMENT  
AND GREENING  
THE LAND OF  
ISRAEL**

**THE NEGEV,  
JNF'S FOCUS IN  
THE 21<sup>ST</sup>  
CENTURY,  
FORMS 60% OF  
ISRAEL'S LAND  
AREA BUT HAS  
ONLY 7% OF ITS  
POPULATION**

**THERE IS 75%  
LESS WATER  
AVAILABLE  
TODAY IN ISRAEL  
THAN 20 YEARS  
AGO BUT 2  
MILLION MORE  
PEOPLE TO  
SHARE IT**

**AN ESTIMATED  
5 MILLION TREES  
WERE  
DESTROYED IN  
THE CARMEL  
FOREST FIRES IN  
DECEMBER 2010;  
ISRAEL'S WORST  
ENVIRONMENTAL  
DISASTER**

**JNF RUNS  
MISSIONS TO  
ISRAEL; THERE  
HAVE BEEN  
17 WALKS FOR  
WATER, RAISING  
FUNDS TO BUILD  
AND REPAIR  
ESSENTIAL  
RESERVOIRS**

# OUR MISSION STATEMENT AND STRATEGIC GOALS EXPLAINS WHAT IS IMPORTANT TO US

**“JNF is Israel's leading humanitarian and environmental charity, raising funds to support Israel for life.”**

**PROJECTS:** *To make a real and significant difference to the land and the people of Israel by adopting and funding key projects, focusing in the Negev region of the country*

**EDUCATION:** *To reconnect Anglo-Jewry to Israel through the JNF*

**FUNDRAISING:** *To preserve and enhance JNF's relationship with its donors, partners and other key stakeholders and to maintain and improve the level of funds raised from existing and future donors*

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# OUR HISTORY AND HERITAGE

On the fourth day of the fifth Zionist Congress in Basel, Switzerland in 1901, the assembled delegates debated a proposal to set up a national fund to help build the Jewish state in Ottoman Empire-controlled Palestine

Theodor Herzl, the father of modern Zionism, whose vision for a Jewish state was such a driving force throughout the Jewish world, pleaded for the national fund "After striving for so many years to set up the fund, we do not want to disperse again without having done anything."

His speech turned the delegates around, the motion was passed, and the Congress resolved that a fund should be established called the Jewish National Fund (*Keren Kayemeth Lelsrael* in Hebrew), noting that "the fund shall be the property of the Jewish people as a whole"

JNF's first undertaking was the collection of £200,000. One of the delegates immediately pledged £10 in memory of Zvi Hermann Schapira, the original proponent of the national fund who had died in the summer of 1898. Herzl made the second donation and his aide the third. From these modest beginnings, the dream of creating a national fund to build the foundations of a Jewish state became a reality

In the 110 years since the Fifth Zionist Congress, JNF has become a global environmental leader: planting 240 million trees, building 210 reservoirs and dams; developing over 250,000 acres of land; creating more than 1,000 parks; and providing the infrastructure for over 1,000 communities

# CHAIRMAN'S REVIEW

## SAMUEL HAYEK, JNF CHAIRMAN

Today, Israel is an established, developed and thriving country. The entrepreneurial ability of her people is the envy of the world. Israel's achievements grace all walks of life: from agriculture to medicine, from technology to industry. As Zionists, it would be easy for us to sit back and think that Herzl's dream has come true.

And to a degree we would be right. But take a closer look and you will discover the long stretch of road the Zionist dream still has to travel before it can truly claim to have reached its destination.

Take the Negev for example. Despite the overcrowding in the country that is most evident in the coastal plain, the vast desert expanse remains, for the most part, incredibly under-developed. This area of land covers 60% of the State of Israel yet contains only 7% of the population. Turn this round and it means that 93% of Israel's population live on only 40% of the land.

The development of the Negev therefore represents the opportunity for Zionist pioneers in Israel and around the world to return to the raw Zionism of the early 20<sup>th</sup> century pre-State years and, once again, literally get their hands dirty to make the country bloom out of the sands of the desert.

Let's be clear: this is not a new mission. In the early years of the State, David Ben-Gurion, Israel's first prime minister, described the Negev as "a vision" and "a magnificent Zionist asset without parallel in this country [Israel]." Even then, he realised the vital importance and strategic necessity of the Negev to the future wellbeing and prosperity of the State of Israel.

Today, JNF is spearheading this 21<sup>st</sup> century Zionist mission to turn the Negev green. Inspired by Israelis no less inspiring and visionary than Herzl and Ben-Gurion, we are forging partnerships to solve some of the biggest obstacles to the development of the Negev. Our projects seek to put in place the infrastructure to help existing communities grow and new ones to develop. All this work makes the Negev region a more attractive place to live.

Among our key achievements in 2010 was the completion of two major reservoirs at Negba and Masu'ot Yitzhak that provide agricultural water resources for these two kibbutzim. The new reservoirs are now able to hold over two million cubic metres of water, ensuring that the winter rainfall is efficiently captured and resulting in the kibbutz farmers having the water they need to irrigate their crops. In an area of the country where every drop of

water is so vital, this work has made a real difference to the every-day lives of these two communities.

We also continued to support the inspiring people of Halutzit, the community set up from nothing in the northern Negev following the evacuation from Gaza. These pioneers are reconnecting not only with the land itself, but with their own Zionist roots. They have performed modern-day economic miracles, growing fruit and organic vegetables in the fertile sands of the Negev. Previously our work involved putting the foundations for the community in place, sponsoring the constructions of security roads, irrigation systems and layout the groundwork for new buildings. In 2010, JNF continued our programme of investment in Halutzit's infrastructure by building a boys' school named after the Shamash family, and also begun the construction of boys' and girls' dormitory buildings to house the school's students.

This year also saw the beginnings of our partnership with the Ayalim Association, a remarkable organisation whose goal is based on raw pioneering ideals and calls on the younger generation of men and women to continue the Zionist mission of community building in the land of Israel. This is achieved through the building of

student and entrepreneur villages in deprived and under-developed towns in the Negev and Galilee that serve as pillars of social outreach, creating new communities and acting as focal points for the regeneration of existing communities. In 2010, JNF UK began the building of a Family Centre and Club in Yerucham, a highly under-developed town 20 miles south-east of Be'ersheva. When complete, the Centre will serve a cross-section of the Yerucham community and make an instant impact on the lives of hundreds of people.

In 2010, JNF also continued its partnership with the people of Sderot who continued to face ongoing rocket attacks from Gaza. Our increased commitment in 2010 focused on the development of a stunning tree-lined boulevard entrance to the town. This project represented the second phase following the building of a children's park in 2009. We know from speaking to residents in Sderot what a welcome

distraction the park and boulevard is to every-day life.

Whilst JNF is increasingly focused on areas of community development, we still remain very much connected to our environmental roots. 2010 saw the dedication of the Lord Sacks Forest, part of the Aminadav Forest on the foothills of Jerusalem. The forest, dedicated in honour of the Chief Rabbi Lord Sack's elevation to the House of Lords, represents JNF's most recent contribution to the beautification of Israel.

