

ANNUAL REPORT & ACCOUNTS 2011

SUPPORTING ISRAEL FOR LIFE

This Year & Every Year

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

JNF Charitable Trust
Company Number 355248
Charity Number 225910

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**Supporting
Israel for Life**

THE FACTS

The JNF and our Support for Israel

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

THE JNF RAISES 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 THOUSANDS OF BLUE BOXES IN THE UK ALONE, PROVIDING A TANGIBLE GRASSROOTS CONNECTION TO ISRAEL FOR TENS OF THOUSANDS OF JEWS

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

THE NEGEV, THE JNF'S FOCUS IN THE 21ST CENTURY, FORMS 60% OF ISRAEL'S LAND AREA BUT CONTAINS ONLY 7% OF ITS POPULATION

THERE ARE CURRENTLY 2 MILLION MORE PEOPLE SHARING ISRAEL'S SCARCE WATER SUPPLY THAN 20 YEARS AGO, EMPHASISING THE INCREASED IMPORTANCE OF WATER CONSERVATION AND EFFICIENCY

THE JNF IS WORKING TO REPAIR THE DAMAGE CAUSED BY THE CARMEL FOREST FIRES OF DECEMBER 2010 – AN ESTIMATED 5 MILLION TREES WERE DESTROYED IN ISRAEL'S WORST ENVIRONMENTAL DISASTER

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

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

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Our History and Heritage

In 1901, on the fourth day of the fifth Zionist Congress in Basel, Switzerland, 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, 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."

The 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.

Since that historic day, The JNF has become an environmental and humanitarian trail-blazer: planting in excess of 240 million trees; building more than 210 reservoirs and dams, developing over 250,000 acres of land, creating more than 1,000 parks; and providing crucial infrastructure and humanitarian support to over 1,000 communities.

Chairman's Review

Samuel Hayek, JNF Chairman

For one hundred and eleven years, The JNF has been leading the way in building, developing and supporting Israel. Today, Israel is a source of immense pride for Jews across the world, and a shining example of democracy, freedom, technological innovation and medical advancement. The extensive achievements of this small country are a tribute to the inspiration and incredible productivity of its people; yet in the face of such an impressive range of progress and accomplishments, it is easy to overlook the substantial challenges which still lie ahead. In particular, I refer to the vast, largely undeveloped expanse of the Negev region – which encompasses 60% of the country's landmass, yet is inhabited by only 7% of its total population. Israel's first Prime Minister, David Ben Gurion, famously contended that the development of the Negev is the crucial test of 'the creativity and pioneering vigour of Israel'; today, as always, The JNF is spearheading the efforts being made to make the desert bloom and to build viable communities for the future.

My own experiences in the past three years have confirmed to me that the Negev poses more than just a formidable challenge – it is an exciting opportunity to reignite the passionate, pioneering spirit of yesterday, with the energy and vigour of a new generation of young Israelis. In the Negev, The JNF is building a sustainable future for Israel and bettering the lives of its people every day. In 2011, The JNF remained staunch in its dedication towards those projects and commitments adopted in previous years, whilst simultaneously embracing new opportunities to develop the Negev and improve the lives of its residents wherever possible – a brief overview of a just a few of The JNF's projects illustrates this.

For decades, Ofakim languished in a state of economic and social stagnation; today, the city is experiencing an astonishing renaissance, thanks to a dynamic partnership between The JNF and two pioneering Israeli organisations, the incredible results of which I have witnessed first-hand. The Ayalim Association – with whom The JNF has worked previously in the town of Yerucham – encourages Israeli students to live, study and volunteer extensively with local youth in development communities in the Negev. Not only does the presence of such motivated young students from across the country boost the area's image and morale, it also encourages Israel's best and brightest to live, study and settle permanently in their adopted hometowns, thereby providing a welcome stimulus for growth and development.

The JNF is also working with ALPHA – The Association for the Development of Ofakim – to encourage local students and young professionals to remain in and actively rejuvenate their hometown. Our joint project, 'Bocharim Machar' – 'Choosing Tomorrow' – is successfully working to change the prospects for young residents, who previously sought to escape Ofakim's high unemployment, rising crime and low wages. Through professional training, networking events and mentoring projects, we are actively bolstering the local economy by helping to provide fresh employment opportunities for new graduates. By combining these opportunities with volunteer work in the local community, Bocharim Machar is enabling the people of Ofakim to take their future into their own hands, and to take the lead in rejuvenating their city.

The incredible results of The JNF's work are evident across the entire Negev region. For example, in the embattled communities of Sderot and the Eshkol Region, which continue to weather a storm of deadly rocket-fire from the Gaza Strip, we are building modern, safe and secure recreational infrastructure to serve the local population, providing timely and long-lasting support for their communities.

Throughout the Negev, we are privileged to be working with the inspirational volunteers of HaShomer HaChadash – The New Israeli Guardians – a grassroots movement which cooperates with local authorities to protect isolated farms and ranches from the threat of criminal gangs

Of course, no year at The JNF would be complete without our trademark campaign to green the land of Israel. In 2011, The JNF planted 15,000 trees towards our target of 25,000 in the Lord Sacks Forest. The JNF also continued to support the astonishing agricultural pioneers of the communities of Halutzit in the western Negev, whose delicious produce has, in a matter of only a few years, found its way from the sands of the western Negev to supermarkets in the UK and beyond

A fuller overview of our projects can be found on pages 9-14, and I would like to extend an invitation to you, to visit and see for yourselves how The JNF is supporting Israel for life and building a future for all its people

As these projects and others aptly illustrate, The JNF's unique position as the UK's first and foremost charity dedicated solely to Israel, enables us to draw on an unparalleled degree of experience and expertise. This ranges from the fields of environmental development, humanitarian work and the building of key infrastructure. By working with individuals, NGOs and local authorities in Israel, we can identify those areas most in need of support and focus our work accordingly, thereby maximising the positive impact of the generous contributions of our donors. This efficient, collaborative approach has been especially important during these times of economic austerity

Similarly, we have been as careful as always to strictly and professionally manage our expenses in line with our income. 2011 was a challenging year for charities across the UK, as reflected by the overall decrease in donations made to The JNF, and a number of difficult yet crucial decisions were therefore made to reduce our costs. These steps included the restructuring of individual departments, a significant reduction in staff levels, resulting in substantial savings, without compromising essential delivery of projects. We are confident that these changes will put the charity on a stronger footing and we hope to see the benefit of these and other restructuring changes in the coming years.

