

ANNUAL REPORT and ACCOUNTS 2017

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“Achieving the Zionist dream in 1948
was not the end of our philanthropy,
it was just the beginning”

Samuel Hayek
Chairman of JNF UK

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Chairman's Review

Samuel Hayek, JNF UK Chairman

Upon the advent of Israel's 70th anniversary, JNF UK can proudly state that we have supported the Jewish homeland for over 115 years. Achieving the Zionist dream in 1948 was not the end of our mission; it was just the beginning.

2017 was a year of constant activity and robust fundraising and I am pleased to announce that JNF UK remains in sound financial health, as these Annual Financial Statements attest.

For the past two decades, JNF UK has focused on developing the Negev – a region that accounts for 60% of Israel's landmass yet is home to only 10% of the population.

2017 saw JNF UK applying a holistic approach to assist several Negev towns in their long-term growth and development. By working on a town-by-town basis, we ensure that every project contributes to a larger plan to improve and enhance every aspect of life for all the citizens.

A successful example of our holistic approach can be seen in the developing town of Kiryat Malachi, where JNF UK's efforts have touched countless lives. We continued to focus on modernising the city's early education infrastructure by finishing renovation work on many kindergartens. By the end of 2019 JNF UK will have renovated and upgraded all 43 kindergartens in the city. We completed construction work on a brand new Young Adult Centre which aims to promote social mobility by giving young people the necessary tools they need to succeed in life. A newly created park and playground has been built to give people in poorer neighbourhoods much needed green spaces. We are committed to reversing the negative image the town has by redesigning the entrances to the city and planting urban forests. All these initiatives will combine to change both the perception and reality of life in Kiryat Malachi, and encourage the realisation that it is a promising town with solid educational opportunities and a bright future.

Further highlights of the past year include finishing work on a £2 million business hub in the Negev town of Mitzpe Ramon – an initiative that brings opportunity to this underdeveloped region and stems the brain-drain of bright young students leaving the Negev for the more prosperous centre. In the city of Arad, the Joy Bickler Youth Centre became fully operational. The Centre provides Arad's young people with meaningful extra-curricular activities and is inclusive of youth with learning disabilities and those who are considered at-risk. This is another JNF UK venture in the Negev that will reinvigorate the region by encouraging social mobility and levelling the playing field for the Negev's youth.

As I enter my tenth year as Chairman of JNF UK, I look back on a decade of inspiration. My passion has been fuelled as much by the tiny victories as the grand successes. Indeed the success of JNF UK can be equally demonstrated in breaking ground on a new construction project or seeing a smile on a face that had previously been filled with doubt and fear.

I am privileged to have been joined on this ten-year journey by numerous generous donors, volunteers and innovative Israeli grassroots organisations. With their support we are able to maintain our commitment to developing Israel. I am honoured to have met many people whose lives JNF UK have improved over the years and I feel a sense of pride in what we have accomplished. There is still much work to be done and I am confident that JNF UK will continue to go from strength to strength.



Samuel Hayek
Chairman

Who We Are

History and Heritage

"If you will it, it is no dream..." – Theodore Herzl, 1902, Altneuland

The Jewish National Fund/Keren Kayemet LeYisrael (JNF/KKL) was founded at the fifth Zionist Congress in Basel, Switzerland, in 1901. JNF/KKL was a passion-project of Theodore Herzl, who had borne witness to the horrors of European anti-Semitism first-hand. Herzl's experience of oppression led him to propose the establishment of an organisation which aimed to purchase land for an independent Jewish state in Eretz Yisrael. JNF/KKL was founded on Zionist principles and has spent the last century living up to these ideals.

Various Jewish National Funds sprung up all across the world over the following decades. In 1939, JNF Charitable Trust was registered as a charity in England and Wales. We are also known as JNF UK and operate under this name for day-to-day operations.

One of the most enduring symbols of JNF UK's dedication to supporting Israel's growth and development is our highly regarded Blue Box. This small metal tin has sat on Jewish mantelpieces across the world for over a century and has enabled every member of the diaspora to contribute towards the building of a Jewish homeland.