I also want to take this opportunity to thank all our donors for their ongoing support, the JNF staff for their continued professionalism and dedication, and the volunteers who so generously give of their time to help us in our work.

I have been involved in JNF for many years. Why? Because I have a fundamental, passionate belief in the State of Israel and in the ability of

its people to achieve the unthinkable. And because I know that JNF is one of a few, if not the only, organisation that has been at the heart of the Zionist mission since it first began.

The opportunity to make a real difference to real peoples' lives is truly humbling and incredibly special. The work JNF is doing today across Israel is essential to the very future existence of the Jewish State. Looking towards the future, JNF will continue to expand our scope of activity and work in partnership with new communities on a range of projects that continue to help tackle the challenge of turning the Negev green. For me that is too great a mission and too great an ideal to ignore.



**Samuel Hayek**  
Chairman

# **OUR AIMS AND OBJECTIVES ARE TO SUPPORT DEVELOPMENT IN SOUTHERN ISRAEL, THE NEEDIEST IN SOCIETY AND TO STRENGTHEN ANGLO-JEWRY'S BOND WITH ISRAEL**

(Pictures removed)

## **What we said we would do**

Focus on projects in the Negev region, assist in the creation and support of major new communities and the construction of new reservoirs

Laying the cornerstone to the new boy's school in Halutzit

Encourage donors and other supporters to accompany us on trips to the Negev to see the results of our labours and their donations

Promote and strengthen relations between Israel and the UK Jewish community

JNF will support the implementation of original education schemes in Jewish communities and schools across the UK

Establish the Lord Sacks Forest near Jerusalem

The Negba Reservoir in the Negev

## **Strategic objectives**

To preserve and enhance JNF's relationship with its donors, partners and other key stakeholders and to maintain and improve the level of funds raised from existing and future donors

To make a real and significant difference to the land and people of Israel by adopting and funding key projects, especially in the southern region of the country

To provide educational materials and support, with particular emphasis on the younger generation, to strengthen the bond with JNF and the Land of Israel, its geography, history and people

## **What we have done**

Continued our support of projects in the Negev region including new communities at Halutzit and Shomriya and completed the refurbishment of the Negba and Masu'ot Yitzchak Reservoirs

The Israeli flag flying proudly

An important Mission with Chief Rabbi Lord Sacks showed supporters and potential new donors the newly-planted Lord Sacks Forest as well as some of the communities JNF is helping in the Negev

We have given talks about our work at synagogues and communal organisations around the country We have also arranged briefings from senior Israeli figures

The Israel Geography programme continued during the school year.

We dedicated the Lord Sacks Forest in June 2010 and continue to plant trees there

JNF Walk for Water 2010

## **Future plans**

To continue this policy, sharing with our donors and partners the successes we have achieved

To intensify our efforts in adopting projects that deal primarily with establishing new communities and strengthening existing ones in the Negev

To engage with youth movements, schools and young adults to involve them in our on-going support of the land and people of Israel.

# OUR AIMS AND OBJECTIVES

**JNF CONTINUES TO RAISE FUNDS FOR PROJECTS THAT HELP TO SUPPORT ISRAEL AND ITS PEOPLE FOR LIFE. OUR WORK FOCUSES ON A RANGE OF ENVIRONMENTAL, HUMAN-RELATED AND INFRASTRUCTURAL PROJECTS, EACH OF WHICH IS AIMED AT SECURING ISRAEL'S FUTURE WELL-BEING, PROSPERITY AND SECURITY. TODAY OUR PARTICULAR FOCUS IS ON THE DEVELOPMENT OF THE NEGEV.**

Since its establishment at the Fifth Zionist Congress in December 1901, the JNF has been instrumental in translating Theodor Herzl's vision into a practical solution for a Jewish homeland. JNF's central objective was then, as now, to raise funds to acquire and develop the land of Israel. JNF's projects help to connect Jewish communities scattered all over the world to the Jewish homeland.

JNF, as Israel's oldest environmental organisation, has a broad background in practicing the kind of sustainable development with which the world is now concerned.

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. In the 21<sup>st</sup> century, JNF

is focusing its attention on developing the land in the Negev desert and helping to improve the quality of life for some of the people already living there. Only 7% of the population lives there yet the Negev covers more than 60% of the area of the State of Israel. For the country to continue to develop successfully, citizens must leave the crowded areas in the northern and central regions of the country and help to build communities in the Negev.

Israel's first Prime Minister David Ben-Gurion said that "if we do not put an end to the desert, the desert will put an end to the State (of Israel)." Today, this rallying call is being taken up by pioneering individuals, groups and organisations across the Negev. Together, and in partnership with charities such as JNF, they are helping to turn the Negev green.

JNF has adopted a number of projects that are central to this key objective, and which are already making a difference to how people consider the Negev.

You can find details of these projects later on in the annual report. It is hoped that our work will help the Government of Israel meet its target of encouraging 300,000 Israelis to move to the Negev by 2020.

Every Zionist around the world has a responsibility to participate in the Negev challenge. This is undoubtedly the defining Zionist mission of the 21<sup>st</sup> century. Our aim is to ensure that as many supporters of Israel in the UK have the opportunity to proactively support and engage with the people of Israel through JNF.

# OUR ACTIVITIES

## RAISING FUNDS FOR AND AWARENESS OF OUR PROJECTS

### What we said we would do

Place a greater emphasis on building a core group of major donors and discovering new potential donors through offering a range of events aimed at all ages

To reach out to all sections of the community with an informal education programme

### Strategic objectives

To preserve and enhance JNF's relationship with its donors, partners and other key stakeholders and to maintain and improve the level of funds raised from existing and future donors

To develop a relationship with Ayalim

### What we have done

Efforts were made during 2010 to increase our activity with donors and potential donors through large and small events and this effort will continue in 2011

Yom Ha'atzmaut (Israel Independence Day) events, summer schemes and talks to JACS groups were all held in 2010

### Future plans

Complete a children's playground and skate-park in Sderot

Continue to develop the Lord Sacks Forest that has a capacity of 25,000 trees

Encourage UK communities to link with JNF projects

# OUR ACTIVITIES

## JNF CONTINUES TO RAISE FUNDS TO SUPPORT ITS CHARITABLE WORK IN ISRAEL THROUGH APPEALS, EVENTS, MAJOR DONATIONS AND LEGACIES. THE JNF CHARITABLE TRUST'S MAIN INCOME STREAMS COME FROM FUNDRAISING, KKL CHARITY ACCOUNTS AND LEGACY INCOME

JNF's fundraising income derives mainly from appeals (mass campaigns), events and major donors. Income also comes from Blue Box collections and tree certificates.

In an average year, donors can expect to receive 2-4 appeals in aid of projects in Israel that have been approved by the JNF Board. The two main appeals are usually at Tu B'Shevat (the Jewish festival of trees) in late January-early February, when JNF runs *Green Sunday*, and in the autumn at Rosh Hashanah (Jewish New Year).