None of our work would be possible without the generous support of our donors, and the hard work, professionalism and dedication of our staff and volunteers, both on the ground in Israel, and here in the UK. I would like to conclude by sincerely thanking each and every one of you – your continued support is invaluable, and I look forward to working with you all, for many years to come. Together we can continue to build a sustainable future in the Negev, together we can bring to life the dreams of two thousand years, in an independent Jewish homeland



Samuel Hayek
Chairman

25 SEPTEMBER 2012

The JNF UK's Aims and Objectives

Our Mission:

1. To support the development of Israel, through the provision of environmental, humanitarian and infrastructural support
 - To identify, engage and support the areas in Israel most in need of development, through ongoing collaboration with our partner organisations and teams in Israel.
2. To strengthen Anglo-Jewry's bond with Israel
 - To enhance Anglo-Jewry's connection to Israel, through the provision of user-friendly information, tailored educational resources and the continued development of a framework of accessible and participative activities, including volunteering opportunities
3. To provide the best value and the safest guardianship of donor funds and project management.
 - To reinforce the vigorous quality control standards, both on the ground in Israel as well as across our operations in the UK.
4. To involve our donors as much as possible
 - To provide visits to our projects in Israel, and active participation opportunities on the ground, as well as by maintaining transparency vis-à-vis project funding allocations

Project Activity Summary

What we said we would do

To continue and intensify our efforts to develop the Negev region, dealing primarily with establishing new communities and strengthening existing ones in the Negev.

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

To continue to communicate and share our achievements with our donors and partners

To continue to develop our relationship with the Ayalim Association

Current Plans

To continue our commitment towards developing and populating the Negev region.

To maximise the positive impact of our work by working closely with NGOs and local authorities on the ground.

To take on a variety of projects, which encompass a wide range of areas such as education, basic infrastructure, agriculture and the natural environment.

What we have done

In 2011, The JNF provided £1.5million towards developing the local environment, education, infrastructure and industry in the Negev, as well as investing in initiatives aimed at improving the levels of social mobility and quality of life.

The JNF's commitment to communities both old and new continues to strengthen, as we embark on wide-ranging, essential projects in Sderot, Halutzit, Ofakim, Arad, the Eshkol Region and elsewhere

2011 saw the completion of the playground and skate-park amidst great enthusiasm from the local community

The JNF planted 15,000 trees in 2011

The JNF has run numerous events and produced a range of literature communicating our progress and achievements to our donors and partners. We have also continued to expand our email database and develop our use of social media.

With the successful completion of our joint commitments in Yerucham, The JNF's dynamic partnership with Ayalim continued into 2011, focussing on the city of Ofakim.

OUR PROJECTS

Who We Support and Why

The JNF continues to distribute funds to projects that improve Israel's natural environment, infrastructure and the lives of its residents. All proposed projects are thoroughly assessed by The JNF Projects Committee against defined criteria, including visiting the proposed project site in Israel and assessing how and whether The JNF can contribute. Proposed projects are then placed before the Board for approval or rejection.

The JNF continues to focus its efforts within the Negev region, with the goals of raising living standards, encouraging economic development and greening the desert. Through the development of the Negev, The JNF stands at the forefront of 21st Century Zionism. As set out below, in 2011 The JNF successfully maintained and developed existing relationships and commitments, whilst initiating exciting new projects elsewhere. These projects are contributing to the building-up and development of the Negev, helping the Israeli government to deliver its promise of 300,000 more Israelis living in the Negev by 2020.

Halutzit

The JNF continues to support a group of 21st century Zionist pioneers in Halutzit. Previously, the majority of the residents of this region lived in Gush Katif in the Gaza Strip, which they were

evacuated from as part of peace efforts by the Israeli Government. These determined and innovative individuals are now building thriving new communities from the sands of the northern Negev. As experienced farmers, they are growing produce including sweet peppers, potatoes, carrots, artichokes and tomatoes, some of which are sold in leading supermarket chains across Europe. Their many achievements are particularly impressive given the harsh environment and weather conditions of the region. Their absolute dedication to the cause of building and developing the Negev is truly inspiring.

In 2009 The JNF supported Halutzit by sponsoring the development of roads, irrigation and foundations for new buildings. In 2010, The JNF committed to build a dormitory building for the residential school for boys

2011 saw the completion of the construction of the local boys' school and accompanying dormitory building, for a total of £1 million of JNF support.

A residential school in Halutzit will help to provide employment opportunities, attract new families to the area, and aid the continued development of this remarkable cluster of communities.

Sderot

The JNF's ongoing support for the residents of Sderot, who have bravely withstood deadly waves of rocket fire from the Gaza Strip for many years, continued into 2011. This year, The JNF completed a beautiful new boulevard leading from the town's new gates to the park, which had previously been sponsored by The JNF as well.