In the years following our inception, JNF was chiefly committed to laying the foundation stones for a functioning state. We purchased land, we drained swamps, we boosted infrastructure and – perhaps most famously of all – we planted trees. Over 250 million trees have been planted by us on Israeli soil over the past century – that is 29 trees per person currently living in Israel. Alongside this, we have also built over 210 reservoirs, created over 100 parks and developed over 250,000 acres of land.

As the world's oldest and largest charity dedicated to developing the land of Israel, JNF has made considerable environmental contributions. Now, our focus is shifting more towards the social and economic issues facing the people now living on the land we have beautified and made habitable.

JNF UK Today

JNF UK's dedication to the future of Israel is an on-going commitment. We started with planting trees, raising money and purchasing land to nurture and develop. Over the past century we have progressed into an organisation that maintains and supports communities we helped establish whilst continuing to build new communities.

Compared to Israel's relatively well developed centre, the country's peripheries are considerably less prosperous. The Negev region in Israel's south is where much of our recent focus has been. This vast desert region comprises 60% of Israel's total landmass, yet is home to barely 10% of Israel's population.

The Negev plays an integral role in the continuing story of Israel's success and we actively support the vision of a thriving and flourishing desert. The land may be inhospitable, but the people and the communities most certainly are not. By partnering with local mayors, municipalities, and a plethora of grassroots organisations, JNF UK has been able to touch the lives of countless residents. We have nurtured communities in the Negev through special projects that bring people together, foster the inspirational pioneering spirit of modern Zionists and support all those who dare to dream – or, as Herzl would have it, those who dare to *will*.

Having successfully aided and supported the people of the Negev through a decade of intensive focus, we are now taking the lessons we learned in the South and are applying them to communities in Israel's northernmost region, the Galilee.

Our operations span four separate but related organisations. JNF UK continues to support Israel's development through direct fundraising activities, including appeals and events, as well as our beloved Blue Box. KKL Charity Accounts, operating under the trading name SmartGiving, provides a charity accounts, fundraising platform and payroll giving service. KKL Executor & Trustee Company Limited operates a will writing and executorship service and JNF UK's legacy administration. JNF UK Israel Ltd is the executive branch in Israel responsible for identifying, executing and overseeing projects in Israel to the best and highest standards.

Our Vision

"I once called Zionism a never-ending ideal. And I truly believe that Zionism will not cease to be an ideal, even after we have attained our land, the Land of Israel" -Theodore Herzl

Herzl's vision was not simply one of Israel as an independent state that would be a safe home for Jews to escape anti-Semitism. His vision was of a thriving, utopian society that stood as an example to the whole world of the potential of unbridled human flourishing.

Over the 70 years of its existence Israel still faces many challenges. At JNF UK we understand that philanthropy is key to fully achieving Herzl's grand vision of securing a future for Israel and creating an exemplary society.

Our Mission

Project Negev

In our early years, JNF's focus was spread throughout the State of Israel. Latterly, our focus shifted to the Negev. This harsh, barren desert has been sparsely populated since the days of King David, yet the desolate landscape isn't enough to quell the pioneering spirit of Zionism.

Israel's first Prime Minister, David Ben-Gurion, famously stated that "it is in the Negev that the creativity and pioneering vigour of Israel shall be tested." Today, JNF UK is meeting that challenge – realising the Zionist dream in the desert sands.

Throughout the 20th century, scores of Israeli citizens settled in the Negev, determined to eke out an existence in this forbidding landscape. Today, many of the Negev's residents are comprised of people from low socio-economic backgrounds, new olim, and people who rely on social welfare services. Compared to Israel's thriving central area, the Negev has remained an impoverished region that lacks basic infrastructure and community cohesion. The Negev has also received considerably less charitable support than other regions of Israel.

In the Negev, JNF UK saw an opportunity to make a truly impactful difference. David Ben-Gurion believed that Israel's future would be at risk if the majority of its population continued to live in the narrow strip of land between Gedera and Hadera. JNF UK acknowledge this wisdom and understanding, which is why we are doing our best to promote the Negev as an attractive area for families to live in by improving educational and employment opportunities as well as bolstering infrastructure.

Currently, JNF UK is building new communities, developing existing ones and nurturing and sustaining the vulnerable front-line towns of southern Israel. We are building schools, parks, playgrounds and community and medical centres. We are planting mature trees and supporting local agriculture to help make the desert more fertile. JNF UK is working with a new generation of pioneers, young Israeli volunteers who are leaving behind comfortable lives elsewhere in the country to develop the Negev. We are forming dynamic partnerships with local NGOs and the Israeli government, whose aim is to achieve a significant increase in the Negev's population over the next decade.