In 2010, **Green Sunday** was held at the end of January when we asked our donors to support our ongoing projects in Israel. Dozens of volunteers came to the JNF office in NW London to help staff make telephone calls.

In July 2010 an appeal was sent out to raise funds to replace trees burned in a series of forest fires that destroyed an estimated 300,000 trees in a 750 acre area. These fires now seem insignificant compared with the conflagration that destroyed much of the Carmel Forest in December 2010.

In 2010 the **Rosh Hashanah** (Jewish New Year) appeal centred around a new joint venture with a student-based Zionist organisation called Ayalim, to build a family centre in Yerucham, a development town situated 20 miles south-east of Beersheva in the Negev. The students of Ayalim receive help with their university fees and accommodation in return for agreeing to live in depressed neighbourhoods and to each give 500 volunteering hours per year. The students have helped with after-school tutoring, literacy classes and the new family centre provides a safe and cheerful place in which different age groups can meet their social needs.

The final appeal of the year was in response to the devastating fire that destroyed parts of the Carmel Forest in December 2010. Forty-four people lost their lives and many more saw their homes and businesses destroyed in the blaze. The fire was estimated to have burned 5 million trees in an area of 12,500 acres, and was widely described as the worst natural disaster in Israel's history.

As part of this appeal, and for the first time, JNF produced an

appeal video that was posted on YouTube entitled 'Bring Green Back to the Carmel'. This video was viewed by almost 1,500 people.

For all these appeals, fundraising letters were dispatched to the entire JNF donor database in the UK.

**The Major Donor Campaign** continued with face-to-face canvassing meetings between fundraisers and major donors to discuss projects JNF is involved in or those that are close to the donors' hearts and which JNF may be able to fund for them.

Involving donors to participate in **missions to Israel** is another important way of encouraging donors to connect with our projects. A mission usually involves a small group of donors visiting Israel for a few days and is an ideal way to demonstrate what could be achieved through their generosity and to display what JNF is doing. Two missions to Israel took place in 2010, including a Senior Legacy Mission, organised by KKL Wills and Estates which was so popular it was oversubscribed.

Gaining the approval and trust of potential major donors is, for obvious reasons, slow to progress, but the successful completion of our projects, improved transparency of our accounting and activity have all led to an increased interest in JNF's work

To help encourage this, a number of small to medium size functions for 20-25 guests, hosted by a member of the JNF leadership took place during 2010. Often the guests received an in-depth briefing from a guest politician (either from the UK or Israel) or dignitary from the community. In February, a breakfast meeting was held at the home of HE Ron Prosor, the Israeli Ambassador, when a group of donors met with MK Yuli Edelstein, the Minister of Information and Diaspora

Another event took place later in the year when special guests were briefed by MK Stas Misezhnikov, the Minister of Tourism.

The JNF's much admired challenge, the **Walk for Water** took place for the 17<sup>th</sup> year. The hardy team of walkers took on the challenge of crossing the small and large sections of the Ramon Crater in the Negev. The sponsorship money raised by the walkers went toward helping to develop Israel's water resources, specifically for new communities in the Negev Desert. The walkers attended the dedication ceremony at the newly-refurbished Negba Reservoir. Having experienced the barrenness of the desert, seeing the vast area of the reservoir impacted hugely on the visitors. Given the excessively high temperatures, the decision was taken to hold the next Walk for Water in March 2012, when the weather is slightly cooler.

In the latter part of 2009, JNF decided to celebrate the ennoblement of Lord Sacks by planting a forest in his name. The **Lord Sacks Forest** is contained within the prestigious Aminadav Forest in the southern hills of Jerusalem. In the Spring of 2010, JNF ran a schools competition for years 7, 8, 9 and 10 that successfully encouraged younger members of the community and their families to become involved with planting trees in the new Lord Sacks Forest.

In June 2010, Lord and Lady Sacks headed a joint Mission to Israel. In a moving ceremony at sunset and in the presence of the British Ambassador to Israel, the Israeli Ambassador to the UK, dignitaries, family, friends and other honoured guests, the Lord Sacks Forest was dedicated and the first trees planted. Special certificates were presented to donors who had bought a particularly high number of trees. In total, 25,000 trees will be planted in the forest in the coming years.

The **JNF Blue Box** has a unique role in our history, having been placed in hundreds of thousands of Jewish homes, schools, synagogues, public buildings and businesses around the world. It made it possible for every Jew to become a partner in the Zionist dream and be personally involved in the development of the land.

JNF has been endeavouring to raise the profile of the Blue Box in recent years by recruiting more voluntary Blue Box collectors and targeting collections in areas with a high concentration of Jewish homes. Additionally, in 2010, the Education Department launched a Blue Box Bob scheme in primary schools, linking the giving of tzedakah with supporting the Land of Israel. 1,400 children

from 13 Jewish primary schools were involved and a magnificent £4,000 was raised from the children of London to the children of Sderot.

Later in the year, Blue Box mornings were held at various shuls in the London area to encourage new donors to take boxes and for existing donors to bring their boxes for emptying. Further consideration will be given to finding other ways of highlighting the importance of the Blue Box in the future.

Income is also derived from planting trees and the issue of **tree certificates** which continue to be a popular way of marking life cycle events instead of giving a present. The ability to order and pay for certificates through the JNF's website has made the process more flexible and convenient for donors.

We have some truly remarkable and dedicated **committees and communities** around the UK who support our projects.

Through a series of tournaments throughout England during the summer months, the **JNF Golf** committees raise thousands of pounds to benefit the Beit Uri home in Afula in northern Israel. Beit Uri provides a home and activities for severely disabled young people and adults and was awarded the Council for a Beautiful Israel Prize in 2009.

In total, JNF Golf has raised more than £500,000, helping to provide new workshops, kitchens, a laundry, dining rooms, therapy rooms, a petting zoo, an outdoor sports area and indoor recreational hall for the 83 residents, thus making their home a more pleasant and interesting place in which to live.

The **Sam Herwald JNF Wednesday Club** has existed for many years and is based in Manchester. The club meets weekly and organises events throughout the year. In recent years their fundraising has paid for therapy rooms at Aleh Negev, a home for severely disabled children and young adults.

Members of **The New North London Synagogue** continue their special relationship with the families of Kibbutz Neot Semedar in the southern Negev, where JNF planted new orchards and set up advanced irrigation systems to assist with the growing of crops. It is hoped more communities in the UK will be encouraged to create similar links with other projects in the future.

JNF fundraising activities also included **JNF Future** for young professionals aged 21 to 35. JNF Future has a strong reputation for organising excellent social functions and its aim is to secure the supporters of the future and to create a solid base of young donors who will safeguard the future of JNF and its projects for many years to come.

Events in 2010 included two speed dating evenings, huge Purim and pre-Pesach parties and a glamorous premiere of the new *Sex in the City II* film at which cosmopolitan cocktails were served.

The JNF Future Facebook group continues to expand and the increased use of online appeals and correspondence lessens our environmental impact and lowers our outgoings.