2011 also saw the successful completion of the Sderot playground and skateboard

park, which now provides an exciting new social hub for Sderot's youth, handing back childhoods so cruelly stolen by years of relentless rocket-fire

Ofakim

One of The JNF's major commitments in 2011 is the regeneration and development of Ofakim. Initially founded in 1955 as a development town to absorb new immigrants from North Africa, Ofakim officially became a city in 1995, whilst continuing to absorb new immigrants from Ethiopia and the Former Soviet Union

Ofakim is among the most socio-economically deprived areas in Israel, and has continued to struggle with its legacy as a development town and gateway for waves of new *olim* (immigrants) since its establishment. Today, The JNF is helping to develop Ofakim in a number of different ways, in partnership with the local municipality, the 'Ayalim Association,' and 'ALPHA', all of which are detailed below

Ofakim – Gan HaBanim

Part of The JNF's work in Ofakim has been coordinated directly with the local municipality. In 2011, The JNF sponsored the renovation of the neglected 6 acre park in the centre of Ofakim, which is dedicated to fallen IDF servicemen and women. Once completed, the park will function as a welcome and popular meeting place for families and children, and will contribute to the overall regeneration of the city, providing hope for the future by encouraging young families to remain in Ofakim. The park will include wheelchair-

accessible paths, promenades, and an outdoor, multi-purpose amphitheatre. As well as the structural work, kilometres of irrigation piping will be laid to maintain the new trees, shrubs and flowers which will enhance the beauty of the new park.

The JNF committed £102,000 to the regeneration of Gan Habanim Park in 2011

Ofakim – Ayalim

Another element of The JNF's commitment to Ofakim has seen a continuation of our exciting partnership with the 'Ayalim Association' – an inspirational social movement of 21st Century Zionist pioneers, who are promoting community-building and social development in the Negev and the Galilee

The JNF is working together with Ayalim to rejuvenate Ofakim by building a student village for motivated young students who will live, study and engage in youth-work within the local community. In return for subsidised, modern accommodation, Ayalim student-volunteers dedicate 500 hours of youth work per-year within the community, including renovating social clubs, arranging social and informal educational activities, and teaching, tutoring and mentoring young students

Aside from the obvious positive impact such a project will have on the local youth, the very presence of a young, vibrant student community is invaluable to the target of boosting the image of Ofakim as a whole. This in turn will encourage further, more organic growth and development, as the city maintains its existing

population whilst attracting others from outside to live, study and invest in Ofakim

In 2011, The JNF committed £82,000 towards the building of a new community centre for the student village.

Ofakim – 'Bocharim Machar' (ALPHA)

A third level of The JNF investment in Ofakim is the 'Bocharim Machar/Choosing Tomorrow' program, which we are running in conjunction with ALPHA – the Association for the Development of Ofakim

'Bocharim Machar' complements The JNF's work with Ayalim, by encouraging local students and young adults to remain in the city after graduation and empowering the people of Ofakim to develop and sustain their city themselves, instead of leaving to seek opportunities elsewhere. As part of the program, local students and undergraduates are provided with a range of exciting incentives and opportunities in Ofakim, including accommodation, scholarships, and enrichment and training programs to plan their future careers and increase their familiarity with local employment prospects.

'Bocharim Machar' has a further purpose – creating a new generation of leaders from the community of Ofakim. To this end, participants will be initiating and running social-action projects for local youth, working closely with municipal and community leaders.

HaShomer HaChadash (The New Israeli Guardians)

HaShomer HaChadash is a grassroots organisation established in 2007, to tackle the alarming levels of robbery, vandalism, arson and violence against Jewish farmers and ranchers in the Negev and the Galilee.

In the past, a combination of understaffed local police forces and the isolated locations of many farms and ranches meant that local Jewish farmers and their families were left largely at the mercy of marauding criminal gangs. In some cases, the levels of violence, intimidation and financial loss became so severe that many were forced to abandon their properties entirely.

HaShomer HaChadash is turning this situation around: its guardsmen work hand-in-hand with local police-forces to provide a presence in trouble-spots, by legally patrolling large areas of farmland and ranches, thereby creating a deterrent which has already succeeded in significantly improving the security of local communities. HaShomer HaChadash also helps landowners repair any damage to their property, and provides its volunteers with basic self-defence training and educates them about the importance of the land of Israel.

The work of HaShomer HaChadash is crucial to the cause of developing the Negev, as the very survival of many farms, ranches and communities rely on the continued success of this brave initiative. In 2011, The JNF's commitment to

HaShomer HaChadash, including a state of the art mobile training unit, stood at £84,000 in total.

Be'erot Yitzchak

As well as developing the future of the Negev, The JNF is also investing in preserving its past. Kibbutz Be'erot Yitzchak was first established by pioneers from the 'Religious Pioneers Alliance,' not far from the Gaza Strip. During the Israeli War of Independence, Be'erot Yitzchak was the site of a major battle between the Egyptian Army and the kibbutz's Jewish defenders. Although this small band of tenacious fighters succeeded in repelling the Egyptian advance, the kibbutz was largely destroyed during the course of the battle.

Today, the 'Kibbutz HaDati' movement is looking to regenerate existing heritage sites currently situated on the location of the old kibbutz – including the original kibbutz water tower, a heritage centre and the surrounding roads and infrastructure.

In 2011, The JNF committed £64,000 towards this project, which will preserve and enhance a unique piece of Israeli history.

Lord Sacks Forest

The JNF continued its legacy of greening the land of Israel in 2011, through our continued development of the Lord Sacks Forest, which is located within the Aminadav Forest in the southwest foothills of Jerusalem. In 2011, over 15,000 trees were planted in the forest. This is a significant contribution towards our

ultimate goal of 25,000 trees in total.

Eshkol Region

The Eshkol Region is a group of 31 communities in the north-western Negev, spanning an area between Ashkelon and Beersheva, straddling the Gaza Strip. It consists of 14 kibbutzim, 15 moshavim and 2 residential communities, with a total population of 12,500, and is represented by the Eshkol Regional Council.

The region's close proximity to the Gaza Strip means that it is of vital strategic importance to the State of Israel's security. The communities of Eshkol have endured a significant proportion of the deadly rocket-fire from Gazan terrorist groups, and have also absorbed a large number of Jewish evacuees from the Gaza Strip since 2005. In 2011, The JNF committed to sponsor a number of projects to develop this strategically-important region, primarily by improving the quality of life for its residents.