Project Galilee

Following JNF UK's many years of success in the Negev, we will be turning our sights to the challenges faced by communities living in the Galilee, the mountainous region of northern Israel. Just like in the southern periphery, there is a severe lack of infrastructure and fewer opportunities for those living in the North.

Our Strategy

Our strategy is to support projects that will not only improve the lives of those who already call the Negev and the Galilee home, but will create incentives for people to settle and stay in these areas. For this reason, our three main priorities are improving employment, education and healthcare.

Our strategy is based on four main principles:

- Holistic vision
- Investment fund policy in selecting projects
- Direct involvement in the planning, management and supervision of projects
- Impact investing

Holistic vision

JNF UK adopts a holistic approach to its strategy, developing the Negev town by town, in conjunction with local mayors and municipalities. By focusing on varied projects all within the same town, the progress we bring is more than the sum of its parts. An across-the-board effort in each town helps enhance life for different social groups, improving the overall quality of life for the entire town. For example, in Kiryat Malachi, where we are improving education by renovating all the kindergartens in the city and are now starting to renovate the schools, we are achieving our goal of increasing the standard of education and giving the same opportunities to the children in this peripheral town as the children in the centre of Israel have. We are investing in the town's young adults too by providing them with greater options when it comes to higher education, employment training, and social and cultural activities. We are supporting welfare projects including improving the quality of life and restoring the dignity of some of the poorest families by renovating their homes. We are also increasing the sense of pride the residents have for their town by renovating the entrance to the town, developing the promenade and building a park. By planting trees we are uplifting the environmental state of the town and bringing much needed beauty, shade and greenery.

Investment fund policy in selecting projects

In the business world, investment fund policies look to make the biggest impact for the smallest amount of money. By adopting these policies JNF UK is looking for projects that make the largest social and economic impact on the local community in the most efficient way. Every year we look at 250 to 300 applications from people and organisations who know better than anyone what the needs of their communities are. We choose the best projects out of these applications and support them from planning through to completion.

Direct involvement in the management and supervision of projects

JNF UK is involved in all stages of the project, ensuring it is running as efficiently and effectively as possible. We are proud of our 'added value' – the support we bring to projects in the form of financial and strategic advice, raw materials and teams of enthusiastic volunteers - that make each pound donated to JNF UK go further.

From architects and budgeting at the planning stages through to cutting the ribbon upon completion, JNF UK is there to offer professional advice and supervision to ensure the community gets the best possible results and that the funds entrusted to us by our donors are well spent.

Impact investing

As the modern world is changing, so too is the world of philanthropy. JNF UK is now looking at impact investing as a way to ensure we can continue doing our life-changing work well into the future.

At its core, JNF UK's impact investment strategy looks at projects that will not only generate social, economic and cultural benefits, but will also, in the future, generate income that JNF UK can reinvest in more projects. For example, employment opportunities in Mitzpe Ramon were rare outside of the field of tourism and education. That was until JNF UK initiated the Business Valley – a modern and attractive office space to attract companies to open branches in Mitzpe Ramon. Following its opening in 2018, it will create job opportunities for local residents in a variety of fields they would not otherwise have access to. JNF UK has already managed to attract a large advertising firm who will open a branch at the Business Valley that will provide 50- 120 jobs for local residents for the next 10 years. An ordinary business would never have undertaken such a project due to bureaucratic barriers and high risks.

At JNF UK we understand that infrastructure is more than just roads and power stations. If a new generation is to make its home in the Negev it must feel it is possible to build a fulfilling life in the desert. JNF UK is at the forefront of this mission.

We hope that with your help we will be able to adopt and support an increasing number of towns like these in the Negev and the Galilee.

Current Projects

JNF UK supports a wide array of different projects across the Negev. Without the support of our generous donors and volunteers, many of the projects we support would not be able to carry on, or would not even exist in the first place. The diversity of Israeli ingenuity, innovation and resourcefulness are reflected in the many inspiring projects we are proudly involved in.