Income is also derived from **KKL Charity Accounts**, a specialist charity voucher company administering over three thousand individual trusts on behalf of donors. Gift Aid tax is applied to donor accounts and donations are made to UK registered charities on the account holder instructions. We also accept gifts of shares and land, which are very tax efficient for the donor avoiding capital gains tax and income tax in some circumstances, the proceeds of sale are added to the charity account of the donor. KKL Charity Accounts is an authorised payroll giving agency. Payroll Giving is a valuable fundraising tool for charities, giving them an income on a monthly basis. It also allows the employer to become actively involved with the charitable aspirations of its employees. All the annual profits of KKL Charity Accounts are given to JNF Charitable Trust.

Likewise legacy fundraising continues to be an important part of JNF's activities, operated through its subsidiary company KKL Executor & Trustee Company. It offers those wishing to support the charity's work through a legacy, a range of legal services without charge: will-writing, estate planning,

executorships etc. Through the provision of these services - in particular the unique provision of pastoral support and the donor relationship programme developed specifically for legacy givers - the charity has cultivated a positive on-going relationship with many of its donors. The Legacy Department undertakes a regular review of its numerous marketing strategies and has devised a number of initiatives to encourage more people to leave legacies to Israel via JNF.

2010 was another challenging year as the effects of the economic climate meant the voluntary sector saw a continuing decrease in general donations.

The **JNF Education Department's** Israel Geography programme was also expanded to cover the full range of school years from ages 5-18. The objective is to enable pupils to develop a lifelong connection with Israel and to be introduced to the vital work that JNF does.

However, under the charity's restructuring which took place at the end of 2010, the difficult decision was made that after many years and much hard work, it was no longer viable for JNF to maintain an Education Department and it was closed in December 2010. The long term plan is to continue to engage with schools along a more informal track of Jewish education.

# OUR PROJECTS

## WHO WE SUPPORT AND WHY

**JNF CONTINUES TO DISTRIBUTE FUNDS TO PROJECTS THAT IMPROVE ISRAEL'S BUILT ENVIRONMENT, NATURAL ENVIRONMENT AND HUMAN ENVIRONMENT. ALL PROPOSED PROJECTS ARE THOROUGHLY ASSESSED BY THE JNF PROJECTS COMMITTEE AGAINST DEFINED CRITERIA, INCLUDING VISITING THE PROJECT IN ISRAEL AND ASSESSING HOW AND WHETHER JNF CAN BENEFIT THEM. PROPOSED PROJECTS ARE THEN PLACED BEFORE THE BOARD FOR APPROVAL OR REJECTION.**

JNF continues to assist a range of humanitarian and environmental projects in Israel, with a significant number based in the Negev region

**Halutzit** JNF continues to support a group of 21<sup>st</sup> century Zionist pioneers who are building new communities in the northern Negev from scratch. Previously the majority of the residents lived in Gush Katif in the Gaza Strip, which they left as part of a peace process. As experienced farmers they are growing sweet peppers, potatoes, carrots, artichokes and tomatoes, some of which are sold in leading supermarket chains across Europe. Their achievements are impressive as is their willingness to live in basic, harsh conditions while they dedicate their lives to making life in the Negev a reality

In 2009 JNF supported Halutzit by sponsoring the development of roads, irrigation and foundations for new buildings. In 2010, JNF provided almost £1.1 million in support, committing to help build a dormitory building for the residential school for boys. A residential school in this area will help to provide employment opportunities, attracting new families to the Halutzit communities

In June 2010, members of the JNF-Lord Sacks Mission, helped to lay the cornerstone of the new girls residential school nearby

**Reservoirs** JNF has funded the complete refurbishment of two old reservoirs providing essential water supplies to two agricultural communities in the northern Negev – Negba and Masu'ot Yitzchak. The reservoirs

were more than 40 years old and losing large quantities of water but now the work is finished, the reservoirs will be able to store four times as much water (around 15 million cubic metres), giving the local farmers an opportunity to increase the quantity of crops they grow

**Sderot Playground** As part of the on-going support offered to the residents of Sderot who have suffered so badly under rocket attack from Gaza, JNF has completed a beautiful new boulevard leading from the town's new gates to the previously-created park. A stunning modern sculpture of a cellist adds to the musical theme of the park. In 2010, just over £400,000 of support was offered towards the completion of this work.

The final phase of our commitment is the creation of

a children's adventure playground and skatepark

**Yerucham** JNF is working with an inspirational movement called the Ayalim Association, whose student members each give 500 hours voluntary work a year to under-developed communities across Israel, but particularly in the Negev. In Yerucham, a development town 20 miles south-east of Beersheva, JNF has helped Ayalim convert an old water tower into a community centre where the students are giving local children after school coaching and organising activities. The centre is also used by the wider Yerucham community as a focus point for social and cultural activities. We are also helping the Ayalim students refurbish some apartment buildings. In 2010, £58,000 of support was committed and we are very excited by the pioneering spirit shown by Ayalim and hope to continue our relationship with them in future years.

**Arad** JNF has continued to support projects that encourage more people to settle in the Negev region and in 2010 we completed our commitment to the Naot Avraham Ulpena (Ulpena L'banot) a religious Zionist secondary school providing residential education for girls from all over southern Israel. The three hundred pupils come from a variety of backgrounds and are both able-bodied and disabled. All are treated equally and given the opportunity of a superb education, demonstrating to the girls how to work and live in the modern world whilst maintaining their religious identity.

JNF has previously helped the Ulpena construct a new dormitory building and has now completed the landscaping of the grounds surrounding the school, making them accessible for wheelchair-users and making them a pleasant place for all the students and teachers.

**Aleh Negev** Since its opening in 2003, JNF UK has supported this rehabilitation village for autistic and brain damaged children and adults near Ofakim in the Negev. Aleh Negev is home to some 220 residents and serves 12,000 out-patients, providing high-level medical care which means families can avoid travelling large distances to seek treatment. Most recently JNF UK has contributed to the landscaping around the main centre and, with the generosity of two families from Liverpool, has equipped two therapy rooms. Two JNF UK committees in Manchester have continued to raise funds for Aleh Negev. This current support is in addition to work already completed including a 4-bed room in the high dependency nursing wing; a classroom in the special education school, jointly built the paramedical centre; equipped a therapy room, built a vocational training workshop; provided equipment for a rehabilitation music room and an outdoor play area. In 2010, JNF UK's support amounted to £237,000.

**Lord Sacks Forest** To honour the ennoblement of the Chief Rabbi, Lord Sacks, JNF UK is planting a forest of 25,000 trees within the Aminadav Forest in the SW foothills of Jerusalem. In June 2010, a special Mission saw

the Lord and Lady Sacks, HE Ron Prosor, HE Tom Phillips and many donors and guests attending a dedication ceremony where trees were planted. JNF's support for this project during 2010 amounted to £165,000.

**Benji Hillman Foundation** JNF UK has now completed its commitment to the Benji Hillman Foundation and our contribution will be recognised with a plaque when the home and guidance centre for lone soldiers opens in Ranana.