Eshkol – Eshkol Youth Centre

In 2011, The JNF committed £24,000 towards the creation of a new youth centre in the town of Eshkol, which lies at the heart of the Eshkol Region. The centre will serve as an oasis of calm and normality for the region's growing young population, and its central location will allow the maximum number of young people to benefit from it. Until now, no such facilities existed in the area.

This new youth centre will provide a safe, wholesome

environment for the local youth, thereby substantially improving the quality of life for the entire population. The centre will facilitate activities for young people between the ages of 7-18. All staff will be professionally-trained in education and social work.

Eshkol – Shuva Park and Playground

Shuva is a village in the Eshkol region, originally established in the 1950s by immigrants from Libya and Tunisia. Until relatively recently, Shuva saw very little in the way of development or growth, in the last few years, however, the community has seen an influx of new, primarily young families. This welcome boost to the community also poses a number of challenges typically associated with a rapid demographic shift of this kind.

In 2011, The JNF committed £25,000 to build a brand new park and playground in Shuva. In this way, the community will be able to accommodate its new residents, as well as attracting further growth in the future.

Eshkol – Avshalom Park and Playground

Avshalom is another small community, bordering Egypt and the Gaza Strip, which is undergoing a process of regeneration after years of relative stagnation. Originally founded in 1979, Avshalom expanded during the 1990s, as the settlement absorbed some of the wave of immigration from the Soviet Union. The community is now comprised of 60 families, and is continuing to work to attract new residents, with the aim of establishing itself as a fully-fledged settlement.

To accommodate Avshalom's future expansion and population growth, The JNF has committed to build a park and playground for the local community, at a cost of £42,000. The park will encourage new, young families and function as a welcome communal gathering space.

Gvahim

Enabling independent businessmen and women to actualise their potential and to maximise their contribution to the region's economic growth is a crucial part of ensuring the sustainable development of the Negev. Towards this end, The JNF and Gvahim are working together to assist new immigrants from all over the world to realise their professional aspirations in Israel, and to provide them with a strong social anchor for their transition into Israeli society.

Gvahim was originally founded in 2006 by the Rashi Foundation and a group of independent Israeli businessmen, and has since developed into an independent, not-for-profit organisation. Its activities and services include: training and workshops aimed at maximising the employability of new immigrants, providing important networking opportunities, and offering customised individual support – from human resources consultants to volunteer mentors.

In 2011, The JNF sponsored 35 new immigrants to participate in Gvahim's unique 'Career Development Program,' which includes training activities and other workshops. The JNF also sponsored an event with a

prominent Israeli figure, aimed at mobilising the Israeli business community and encouraging Israeli companies to hire highly-qualified *olim*.

Beit Uri

Beit Uri is a residential home for mentally and physically disabled teenagers and adults, founded in 1969. Over the course of several years, The JNF has successfully completed many projects aimed at developing the home and improving its ability to continue to provide outstanding care. Beit Uri residents suffer from one or more of a wide range of mental and physical disabilities, including blindness, autism, epilepsy, Down's syndrome, cerebral palsy and behavioural disorders.

Integral to the ethos of Beit Uri is a firm belief that its residents can take an active role in integrating and contributing to their local community, as well as to Israeli society at large. By engaging in vocational activities and participating as much as possible within the wider workforce, residents are instilled with a sense of dignity and confidence that is crucial to their rehabilitation. The JNF UK Golf Committees have adopted Beit Uri as the recipient of their fundraising efforts. In 2011, The JNF transferred £47,000 to Beit Uri.

Jerusalem Botanical Gardens (JBG)

The Jerusalem Botanical Gardens are an important centre of botanical research and conservation in Israel. In 2011, The JNF maintained its relationship with JBG by continuing to provide office

space for British Friends of JBG

British Friends of JBG raise funds to provide scholarships for horticultural graduates to work in the Gardens for a minimum of 6 months. So far, more than 100 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, and many of them are grown in the garden for conservation and educational purposes

Arad Performing Arts Centre

As the fiftieth anniversary of the Municipality of Arad approaches, local authorities are embarking upon a major regeneration of the city centre. Arad city centre was once a bustling, popular social hub for residents of all ages and backgrounds. In recent years, however, a lack of investment has seen it fall into a state of disrepair. The JNF is playing an active role in this exciting, extensive and ambitious regeneration project, in 2011 we committed to renovate the old cinema, which will be transformed into a modern theatre and cultural centre

The importance of such facilities is not only a cultural one: a popular, well-equipped entertainment venue will reinvigorate the local economy and provide a healthy, safe, social environment for all residents. With The JNF's support, the new Performing Arts Centre will be brought into the twenty first century, and the expanded capacity and vastly

improved facilities will allow it to host many popular events – from exhibitions and city ceremonies, to theatre, ballet, children's plays as well as the Arad Music Festival.

In 2011, The JNF committed £337,000 towards the renovation of the cinema, as part of the larger regeneration of Arad city centre.

Tel Sheva Campus for Special Education and Rehabilitation

In Tel Sheva, a Bedouin town of 13,000 on the outskirts of Beersheva, The JNF is involved in a humanitarian effort to improve the lives of thousands of disabled children, whose families simply would not have the resources to care for them otherwise. There are around 4,000 children within the Bedouin community who suffer from any one or more of a range of severe developmental disabilities – yet less than a third of these children are currently benefitting from formal special-needs schooling.

The Special Education and Rehabilitation Campus is the first of 12 state-of-the-art projects planned to help Israel's special needs children. That Tel Sheva has been chosen as the first site acknowledges the urgent need of the local Bedouin population, and will help to bolster the residents' sense of belonging and citizenship in Israel. Furthermore, the Campus will provide a number of valuable employment opportunities to a community which has long suffered from chronic unemployment.