Projects in the Negev

Yerucham

Yerucham was founded in 1951. Situated 30 minutes' drive south east of Be'er Sheva, this small development town has grown to have a population of 10,000 over the past half-century. The pioneering souls who have chosen Yerucham as a home have to contend with high levels of social deprivation and a lack of infrastructure that has caused the image of the town to suffer. This led to negative net immigration and high levels of poverty. However, in recent years, thanks to the impassioned leadership of Mayor Michael Biton, the town is experiencing major regeneration and a new lease of life.

Early Childhood Education

Yerucham is home to over 1,300 children from low-income families. Previously, the needs of these children were not being met due to a lack of early-education infrastructure in the town. JNF UK has proudly addressed this concern by funding the creation of the Early Childhood Centre and a Day Care Centre for children up to the age of nine. The Centre was named in honour of Anita and Ralph Harris who bequeathed a generous legacy to support our projects in Israel.

Early childhood development has long been considered utterly vital to every child's future prospects. These formative years should be a time of learning, stimulation and socialisation. To meet these requirements, we designed our Early Childhood centre to be a bright, inclusive space where children can feel comfortable and excited to learn. The Centre serves as a resource for the entire community that also serves as the organisational and administrative umbrella for programmes to identify, treat, enrich and educate children in other early childhood settings within the local authority. Having been completed in 2016, the Centre currently serves 240 children from Yerucham and the surrounding area. As part of our further efforts to improve early childhood education in the Negev and particularly in Yerucham, in 2017, JNF UK completed the renovation of six kindergartens that are attended by 192 children in 2017. JNF UK has committed to renovate a further six kindergartens and to equip another day-care centre in order to provide happy and inspiring environments for the children and infants of Yerucham and to attract more young families to move to the town.

Expansion and Renovation of Yerucham Musical Conservatory

Children in Yerucham are exposed to music at an early age thanks to a ground-breaking local policy which states that music should be an integral part of the primary school curriculum. 250-300 primary school children each year now receive music lessons in school. These lessons have been such a success that it has driven an increase in children requesting music lessons outside of the classroom. These extra-curricular music lessons take place at the Musical Conservatory, which had until recently been dilapidated and too small to meet current demand. Last year JNF UK successfully renovated the inside of the conservatory. In 2017 we started construction work to expand the building and increase its capacity, so that even more musical and cultural enrichment and education can take place there. The new wing of the conservatory is due to open in 2018.

Playgrounds

As part of our ongoing pledge to beautify the Negev, JNF UK has committed to renovating or establishing a total of seven public gardens in Yerucham's older neighbourhoods. Urban environments are made significantly more pleasant with the addition of serene, verdant expanses dotted throughout the neighbourhoods and high rises. As well as planting trees and flowers, we are also installing children's playgrounds to ensure the apartment-dwelling citizenry have access to outdoor spaces for exercise and socialising. This project will help the town pursue its vision of rejuvenation and assist in its mission to attract new families to the area. Four such gardens and playgrounds were completed in 2017, with a further three still under construction that are due to be completed in 2018.

Renovation of Communal Areas in Former Social Housing Buildings

Most of the low-income families in Yerucham live in former social housing buildings that have spent the past 60 years baking in the desert sun and being battered by the harsh nightly winds. Both the internal and external communal areas in these buildings are in serious need of renovation. It is hard to sit around and socialise with your neighbours in rubble strewn hallways and cracked concrete seating areas. JNF UK provided funding and volunteers to refurbish these areas, transforming them into attractive shared gardens and comfortable community spaces. Our teams of volunteers worked hand-in-hand with residents to completely overhaul the communal areas in a total of nine buildings in 2017.

Kiryat Malachi

Kiryat Malachi is a development town in the northern Negev with a population of 22,000. Due to its proximity to Israel's more developed centre the town has experienced a brain-drain, as talented residents leave for greater opportunities further north. The town has also grown in size by 40% due to a steady stream of new olim from Ethiopia and the former Soviet Union making aliyah during the 90s. The lingering effects of this population explosion are still felt today. Almost half of Kiryat Malachi's residents survive on social benefits, and the town's resources and infrastructure have never fully been up to the task of accommodating this many people. Through our holistic approach, JNF UK has selected a range of projects which encourage young people to stay in the town by increasing the number of employment and business opportunities and beautifying the environment.