**OR Negev** JNF UK has previously worked with this organisation to help build vital infrastructure projects for new communities in the Negev Region, including a school in Shomriya, a synagogue in Givot Bar, a playground for children, a promenade and a recreational area for families in Sansana as well as providing caravans for temporary housing for young families moving to the communities to live in whilst they build their permanent homes. In 2010, JNF UK assisted with the creation of an entrance way to Carmit, a new town in the Negev which has the distinction of being the first new community to build homes for its families instead of asking them to initially live in caravans. In 2010, OR was supported with £242,000.

**Table To Table (Leket)** JNF UK provided a landrover at a cost of £30,000 to help this food rescue organisation carry out its work more easily. Based in Ra'anana, Table To Table provide the food that soup kitchens and relief agencies such as Ichlu Reim,

Meir Panim and Hazon Yeshaya use daily in their own work. They "rescue" raw materials from farmers who have gluts or unsold produce and leftover food from corporate organisations and caterers.

**Beit Uri** This is a residential home for mentally and physically disabled teenagers and adults at which JNF UK has completed many projects to improve the home over a number of years. Founded in 1969, Beit Uri's unique philosophy enables every member to be a partner in contributing his or her part to the home and to the wider community. Residents suffer from a wide range of mental and physical disabilities – many in combination. These include blindness, autism, epilepsy, Down's syndrome, cerebral palsy and behavioural disorders. The JNF UK Golf Committees have adopted Beit Uri as the recipient of their fundraising efforts. JNF transferred £44,000 in 2010.

**Ichlu Re'im** This is a non-profit organisation that feeds the hungry of Jerusalem regardless of their age, sex, religion or nationality. Ichlu Re'im is open 7 days a week, including Shabbat and Jewish festivals, supported by a dedicated team of staff and volunteers. At each sitting they can feed some 200 people and additionally they provide meals for the sick and homebound, (including more than 100 Holocaust survivors) and to families in depressed local districts who are living beneath the poverty line. JNF UK provided £60,000 in 2010.

**Gardner Microeconomics Initiative (Koret)** This initiative was started in 2006 to help low income and unemployed populations create an independent income generating activity. Through the generous support of the estate of Rosa Gardner, recruitment and operation of six groups has been made possible. Women from Kiryat Gat, Sderot and Kfar Chabad are being given the skills and

credit to break out of the cycle of poverty. In 2010, £75,000 was transferred in support of the initiative.

**SPNI (Sderot)** £47,000 is being held awaiting a decision about a future project in the town of Sderot.

**Jerusalem Botanical Gardens** The Gardens are a centre of botanical research and conservation and are supported by JNF UK who provide office accommodation for the British Friends of JBG. The Friends raise funds to provide scholarships to horticultural graduates to work in the Gardens for a minimum of 6 months. So far 105 scholarships have been awarded to students from all over the world. The Gardens act as a living gene bank to protect endangered plants in Israel and beyond. 370 plant species are in immediate need of protection in Israel. Many of them are grown in the garden for conservation and educational needs.

# STRUCTURE, GOVERNANCE & MANAGEMENT

## **Governing document**

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

## **Appointment of Trustees**

As set out in the Articles of Association the President, 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 Directors/Trustees of the Charity. One third of them

must offer themselves for re-election each year.

The Directors retiring by rotation are Mr S Hayek, Dr M Sinclair, Dr S Cats, Mr B Perl who, being eligible, offer themselves for re-election.

## **Trustee induction and training**

New Trustees undergo an orientation day 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 process 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 (see below). A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity.

## **Related parties**

KKL Charity Accounts 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 Head of Fundraising, Finance Director, Communications Director and the Chief Executive of KKL Executor & Trustee Company Ltd

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 an Honorary Treasurer and consists of selected members of the Board together with selected members of the Senior Management Team

#### **Strategy Committee**

The Strategy Committee looks at the medium to long term view and position in which JNF wants to see itself, what is the Charity's identity, what does it stand for, setting a strategic pathway, and a vision statement for the Charity

#### **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, and how much to allocate from both existing funds and potential future funds

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 the principal risk faced by the Charity is the effect of the credit crunch on our donors.

#### **Volunteers**

JNF 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'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 the 31 of December are shown in the attached Financial Statements. Unrestricted Fund balances carried forward at year end show a marginal increase which the trustees, consider acceptable

#### **Income**

The Consolidated Statement of Financial Activities set out on page 23 reflects all incoming resources receivable in the year irrespective of when the income is spent

Our total income in 2010, excluding KKL Charity accounts and excluding any amounts due from Keren Kayemeth Lelsrael (see note 2) was £5.1m compared to £7.1m for the previous year a reduction of 28%. After taking in the KKL Charity accounts income, income increases to £12.1m which represents a decrease of 17%. Investment income for 2010 was for this year again almost negligible at £67,000 reflecting the much reduced interest rates available during the period

Fundraising activity during 2010 was challenging given the general economic environment. In 2011 the charity intends to build on the regular fundraising opportunities such as Green Sunday, Rosh Hashanah and Walk for Water which are now an established part of the communities calendar

#### **Expenditure**

Underlying recurring expenditure in the year saw a further year on year reduction

#### **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<sup>st</sup> of December 2010 comfortably exceeded this level.

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

#### **Investment Powers and Policy**

For the purpose 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, although JNF have been bequeathed some properties where there is a life tenant.

KKL Charity Accounts whose results are consolidated within JNF's accounts as noted in note 21

#### **Auditors**

A resolution proposing the re-appointment of the auditors, Royce Peeling Green Limited, as auditors of the charity will be put to the members at the Annual General Meeting

By Order of the Board



**Samuel Hayek**  
Chairman

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JNF CHARITABLE TRUST

We have audited the financial statements of the group and parent company of the JNF Charitable Trust for the year ended 31 December 2010 set out on pages 23 to 36. 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 company's members, as a body, and in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 opinions we have formed.

## **Respective responsibilities of director and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. 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 group's and parent company's affairs as at 31 December 2010 and of its loss for the year then ended,
- 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## **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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

**Paul Randall  
(Senior Statutory Auditor)  
for and on behalf of Royce  
Peeling Green Limited**

**Chartered Accountants**

**Statutory Auditor**

**28 September 2011  
15 Buckingham Gate  
London  
SW1E 6LB**

# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments 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 financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and 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. 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

So far as each of the Trustees is aware, there is no relevant audit information of which the charitable company's auditors are unaware. Each Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself / herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 2010