The Campus will provide a wide range of programmes based on integrated, family-centred and culturally-sensitive approaches to Bedouin children with a variety of disabilities. Activities will combine education and rehabilitation in a positive environment that, as far as possible, liberates the children from their disabilities, including outdoor, interactive lessons and therapy sessions

The JNF contributed £85,000 to the Centre in 2011

Green Hura

Hura is another Bedouin town near Beersheva, with a population of approximately 12,000. Hura is a product of a 1960s project by the Israeli government, aimed at providing permanent settlements for the previously nomadic Bedouin community. In many ways, Hura resembles the many Jewish development towns in the Negev, established at a similar time, in which The JNF has been intimately involved in projects to drastically improve the quality of life

Since 1996, there has been a concerted effort to improve the living standards of the citizens living in Hura, including basic living conditions, education and social services. In 2011, The JNF joined these ongoing efforts, developing basic amenities such as landscaping and irrigation to help improve the local environment. Among the most important such contributions is a wind break of trees which will be planted on the western side of the town, which will protect against the harsh desert winds and sandstorms, as well as providing welcome

shade and a pleasant backdrop for the town's residents

Local children and other residents will be encouraged to take part in the landscaping projects, which it is hoped will further build both the community spirit, as well as a sense of civic and communal belonging and responsibility for the people of Hura.

Improving the local environment will also have a positive impact on the local economy, by encouraging more business investment in Hura. The JNF also hopes that through these changes, Hura will provide a leading example of a green and ecological Bedouin community.

In 2011, The JNF's commitment to the regeneration of Hura was £51,000

British Social Clubs for Holocaust Survivors in Israel

In Israel today there are approximately 220,000

Holocaust survivors, many of whom are among the few, or perhaps the only survivors from their families and former communities. Although the Israeli Government and the Claims Conference rightly provide the essentials for these vulnerable and often traumatised individuals, perhaps the single greatest hardship they face is loneliness. Many of these elderly men and women have little or nothing in the way of family or friends, and many more are simply stuck at home for lack of transport. Even for those who are able to travel, there is often nowhere for them to go to spend time with people with whom they can relate.

For several years, The JNF has sponsored the Holocaust Survivors' Club in the Eshkol Region, one of a growing network of inspirational and invaluable facilities throughout Israel. This incredible venture was initiated by none other than the British Ambassador to Israel, Matthew Gould.

The Club provides speakers, outings, games and other activities for the many Holocaust survivors in the area, who have the added pressure of living in communities suffering from continual rocket-fire from the Gaza Strip. However, as many residents will personally attest to, the most valuable aspect of the Club is that it provides these remarkable individuals with a unique space of their own, where they are free to spend time with people who understand and can relate to their own experiences.

The JNF firmly believes that support for the most vulnerable in society is one of the most crucial aspects of our commitment to developing the Negev Region as a whole. In 2011, The JNF contributed £50,000 to the British Social Club for Holocaust Survivors in the Eshkol Region.

OUR FUNDRAISING ACTIVITIES

The JNF continues to raise funds to support its charitable work in Israel through appeals, events, major donations and legacies. The JNF Charitable Trust's primary income streams come from our direct fundraising, KKL Charity Accounts and legacy income.

The 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 The JNF runs *Green Sunday*, and during autumn at Rosh HaShana (Jewish New Year).

In 2011, **Green Sunday** was held on 16th January. Dozens of volunteers were at The JNF's head office in NW London, helping staff in their telephone appeal to our donors, encouraging them to support our ongoing projects in Israel. The appeal was, as always, a great success, with over £100,000 raised.

The JNF's 2011 **Rosh HaShana** (Jewish New Year) appeal once again centred around our flourishing partnership with The Ayalim Association (see p 10). After

our successful work with Ayalim in the town of Yerucham, 2011's joint JNF-Ayalim project focused on development and raising living standards in the city of Ofakim.

The Rosh HaShana appeal also helped to support The JNF's ongoing development work in the communities of Sderot, Shuva and Avshalom.

For all these appeals, fundraising letters and emails 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 The JNF is currently involved in.

Involving donors in The JNF's **Missions to Israel** is another important way of encouraging them 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 showcase the wide variety of projects in which The JNF is involved. Two missions to Israel took place in 2011, including another highly successful **Senior Legacy Mission**, organised by KKL Wills and Estates.

To help encourage the continued growth in our support-base, a number of small-to-medium size functions were hosted – by selective invitation only – by a member of the JNF leadership during 2011. Usually, these events include an in-depth briefing from a guest politician (either from the UK or Israel) or a dignitary from the Jewish community.

An example of one such function took place in July, when a breakfast meeting was held at the home of HE Ron Prossor, the Israeli Ambassador, with Israeli journalist and parliamentarian Dr Nachman Shai, as well as the Ambassador himself.

The JNF's **exciting Walk for Water** is due to take place in early 2012. We look forward to yet another successful

event, which will raise money towards the development of Israel's water resources

The **JNF Blue Box** has a unique role in The JNF's long history, having found its way to hundreds of thousands of Jewish homes, schools, synagogues, public buildings and businesses around the world. The iconic Blue Box has made it possible for every Jew to become a partner in the Zionist dream, and to be personally involved in the development of the land of Israel.

The JNF has been endeavouring to raise the profile of the Blue Box in recent years by recruiting more voluntary Blue Box collectors and by targeting our regular collections in areas with a high concentration of Jewish homes.

During the year, Blue Box mornings were held at various synagogues across the UK. These morning sessions are held both in order to encourage new donors to take boxes and register them for future collections, as well as 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.

The JNF also continues to provide opportunities for donors to sponsor the **planting of trees**, in line with our objective of greening the land of Israel.

Apart from the obvious benefits which The JNF's continued campaign of afforestation affords to Israel's natural environment, planting

trees in Israel remains a popular way of marking important lifecycle events such as weddings, anniversaries, birthdays and bar/bat mitzvahs. Donors are also able to receive a **certificate** to commemorate their donation.

The JNF's online ordering and payment facilities has helped to streamline the process and ensure a more flexible and convenient process for donors.

The JNF also has 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.