Young Adult Centre

Construction of The Ottensooser Young Adult Centre, named after a JNF UK legacy donor, was completed at the beginning of 2018. This project will see the creation of a new, fully equipped 300 square metre building designed to serve young adults aged 18-30, who represent 30% of the city's population. The Centre's goal is to give the younger generation opportunities to develop in various fields. It will encourage increased higher education uptake, provide career guidance, give members of the military a range of tools to succeed in their future civilian lives and develop both local leadership opportunities and community involvement opportunities in various fields.

Development of the Entrances into the Town

Kiryat Malachi is situated in a prominent location next to one of the major highways in the Negev. Thousands of people drive past this run-down area on a daily basis. Upon viewing the dilapidated entrances to the town, many are left with the impression that Kiryat Malachi is extremely impoverished. We have therefore committed to the renovation of the two main entrances to the town and the adjoining promenade with a view to totally transforming the perception of the town and attracting new residents and businesses. This has been done in other towns with great success and is vital to the town's future survival.

Renovation of Kindergartens

JNF UK has joined the municipality in a strategic plan to thoroughly upgrade the infrastructure of the city's educational institutions, starting with the town's kindergartens. We have already finished work on renovating 13 kindergartens, with a further 14 currently under renovation.

A child's first steps into the world of education are key to ensuring their continued happiness and success in their school career. Clean, bright, happy facilities instil a joy of learning in young children, so that they mentally associate going to school with going somewhere pleasant. JNF UK has pledged that by 2019 the remaining kindergartens in Kiryat Malachi will be refurbished and brought up to modern standards, so the children that attend them are granted the same opportunities as children living in Israel's more prosperous centre.

Renovation of Eli Cohen Primary School

As part of our aim to ensure all the children in Kiryat Malachi have a good start in life, we have also committed to renovate and equip the Eli Cohen Primary School, which is one of the two secular primary schools in the town. The school serves 250 students aged six to 12 and an additional 60 kindergarten children.

The project will address the school's severe lack of infrastructure and equipment and also hopes to reinvigorate the aesthetic appearance of the school, and address the lack of a comprehensive health and safety plan, two things which have been mentioned by local parents as to why the school doesn't appeal to them. This large project will include general building repairs alongside renovating and equipping a sports hall, new learning rooms, a library, an arts and crafts workshop and a classroom for children with Autism Spectrum Disorder. We also plan to transform a shelter into a science laboratory and transform the outdoor areas providing shade and greenery.

Renovation of Amit High School

As well as working to improve kindergartens and the Eli Cohen Primary School, we have now also committed to upgrading the high school facilities in the city. Amit is the most run-down of the three major high schools in Kiryat Malachi and is in urgent need of improvement.

The school caters for 385 students in grades 7 to 12. Some of the buildings are extremely old and dilapidated without functioning air conditioning which can seriously impede learning in arid locations. We will be adding air conditioning, as well as plastering, decorating and improving large parts of the building such as the sports hall, classrooms, science laboratories and the bathrooms. We are also upgrading the high school's grounds including landscaping the outdoor space to create gardens and shaded areas.

Urban Forests

JNF was one of the first environmental charities on the planet. Over the past century, we have planted over a quarter of a billion trees in Israel, turning barren wastelands into thriving forests teeming with life. Recently however, our focus has turned away from tree planting in forests, as there is less of a need for new forests in Israel. We still maintain the forests we planted, and we still plant new trees in them. Although we might not be planning entire eco-systems nowadays, that doesn't mean we have given up on trees. Our modern focus is more on 'urban forests'. Trees planted in towns and cities across Israel, beautifying public pathways, parks, schools and public spaces, adding a revitalising dash of green to the urban palette and providing much needed shade in arid desert conditions. When looked at together, these many individual trees make up a life-giving forest that purifies the air in densely populated locales. Planting trees is especially difficult in the Negev, where the desert environment isn't always that welcoming to new life. JNF UK transports hundreds of older saplings to the area, which need to be carefully nurtured to grow into healthy, mature trees. Local authorities will commit to the upkeep of the trees so that the people living in these towns may enjoy the related health benefits for many years to come.