	NOTE	Restricted Funds £'000	Unrestricted Funds £'000	Total 2010 £'000	Total 2009 £'000
<b>Income</b>					
Donations		1,281	1,300	2,581	3,138
Legacies		450	2,037	2,487	3,983
Investment Income		–	67	67	40
		<b>1,731</b>	<b>3,404</b>	<b>5,135</b>	<b>7,161</b>
KKL Charity Accounts		7,022	–	7,022	7,482
Income from Donors					
Other Incoming Resources	2	–	–	–	5,000
<b>Total Income</b>		<b>8,753</b>	<b>3,404</b>	<b>12,157</b>	<b>19,643</b>
<b>Fundraising Costs of Donations and Legacies</b>		27	1,006	1,033	1,415
<b>Charitable Activities</b>					
Remittances to Israel	3	1,664	2,153	3,817	4,115
Remittances to UK Charities	4	7,289	212	7,501	7,821
Educational Projects		2	63	65	311
Legal Expenses	5	–	345	345	44
<b>Governance Costs</b>	6	–	76	76	39
Other Outgoing Resources	7	–	–	–	(375)
Other Resources Expended	2	–	(500)	(500)	4,500
<b>Total Resources Expended</b>	8	<b>8,982</b>	<b>3,355</b>	<b>12,337</b>	<b>17,870</b>
<b>Net Incoming Resources</b>		(229)	49	(180)	1,773
<b>Gain on Investment Assets</b>		–	–	–	30
<b>Net Movement In Funds</b>		(229)	49	(180)	1,803
<b>Transfer between funds</b>		29	(29)	–	
<b>Fund Balances Brought Forward</b>		<b>5,576</b>	<b>4,106</b>	<b>9,682</b>	<b>7,880</b>
<b>Fund Balances at Year End</b>		<b>5,376</b>	<b>4,126</b>	<b>9,502</b>	<b>9,683</b>

The notes on pages 26 to 37 form an integral part of these accounts

# CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2010 (COMPANY NUMBER 355248)

	NOTE	2010 GROUP £'000	2009 GROUP £'000	2010 CHARITY £'000	2009 CHARITY £'000
<b>Fixed Assets</b>					
Tangible Assets	11	1,505	1,523	1,501	1,518
Investments	12	887	452	976	541
		<b>2,392</b>	<b>1,975</b>	<b>2,477</b>	<b>2,059</b>
<b>Current Assets</b>					
Debtors	13	3,004	2,332	3,314	1,797
Investments	14	253	300	250	1
Cash at Bank and in Hand		6,761	6,517	2,092	2,550
		<b>10,018</b>	<b>9,149</b>	<b>5,656</b>	<b>4,348</b>
<b>Creditors less than One Year</b>	15	(2,792)	(1,268)	(2,795)	(1,289)
<b>Net Current Assets</b>		<b>7,226</b>	<b>7,881</b>	<b>2,861</b>	<b>3,059</b>
<b>Total Assets Less Current Liabilities</b>		<b>9,618</b>	<b>9,856</b>	<b>5,338</b>	<b>5,118</b>
<b>Creditors more than One Year</b>	16	(116)	(173)	(117)	(173)
		<b>9,502</b>	<b>9,683</b>	<b>5,221</b>	<b>4,945</b>
<b>Represented By</b>					
Unrestricted Funds		4,126	4,107	4,170	3,932
Restricted Funds	17	5,376	5,576	1,051	1,013
		<b>9,502</b>	<b>9,683</b>	<b>5,221</b>	<b>4,945</b>

Approved and authorised for issue by the Trustees on the 28 of September 2011 and signed on their behalf by

Samuel Hayek  
Trustee



Simon Cats  
Trustee



The notes on pages 26 to 37 form an integral part of these accounts

# **CONSOLIDATED STATEMENT OF CASH FLOW FOR YEAR ENDED 31ST DECEMBER 2010**

	NOTE	2010 GROUP £'000	2009 GROUP £'000
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	23	658	1658
Return on Investments and servicing of Finance			
- Investment Income		67	40
Capital Expenditure and Financial Investment			
- Purchase of Shorter Term Investments		(250)	-
- Disposal of Shorter Term Investments		304	(297)
- Disposal of Property		57	263
- Change in Cash awaiting Investment		-	24
- Purchase of Longer Term Investment		(502)	-
- Acquisition of Tangible Asset		(35)	(14)
Financing			
- Decrease in Debt		(56)	(58)
<b>NET CASH INFLOW FOR YEAR</b>	20	<b>243</b>	<b>1,616</b>
<b>RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES</b>			
Statement of financial activities			
- Net Movement in Funds		(180)	1,803
Investment Income		(67)	(40)
Unrealised loss on investments		-	(34)
Depreciation		53	33
Increase in Creditors		1,524	710
Increase in Debtors		(672)	(814)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>658</b>	<b>1,658</b>
Cash at Bank and in hand at the end of the year		6,760	6,517
Cash at Bank and in hand at the beginning of the year		(6,517)	(4,901)
<b>CHANGE IN CASH BALANCES FOR THE YEAR</b>		<b>243</b>	<b>1,616</b>
Cash outflow from the decrease in debt	20	56	58
Change in Net funds resulting from cash flows		299	1,674
Net Funds as at 1st January 2010		6,286	4,612
<b>Net Funds as at 31st December 2010</b>	20	<b>6,585</b>	<b>6,286</b>

# **JNF CHARITABLE TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **AS AT 31ST DECEMBER 2010**

#### **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 2005) and applicable accounting standards

##### **b) Group Financial Statements**

These financial statements consolidate the results of the charity and its wholly owned subsidiaries KKL Executor and Trustee Company Limited and KKL Charity Accounts. A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of paragraph 397 of SORP 2005. The Charity had incoming resources of £5,135,000 and expenditure of £4,859,000 and net incoming resources of £276,000 for the year.

##### **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. Donated services are included at their fair value to the charity.

(2) Donations include legacies generated by its subsidiary company KKL Executor and Trustee Company Limited.

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

(4) Income tax recoverable in respect of covenanted and gift aid income is accounted for on a receivable basis.

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

(6) 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.

Support costs - 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.

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 less depreciation.
- (2) Depreciation is provided to write off the cost of fixed assets over their estimated useful lives.
- (3) Rates of depreciation
  - Freehold property - 2% of cost at the year end
  - 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
- (4) Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

**f) Pension Scheme**

Payments to the defined contributions scheme are written off as incurred.

**g) 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.

**h) 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.

**i) 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. OTHER INCOMING RESOURCES**

Pursuant to the settlement negotiated between JNF and KKL wherein it was agreed that KKL would pay JNF £5,000,000 over the next 10 years at £500,000 per annum, the Board have considered the position and have decided that because of the length of time across which the payments are spread and the inherent uncertainty which is coupled with such an extended period, that it is reasonable to adopt a conservative policy and only account for each tranche as receipt becomes more certain. The Board believes that its treatment of the settlement amount is the most conservative, accurate and transparent method of accounting for this income.