JNF Golf has raised thousands of pounds, which have provided – among other things – new workshops, kitchens, a laundry room, dining rooms, therapy rooms, a petting zoo, an outdoor sports area and indoor recreational hall for over 80 residents, thus making their home a more pleasant and stimulating 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 2011, the Club continued to raise money for the amazing work of Aleh Negev, a specialist home for severely disabled children and young adults.

Members of The New North London Synagogue continued their special relationship with the families of Kibbutz Neot Semedar in the southern Negev, where The JNF has planted new orchards and set up advanced irrigation systems to assist with the growing of crops. It is hoped that 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 The JNF and its projects for many years to come.

Events in 2011 included our annual Purim Party, which attracted more than 1,200 people, and a highly-successful 'Baby Fair', which offered products, clothing, children's cookery, beauty treatments and much more for young parents and their infants.

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.

2011 also saw another series of **high-profile speakers** from Israel, who addressed JNF supporters and donors on a wide range of topics.

Our first such event was held in January, when **Israeli Foreign Minister Avigdor Lieberman** briefed an audience of more than 100 people on key Israeli foreign policy issues. The talk was preceded by a reception and followed by an interactive Q&A session

In September, The JNF held a highly-successful **exclusive evening with Ronnie Bar-On** – a former Finance Minister and current Member of Knesset (Parliament) in Israel.

The audience of 70 people attended a reception, followed by a talk by Mr Bar-On on the topic of 'Israel's stable economy during the global financial crisis.' The talk was followed by a short Q&A session

The following November, saw another successful **JNF annual dinner** in Central London, in the presence of the Israeli Ambassador. This

year's guest speaker was Member of Israeli Knesset (Parliament) Dr. Nachman Shai. This highly successful dinner was attended by 250 guests.

Income is also derived from **KKL Charity Accounts**; a specialist charity voucher company administering over three thousand individual accounts on behalf of donors. Gift Aid tax is applied to donor accounts when applicable, and donations are made to UK registered charities on the instruction of the account holder. We also accept gifts of shares and land, which are very tax efficient for the donor, as they are exempt from capital gains tax and income tax in some circumstances. The proceeds of sale are added to the donor's charity account.

KKL Charity Accounts is also 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 The JNF's activities, and is operated through its subsidiary company **KKL Executor & Trustee Company (KKL E&T)**

KKL E&T offers a range of legal service to those wishing to support the charity's work via a legacy, free of charge. Services include will-writing, estate planning and executorships, among others. Through the provision of these services – and particularly through the unique provision of pastoral support and the donor relationship programme developed specifically for legacy-givers – KKL E&T has cultivated a positive ongoing relationship with many of its donors. The Legacy Team 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 The JNF

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 11th 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 E. Gorji, Mr G. Mond and Mrs M. Rothem 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, Marketing Director, Head of KKL Charity Accounts, Operations and Projects Manager and the Head 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 the Chairman 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 The 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

The 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, The 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 31 December 2011 are shown in the attached Financial Statements. Unrestricted Fund balances carried forward at year end show a decrease however they are at a level 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 2011 was £9,962,000, compared to £12,157,000 for the previous year, a reduction of 18%. Investment income for 2011 was £74,000 reflecting the interest rates available.

Fundraising activity during 2011 was challenging given the general economic environment. In 2012 the charity intends to continue 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 community's 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 December 2011 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 19.

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

25 SEPTEMBER 2017

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 charitable 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 charitable company and the charitable company's members as a body for our audit work, for this report or for opinions we have formed

Respective responsibilities of trustees' and auditors

As explained more fully in the statement of trustees' responsibilities set out on page 22, the trustees' 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2011 and of its incoming resources and application of resources, including its income and expenditure, 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 Trustees' Annual 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Randall

**Paul Randall
(Senior Statutory Auditor)**

for and on behalf of Royce Peeling Green Limited

Chartered Accountants

Statutory Auditor

26 September 2012
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 2011

	NOTE	Restricted Funds £'000	Unrestricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Income					
Donations		470	1,051	1,521	2,581
Legacies		56	776	832	2,487
Investment Income			74	74	67
		526	1,901	2,427	5,135
KKL Charity Accounts		7,263	272	7,535	7,022
Income from Donors					
Total Income		7,789	2,173	9,962	12,157
Fundraising Costs of Donations and Legacies			606	606	1,033
Charitable Activities					
Remittances to Israel	2	406	1,875	2,281	3,817
Remittances to UK Charities	3	7,057	200	7,257	7,289
Educational Projects			12	12	65
Legal Expenses			83	83	345
Governance Costs	4		92	92	76
Other Resources expended	5		-	-	(500)
Total Resources Expended	6,7	7,463	2,868	10,331	12,337
Net Incoming /(Outgoing) Resources		326	(695)	(369)	(180)
Impairment Loss on Assets for Charity's own use			(200)	(200)	-
Net Movement In Funds		326	(895)	(569)	(180)
Fund Balances Brought Forward		5,376	4,126	9,502	9,682
Fund Balances at Year End		5,702	3,231	8,933	9,502

The notes on pages 26 to 36 form an integral part of these accounts

CONSOLIDATED AND CHARITY BALANCE SHEETS AS AT 31 DECEMBER 2011

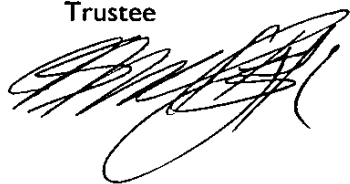
(COMPANY NUMBER 355248)

(CHARITY NUMBER 225910)