JNF UK plans to develop four urban forests at different locations, benefitting residents of all ages across Kiryat Malachi. Two of these projects will be in schools providing much needed shade and greenery for the children who currently have playgrounds unfit for purpose. The San Diego public garden will benefit mainly senior citizens living in the nearby four-story apartment buildings, while the Abuhatzera boardwalk project aims to plant trees to form a new bicycle route and boardwalk that circles the town.

Renovating the Club for the Hearing Impaired

The Deaf Club in Kiryat Malachi was established at the request of local deaf citizens and the city's People and Welfare department. The Club currently serves around 22 deaf people and functions as an important lifeline of communication for them to spend time together, support each other and engage in joint activities. In 2017 JNF UK completely renovated and equipped the Club and the outside area, providing a kitchen, computers, TV and facilities for outdoor activities. In doing this, we transformed the Club to make it a place that members can use on a daily basis, giving them a chance to thrive and feel part of a community.

Arad

Arad is a remote city located in the North-East Negev region, 45 minutes' drive east from Be'er Sheva. The city was established in the 1960s as a modern city with a population that skewed towards the higher end of socio-economic distribution. It now has a dwindling population of 24,000. As a result of neglect, the city never quite delivered on its promise of becoming a bustling desert metropolis. During the '90s, there was a large influx of olim from the former Soviet Union who were absorbed by the town. A lack of strong leadership together with the closure of several large factories in the area led to negative net migration. In addition, there has been a large influx of families dealing with high levels of poverty. The consequent effect has been to lower the town's overall socio-economic condition. Over the last few years, the socio-economic ranking of the city decreased from five to four out of ten. JNF UK's partnership with the town started with a few projects and has now developed into a wider ranging initiative which aims to transform the town by addressing its needs holistically.

Oron Theatre

Arad's only theatre, the Oron Theatre, has played host to a wide variety of different events over the years. From cinema screenings to school plays, from award ceremonies to cultural events, the theatre has catered to both young and old members of the community. However, the Theatre hasn't been fully renovated since it first opened. The stage is too small to house larger productions, the air-con system is outdated and ineffective and the building doesn't meet modern safety standards. JNF UK has committed to renovating the theatre, which will reinvigorate cultural life in the city, re-energising its population.

Youth Projects

Like many cities in the Negev, Arad faces a lack of facilities to accommodate teenagers and provide them with the focus they need to successfully transition to adulthood. JNF UK has always been dedicated to supporting leadership among Israeli youth. To tackle the marginalisation of teenagers, JNF UK has built the Joy Bickler Arad Youth Centre in the heart of the city. The late Joy Bickler was a staunch supporter of Israel, and generously provided the funds for the youth centre via the legacy she left to JNF UK. It was truly an honour for us to see the Youth Centre become fully operational in 2017, and achieve its aim of servicing 350 young people aged 11 to 18. The Centre also contains facilities to provide help and support to young people with learning difficulties or those considered to be at risk.

As well as providing an entertainment venue and giving young residents of Arad a convenient space to socialise, the new Centre features a guidance and training area, providing a home for the city's Youth Council and a venue for IDF Orientation classes.

In addition to the Joy Bickler Arad Youth Centre, we are also supporting the Bnei Akiva Youth Centre in Arad, which is located in one of the city's old neighbourhoods and buzzes with activity. More than 110 young people regularly attend weekend and weekday activities there.

JNF UK places a great deal of emphasis on after-school activities for young people, because the school day finishes early and children need something to occupy their time. Bnei Akiva offers a range of successful programmes to keep children stimulated, thus preventing them from engaging in anti-social behaviour.

As is common for infrastructure in the Negev, the facilities at the Bnei Akiva Youth Centre were shabby, rundown and unfit for purpose. There was no working air conditioning, the bomb shelter was dangerously unsafe and the toilets did not work. In 2017, JNF UK completed renovating the Centre, bringing the standards up to scratch and creating a positive environment for young people to thrive in.

Kindergarten Renovation

JNF UK has committed to renovating kindergartens across the Negev, including one in Arad. The work started in 2017 and is expected to be completed in mid-2018.

Ye'elim Ofarim School Renovation

Four hundred children attend a state primary school in Arad called Ye'elim Ofarim. Until recently there was nowhere for them to play. The school sports field, being very old and rundown, recently failed a safety inspection.