### 3. REMITTANCES TO ISRAEL

A list of charities where JNF has given more than £25,000 is as follows

<b>DONATIONS TO INSTITUTIONS</b>	<b>2010 £'000</b>	<b>2009 £'000</b>
<b>Disabled / Health</b>		
Aleh	237	—
Beit Uri	44	38
	<b>281</b>	<b>38</b>
<b>Education</b>		
Givol	-	63
Ayalim	58	—
Neot Smader	—	21
	<b>58</b>	<b>84</b>
<b>Environmental</b>		
SPNI	47	18
Lord Sacks Forest	165	—
	<b>212</b>	<b>18</b>
<b>Infrastructure</b>		
Arad (Ulpena)	27	62
Arad (Other)	80	—
Halutzit	1,097	934
Reservoirs	—	550
OR	242	—
KKL - Shomriya	—	400
Sderot	402	263
	<b>1,848</b>	<b>2,209</b>
<b>Social Projects / Relief of Poverty</b>		
Atalef	—	31
Benji Hillman Foundation	—	40
Ichlu Reim	60	139
Kibbutz Chulda	—	67
One Family	—	324
Leket	30	—
Koret	75	—
	<b>165</b>	<b>601</b>
<b>Donation to Charities less than £25,000</b>	<b>149</b>	<b>206</b>
<b>Total donations to Institutions</b>	<b>2,713</b>	<b>3,156</b>

(Continued on next page)

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## **DONATIONS TO INDIVIDUALS**

<b>Environmental</b>		
JBG Scholarships	18	29
<b>Support Cost</b>	1,086	930
	<b>3,817</b>	<b>4,115</b>

## **4. 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 charities own grant making policies

## **5. LEGAL EXPENSES**

Legal expenses were incurred in relation to the dispute between JNF and Keren Kayemeth Lelsrael, following notification to the Charity Commission. Proceedings have now concluded

## **6. GOVERNANCE**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Audit Fees	8	11
Legal Costs	41	18
	<b>49</b>	<b>29</b>
Support Costs	27	10
	<b>76</b>	<b>39</b>

## **7. OTHER RESOURCES EXPENDED**

In 2008 economic events meant that the recoverability of a deposit held by KKL Charity Accounts was uncertain. Since 2008 this uncertainty has been successfully resolved and accordingly the provision for £375,000 has been reversed in the year ended 31 December 2009

## **8. TOTAL RESOURCES EXPENDED**

The resources expended figures are stated after charging

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Depreciation	53	33
Payment to auditors for audit services	8	11

## 9. SUPPORT COSTS

	Fundraising & Publicity	Remittances to Israel	Remittances to UK Charities	Educational	Governance Costs	Total 2010	Total 2009
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Payroll Costs	213	549	101	2	19	884	790
General Overheads	209	537	77	—	8	831	876
	<b>422</b>	<b>1,086</b>	<b>178</b>	<b>2</b>	<b>27</b>	<b>1,715</b>	<b>1,666</b>

## 10. STAFF COSTS AND TRUSTEE RENUMERATION

Trustees are not remunerated. No reimbursements were made to Trustees in 2010 for expenses (2009 £980)

	2010 £'000	2009 £'000
<b>Staff Costs</b>		
Wages & Salaries	1,199	1,167
Social Security	113	119
Pension Costs	47	49
	<b>1,359</b>	<b>1,335</b>

### Number of Employees

The average number of employees during the year was

Fundraising	9	13
Bequest Department	6	4
Charity Accounts	3	4
Education	5	4
Administration	10	7
	<b>33</b>	<b>32</b>

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

£60,000 - £70,000	2	2
£100,000 - £110,000	1	—
£110,000 - £120,000	1	1

Contributions were made to defined contribution scheme for two higher paid employees and contributions amounted to £10,532 (2009 - £16,675). The total is disclosed above.

## 11. FIXED ASSETS

	Freehold Property £'000	Furniture, Computer & Equipment £'000	Motor Vehicles £'000	Total £'000
<b>GROUP</b>				
<b>Costs</b>				
At 1 <sup>st</sup> January 2010	1,554	332	49	1,935
Additions	—	35	—	35
Disposal	—	—	—	—
At 31 <sup>st</sup> December 2010	1,554	367	49	1,970
<b>Depreciation</b>				
At 1 <sup>st</sup> January 2010	95	274	43	412
Change for Year	29	23	1	53
Disposal	—	—	—	—
At 31 <sup>st</sup> December 2010	124	297	44	465
<b>Net Book Values</b>				
At 31 <sup>st</sup> December 2009	1,430	70	5	1,505
At 31 <sup>st</sup> December 2010	1,459	58	6	1,523
<b>CHARITY</b>				
<b>Costs</b>				
At 1 <sup>st</sup> January 2010	1,554	237	49	1,840
Additions	—	35	—	35
Disposal	—	—	—	—
At 31 <sup>st</sup> December 2010	1,554	272	49	1,875
<b>Depreciation</b>				
At 1 <sup>st</sup> January 2010	95	184	43	322
Change for Year	29	22	1	52
Disposal	—	—	—	—
At 31 <sup>st</sup> December 2010	124	206	44	374
<b>Net Book Values</b>				
At 31 <sup>st</sup> December 2010	1,430	66	5	1,501
At 31 <sup>st</sup> December 2009	1,459	53	6	1,518

The freehold property is the Charity's Head Office based in Edgware, Middlesex. The property was valued in April 2008 at £1,650,000, on an existing use basis by R Last FRICS of Last & Mazin, Chartered Surveyors.

## 12. LONGER TERM INVESTMENTS

	Group 2010 £'000	Group 2009 £'000	Charity 2010 £'000	Charity 2009 £'000
Property Investments	397	452	397	453
Investment in Subsidiary Undertakings (Note 19)	–	–	89	88
Quoted Investments	490	–	490	–
	<b>887</b>	<b>452</b>	<b>976</b>	<b>541</b>

The company owns all of the issued share capital of its subsidiary undertakings, which are incorporated in the United Kingdom and registered in England and Wales. The quoted investments were acquired as part of a bequest.

## 13. DEBTORS

	Group 2010 £'000	Group 2009 £'000	Charity 2010 £'000	Charity 2009 £'000
Donations and Legacies Receivable	1,328	1,165	1,328	1,164
Prepayments and Accrued Income	676	144	561	124
Keren Kayemeth Lelsrael	1,000	500	1,000	500
Amount due from Group Undertakings	–	–	425	9
Recovery of Deposit with KSF (see note 7)	–	523	–	–
	<b>3,004</b>	<b>2,332</b>	<b>3,314</b>	<b>1,797</b>

## 14. SHORTER TERM INVESTMENTS

	Group 2010 £'000	Group 2009 £'000	Charity 2010 £'000	Charity 2009 £'000
Unquoted Securities	1	1	1	1
Listed Investments	3	299	–	–
State of Israel Bonds	249	–	249	–
	<b>253</b>	<b>300</b>	<b>250</b>	<b>1</b>

The unquoted investments are shown in the financial statements at cost.