	NOTE	2011 GROUP £'000	2010 GROUP £'000	2011 CHARITY £'000	2010 CHARITY £'000
Fixed Assets					
Tangible Assets	9	1,263	1,505	1,258	1,501
Investments	10	887	887	976	976
		2,150	2,392	2,234	2,477
Current Assets					
Debtors amounts due in less than one year	11	3,010	2,529	2,938	2,839
Debtors: amounts due greater than one year	11	395	475	395	475
Investments	12	250	253	250	250
Cash at Bank and in Hand		6,179	6,761	1,907	2,092
		9,834	10,018	5,490	5,656
Creditors less than One Year	13	(2,992)	(2,792)	(3,337)	(2,795)
Net Current Assets		6,842	7,226	2,153	2,861
Total Assets Less Current Liabilities		8,992	9,618	4,387	5,338
Creditors more than One Year	14	(59)	(116)	(59)	(117)
		8,933	9,502	4,328	5,221
Represented By					
Unrestricted Funds		3,231	4,126	3,167	4,170
Restricted Funds	15,16	5,702	5,376	1,161	1,051
		8,933	9,502	4,328	5,221

Approved and authorised for issue by the Trustees on the 25th of September 2012 and signed on their behalf by

Samuel Hayek
Trustee



Trustee



The notes on pages 26 to 36 form an integral part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOW FOR YEAR ENDED 31ST DECEMBER 2011

	NOTE	2011 GROUP £'000	2010 GROUP £'000
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(600)	658
Return on Investments and servicing of Finance			
- Investment Income		74	67
Capital Expenditure and Financial Investment			
- Purchase of Shorter Term Investments		-	(250)
- Disposal of Shorter Term Investments		3	304
- Disposal of Property		-	57
- Purchase of Longer Term Investment		-	(502)
- (Acquisition) of Tangible Assets		(3)	(35)
Financing			
- Decrease in Debt		(57)	(56)
NET CASH (OUTFLOW)/INFLOW FOR YEAR	18	(583)	243
RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES			
Statement of financial activities			
- Net Movement in Funds		(569)	(180)
Investment Income		(74)	(67)
Depreciation		44	53
Impairment Charge		200	-
Increase in Creditors		200	1,524
Increase in Debtors		(401)	(672)
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(600)	658
Cash at Bank and in hand at the end of the year		6,179	6,760
Cash at Bank and in hand at the beginning of the year		(6,760)	(6,517)
CHANGE IN CASH BALANCES FOR THE YEAR		(581)	243
Cash outflow from the decrease in debt	18	58	56
Change in Net funds resulting from cash flows		(523)	299
Net Funds as at 1st January		6,585	6,286
Net Funds as at 31st December	18	6,062	6,585

JNF CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2011

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 £2,568,000 and expenditure of £3,461,000 and net outgoing resources of £893,000 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 regions is accounted for on receipt and banking at head office or on earlier banking in the regions 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. REMITTANCES TO ISRAEL

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

	2011 £'000	2010 £'000
DONATIONS TO INSTITUTIONS		
Disabled / Health		
Aleh	6	237
Beit Uri	47	44
	53	281
Education		
Ayalim	82	58
	82	58
Environmental		
SPNI	-	47
Lord Sacks Forest	-	165
Habbanim Park	102	-
Shuva	25	-
Tel Sheva Playground	85	-
Chiran Forest	35	-
Avshalom Park	42	-
	289	212
Infrastructure		
Arad	337	107
Dimona	355	-
Halutzit	-	1,097
Beerot Yitzchak	64	-
OR	-	242
Hura Village Infrastructure	51	-
Sderot	-	402
HaShomer Hachadash	84	-
Eshkol Youth Centre	24	-
	915	1,848
Social Projects / Relief of Poverty		
Ichlu Reim	-	60
Leket	-	30
Koret	-	75
Holocaust Centre	50	-
Kisharit	124	-
	174	165
Donation to Charities less than £25,000	85	149
Release of project cost commitments not required	(78)	-
Total donations to Institutions	1,520	2,713
DONATIONS TO INDIVIDUALS		
Environmental - JBG Scholarships	17	18
Support Costs	744	1,086
	2,281	3,817

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 charities own grant making policies.

4. GOVERNANCE

Governance costs includes those costs that are incurred in compliance with constitutional, legal and statutory requirements related to the general running of the Charity.

5. OTHER RESOURCES EXPENDED

This amount relates to the settlement negotiated between JNF and KKL wherein it was agreed that a total of £5,000,000 is receivable by the JNF over 10 years at £500,000 per annum. In 2010 this was included as a reduction against costs. The Board now believe it is more appropriate to treat this amount as income and it has been treated as such in 2011.

6. TOTAL RESOURCES EXPENDED

The resources expended figures are stated after charging.

	2011 £'000	2010 £'000
Depreciation	45	53
Impairment charge	200	-
Payment to auditors for audit services	11	8
Payment to auditors for non audit services	3	-

7. SUPPORT COSTS

	Fundraising & Publicity	Remittances to Israel	Remittances to UK Charities	Governance Costs	Total 2011	Total 2010
	£'000	£'000	£'000	£'000	£'000	£'000
Payroll Costs	75	280	75	20	450	884
General Overheads	125	464	125	60	774	831
	200	744	200	80	1,224	1,715

8. STAFF COSTS AND TRUSTEE REMUNERATION

Trustees are not remunerated. No reimbursements were made to Trustees in 2011 for expenses (2010 £nil)

	2011 £'000	2010 £'000
Staff Costs		
Wages & Salaries	756	1,199
Social Security	80	113
Pension Costs	42	47
	878	1,359

Number of Employees

The average number of employees during the year was

Fundraising	4	9
Bequest Department	3	6
Charity Accounts	2	3
Education	-	5
Administration	6	10
	15	33

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	1	2
£80,000 - £90,000	1	-
£90,000 - £100,000	1	-
£100,000 - £110,000	-	1
£110,000 - £120,000	-	1

Contributions were made to defined contribution scheme for two higher paid employee and contributions amounted to £9,431 (2010 -£10,532). The total is disclosed above

9. FIXED ASSETS

	Freehold Property £'000	Furniture, Computer & Equipment £'000	Motor Vehicles £'000	Total £'000
GROUP				
Costs				
At 1 st January 2011	1,554	367	49	1,970
Additions		3		3
At 31 st December 2011	1,554	370	49	1,973
Depreciation				
At 1 st January 2011	124	297	44	465
Charge for Year	29	15	1	45
Impairment charge	200			200
At 31 st December 2011	353	312	45	710
Net Book Values				
At 31 st December 2010	1,430	70	5	1,523
At 31st December 2011	1,201	58	4	1,263
CHARITY				
Costs				
At 1 st January 2011	1,554	272	49	1,875
Additions		2		2
At 31 st December 2011	1,554	274	49	1,877
Depreciation				
At 1 st January 2011	124	206	44	374
Change for Year	29	15	1	45
Impairment charge	200			200
At 31 st December 2011	353	221	45	619
Net Book Values				
At 31 st December 2010	1,430	66	5	1,501
At 31st December 2011	1,201	53	4	1,258

The freehold property is the Charity's Head Office based in Edgware, Middlesex. The property was valued in 2012 by local estate agents

10. LONGER TERM INVESTMENTS

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Property Investments	397	397	397	397
Investment in Subsidiary Undertakings (Note 17)	-	-	89	89
Quoted Investments	490	490	490	490
	887	887	976	976

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

11. DEBTORS

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Donations and Legacies Receivable	1,342	1,328	1,342	1,328
Prepayments and Accrued Income	563	676	491	561
Keren Kayemeth Lelsrael (see note 5)	1,500	1,000	1,500	1,000
Amount due from Group Undertakings	-	-	-	425
	3,405	3,004	3,333	3,314

Prepayments and accrued income includes an amount greater than 1 year of £395,000 (2010 £475,000)

12. SHORTER TERM INVESTMENTS

	Group 2011 £'000	Group 2010 £'000	Charity 2011 £'000	Charity 2010 £'000
Unquoted Securities	1	1	1	1
Listed Investments	-	3	-	-
State of Israel Bonds	249	249	249	249
	250	253	250	250

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

	2011 £'000	2010 £'000
Beginning of year	3	299
Additions	-	3
Disposals	(3)	(299)
End of year at market value	-	3

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

HSBC Shares	-	3
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13. CREDITORS LESS THAN ONE YEAR

	Group 2011 £'000	<i>Group 2010</i> <i>£'000</i>	Charity 2011 £'000	<i>Charity 2010</i> <i>£'000</i>
Trade Creditors	264	234	223	222
Amounts due to Group Undertakings	-	-	386	-
Loan Payable within One Year	58	58	58	58
Taxation and Social Security	-	27	-	26
Accruals and Deferred Income	2,670	2,473	2,670	2,489
	2,992	2,792	3,337	2,795

14. CREDITORS MORE THAN ONE YEAR

	Group 2011 £'000	<i>Group 2010</i> <i>£'000</i>	Charity 2011 £'000	<i>Charity 2010</i> <i>£'000</i>
Secured Loan	59	116	59	117
The amount fall due as follows				
1-2 years	59	58	59	58
2-5 years	-	58	-	59

The loan is secured on the head office property The loan is repayable over 4 years at base rate plus 2.25%

15. RESTRICTED FUNDS

	Brought Forward 1 st January 2011	Incoming resources	Resources expended	Transfer between funds	Carried Forward 31 st December 2011
	£'000	£'000	£'000	£'000	£'000
KKL Charity Accounts	4,335	7,263	(7,057)		4,541
Yerucham	16	2	-		18
Environmental	24	120	(1)		143
Jerusalem Botanical Gardens	69	46	(44)		71
Reservoirs	535	-	-		535
Halutzit	-	30	(30)		-
Sderot	-	9	(9)		-
Or	186	3	(3)		186
Ofakim (Habbanim/Ayalim)	-	125	(83)		42
Holocaust Centre	-	32	(32)		-
Other	211	159	(204)		166
	5,376	7,789	(7,463)		5,702

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2011 £'000	Total 2010 £'000
Fixed Assets	2,150		2,150	2,392
Current Assets	4,132	5,702	9,834	10,018
Current Liabilities	(2,992)		(2,992)	(2,792)
Long Term Liabilities	(59)		(59)	(116)
Net Assets	3,231	5,702	8,933	9,502

17. 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

	2011 £'000	2010 £'000
Total Income	485	1
Total Expenditure	(473)	(28)
Net Results	<u>12</u>	<u>(27)</u>

The aggregate of the assets, liabilities and funds were:

	2011 £'000	2010 £'000
Assets	68	29
Liabilities	(27)	-
Funds	<u>41</u>	<u>29</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

18. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 st January 2011 £'000	Cash Flows £'000	At 31 st December 2011 £'000
Cash at Bank in hand	6,760	(581)	6,179
Debt Due within One Year	(58)	-	(58)
Debt Due after One Year	(117)	58	(59)
	<u>(175)</u>	<u>58</u>	<u>(117)</u>
Net funds	<u>6,585</u>	<u>(523)</u>	<u>6,062</u>

19. 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

	Restricted Funds £'000	Unrestricted Funds £'000	Totals 2011 £'000	<i>Totals 2010 £'000</i>
Total Income	7,261	310	7,571	7,643
Total Expenses	(6,949)	(309)	(7,258)	(8,071)
Net Results	312	1	313	(428)

The aggregate of the assets, liabilities and funds were:

	2011 £'000	2010 £'000
Assets	4,666	4,761
Liabilities	(14)	(422)
Funds	4,652	4,339
Unrestricted Funds	5	4
Restricted Funds	4,647	4,335
	4,652	4,339

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

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	S Hayek - Chairman Dr M. Sinclair - Vice Chairman Dr S Cats (died 29 February 2012) E. Gorji G Greene (Resigned 3 August 2011) A Julius (Resigned 15 February 2011) M. Lee G Mond (Appointed 22 July 2011) B Perl MBE M. Rothem (Appointed 3 March 2011) M. Waisman
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