The listed investments refer to a portfolio of shares held by Hargreaves Hale on behalf of KKL Charity Accounts. The movement in the listed investments is as follows:

	2010 £'000	2009 £'000
Beginning of year	299	259
Additions	3	297
Disposals	(299)	(263)
Gains on Investment	–	30
Change in Cash awaiting investment	–	(24)
End of year at market value	<b>3</b>	<b>299</b>

Investments whose value exceed 5% of the total market value of the portfolio are as follows

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
ISIS Property Trust	-	21
Blackrock Asset	-	-
European Investment Bank	-	19
Investec Global Strategy Fund	-	19
Ishares	-	20
JP Morgan	-	-
Rio Tinto	-	-
	<b>-</b>	<b>79</b>

#### 15. CREDITORS LESS THAN ONE YEAR

	<b>Group 2010</b>	<b>Group 2009</b>	<b>Charity 2010</b>	<b>Charity 2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade Creditors	234	141	222	129
Amounts due to group Undertakings	-	-	-	33
Loan Payable within One Year	58	58	58	58
Taxation and Social Security	27	33	26	33
Accruals and Deferred Income	2,473	1,036	2,489	1,036
	<b>2,792</b>	<b>1,268</b>	<b>2,795</b>	<b>1,289</b>

#### 16. CREDITORS MORE THAN ONE YEAR

	<b>Group 2010</b>	<b>Group 2009</b>	<b>Charity 2010</b>	<b>Charity 2009</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Secured Loan	116	173	117	173

The loan is secured on the head office property.

The amount fall due as follows

1-2 years	58	58	58	58
2-5 years	58	115	59	115

The loan is secured on the head office property The loan is repayable over 4 years at base rate plus 2 25%

## 17. RESTRICTED FUNDS

	Brought Forward 1 <sup>st</sup> January 2010	Incoming resources	Resources expended	Transfer between funds	Carried Forward 31 <sup>st</sup> December 2010
	£'000	£'000	£'000	£'000	£'000
KKL Charity Accounts	4,573	7,022	(7,289)	29	4,335
Yerucham	-	74	(58)	-	16
Environmental	47	119	(142)	-	24
Jerusalem Botanical Gardens	24	107	(62)	-	69
Reservoirs	166	369	-	-	535
Halutzit	77	824	(901)	-	-
Sderot	288	28	(316)	-	-
Rachel Charitable Trust	-	80	(80)	-	-
Other	401	130	(134)	-	397
	<b>5,576</b>	<b>8,753</b>	<b>(8,982)</b>	<b>29</b>	<b>5,376</b>

Background details on the restricted funds can be found in the Our Projects section within the Trustees' Report

## 18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2010 £'000	Total 2009 £'000
Fixed Assets	2,392	-	2,392	1,975
Current Assets	4,642	5,376	10,018	9,149
Current Liabilities	(2,792)	-	(2,792)	(1,268)
Long Term Liabilities	(116)	-	(116)	(173)
Net Assets	<b>4,126</b>	<b>5,376</b>	<b>9,502</b>	<b>9,683</b>

## 19. SUBSIDIARY COMPANIES

The Charity owns the subsidiary KKL Executor and Trustee Company Limited which acts as Executors and Trustees

A summary of its results are shown below

	2010 £'000	2009 £'000
Total Income	1	3
Total Expenditure	(28)	(37)
Net Results	<u>(27)</u>	<u>(34)</u>

The aggregate of the assets, liabilities and funds were

	2010 £'000	2009 £'000
Assets	29	61
Liabilities	-	(4)
Funds	<u>29</u>	<u>57</u>

The Charity also owns the following dormant subsidiaries

- KKL Limited
- KKL/JNF Limited
- Jewish National Fund Limited
- JNF Limited
- Jewish National Fund for Israel Limited
- KNF/KKL Limited
- JNF UK Limited

## 20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 <sup>st</sup> January 2010 £'000	Cash Flows £'000	At 31 <sup>st</sup> December 2010 £'000
Cash at Bank in hand	6,517	243	6,760
Debt Due within One Year	(58)	-	(58)
Debt Due after One Year	(173)	56	(117)
	<u>(231)</u>	<u>56</u>	<u>(175)</u>
Net funds	<u>6,286</u>	<u>299</u>	<u>6,585</u>

## 21. 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 subsidiary of the company. A summary of its results are shown below.

### Income Statement

	<b>Restricted Funds £'000</b>	<b>Unrestricted Funds £'000</b>	<b>Totals 2010 £'000</b>	<b>Totals 2009 £'000</b>
Total Income	7,333	310	7,643	7,823
Total Expenses	(7,600)	(471)	(8,071)	(7,635)
Net Results	<b>(267)</b>	<b>(161)</b>	<b>(428)</b>	<b>188</b>

The aggregate of the assets, liabilities and funds were:

	<b>2010 £'000</b>	<b>2009 £'000</b>
Assets	4,761	4,795
Liabilities	(422)	(28)
Funds	<b>4,339</b>	<b>4,767</b>
Unrestricted Funds	4	194
Restricted Funds	<b>4,335</b>	<b>4,573</b>
	<b>4,339</b>	<b>4,767</b>

## 22. RELATED PARTIES

£8,997 was paid for accountancy services in 2010 (in relation to the year 2009) to the Greene Partnership, in which Mr Gerald Greene, a past trustee, is a partner. The Trustees undertook this action after considering the cost of getting other firms to undertake the work involved. The Trustees do not believe that there will be further need for external accountancy services.

£344,704 was incurred in 2010 in connection with legal services provided by Mischon de Reya for legal services, a firm in which Mr Anthony Julius, a past trustee, is a partner. Mischon de Reya was engaged before Mr Anthony Julius was appointed a trustee after careful evaluation by the trustees of the requirements of the charity and of the firms available.

The charity has taken advantage of the exemption in FRS8 and has not disclosed transactions with wholly owned subsidiaries.

**23. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Net outgoing resources before other recognised gains and losses	(180)	1,773
Investment income	(67)	(40)
Depreciation	53	33
Increase in debtors	(672)	(814)
Decrease in creditors	1,524	706
<b>Net cash flow from operating activities</b>	<b>658</b>	<b>1,658</b>

# REFERENCE & ADMINISTRATIVE DETAILS

Company No	355248
Registered Charity No	225910
Registered Office	JNF House, Spring Villa Park, Spring Villa Road Edgware, Middlesex HA8 7ED
Directors and Trustees	<p>S Hayek - Chairman  Dr M Sinclair - Vice Chairman  R Freedman - Treasurer (Resigned 22 July 2011)  Dr S Cats  D Breuer-Weil (Resigned 15 March 2010)  R Deech DBE (Appointed 13 April 2010)  E Gorji  G Greene (Resigned 3 August 2011)  A Julius (Appointed 13 April 2010,  resigned 15 February 2011)  M Lee  M Mansour (Resigned 20 January 2010)  G Mond (Appointed 22 July 2011)  B Perl MBE  M. Rothem (Appointed 3 March 2011)  M. Waisman</p>
Company Secretary	H Bratt (resigned 22 July 2011) G Hausmann (appointed 22 July 2011)
Auditors	Royce Peeling Green Ltd 15 Buckingham Gate, London, SW1E 6LB
Solicitors	Mischon de Reya Summit House, 12 Red Lion Square, London, WC1R 4QD
Bankers	Barclays Bank plc 1 Churchill Place, London E14 5HP