This closure was a devastating blow to the school, whose pupils are aged between four and 12. The sports field was the heartland of the school, used for football, basketball, and all other outdoor ceremonies associated with the beginning and end of the school year. JNF UK, built a new and modern sports field for the school that comfortably met recognised safety standards and provided students with some much needed shade and greenery.

Social Clubs for Veteran Olim

Over the past couple of decades, thousands of olim from the former Soviet Union have chosen Arad as their home. Most of these olim are now elderly and many of them are Second World War veterans and Holocaust survivors. They have a strong sense of community and depend mostly on each other for social connections. Sadly, many of them also suffer from loneliness. In response to their need for a social club, the Arad municipality allocated a building for this purpose but unfortunately, it is completely unfit for purpose and in desperate need of updating. JNF UK believes that it is important to help these senior citizens at this vulnerable stage in their lives and have pledged to transform the venue into a warm and welcoming place that the members will feel proud of. Renovation work – which includes fixing broken flooring, repairing electrical and water lines, plastering and painting – has started already and is due to be completed in 2018.

Mitzpe Ramon

Mitzpe Ramon was founded in 1956 in the Negev, around 80km outside Be'er Sheva. Surrounded by the spectacular scenery of the Ramon Crater, the town is typical of urban desert enclaves and currently has a diverse population of around 5,500. Mitzpe Ramon's primary employment sectors are the IDF, tourism and education. Due to its remote location, many vital services in the town are either limited or unavailable. In addition, many talented graduates leave in order to look for better opportunities elsewhere in Israel, compounding the socio-economic difficulties Mitzpe Ramon faces.

The Valley

With the vision of creating job opportunities in the Negev, JNF UK is constructing a state-of-the-art business valley in Mitzpe Ramon to be named after John Roburn, a JNF UK legacy donor. JNF UK purchased a 1,135 square metre hangar on a plot of about two dunams in which we are creating the JNF UK - Roburn Business Centre. The Centre, which is due to open in early 2018, will boast 1,450 square metres of high quality professional office space.

Encouraging companies to relocate to the south is a key aspect of JNF UK's vision for the Negev. An influx of new businesses, new opportunities and new talent is key to reinvigorating this flagging region. The new Business Centre has already attracted a Fortune 500 company in the shape of global advertising agency

McCann Erikson. The presence of such a prestigious company will encourage other firms to see the potential in Mitzpe Ramon and settle in the region, bringing high-paying jobs and disposable income.

The Roburn Business Centre will provide office space for firms active in digital marketing and new media. Setting up in the Negev entails lower start-up costs than renting space in Tel Aviv or Jerusalem, making the location attractive to entrepreneurs, new companies and potential employees. This project will have a genuinely transformative effect on the region and falls under our impact investment strategy to work with projects that are generating social, economic and cultural benefits as well as generating income for JNF UK to reinvest in more projects.

Community Centre Music Studio

Established in 1973, the Mitzpe Ramon Community Centre provides activities, services and programmes for the whole community.

There is a burgeoning, vibrant music scene emerging in the development towns of Israel's south. Young musicians are creating their own compositions, finding their own inspiration and forging their own blend of modern and traditional music. However these young maestros lack the relevant apparatus to create, perform and record their music. The vision of the Mitzpe Ramon Music Studio is to provide musicians with professional equipment and resources to create, practice and upgrade their musical skills. The studio includes two fully equipped rooms – a tech-room, which will be operated by professional technicians, and a rehearsal room, where performances can be recorded. Most of the activities held in the studio are aimed at young people studying at the local conservatory. Rehearsal rooms, recording studios and professional services will also be offered to regional and national musicians at competitive rates, generating income and employment for Mitzpe Ramon residents. The project became fully operational in 2017. Developing this state-of-the-art Music Academy led Sapir Academy College in Sderot to open a division for their music students to study there. There are currently 16 students in the programme.

School Computer Room

Mitzpe Ramon's largest secular primary school serves 230 pupils. The school is currently housed in a new building, however they have always lacked a dedicated computer room. JNF UK facilitated the replacement of the old and obsolete computers the school had previously been struggling to teach with and installed 26 brand new PCs which now serve as vital learning tools for the students.

Urban Forest Projects and Noa's Peak

The Serpentine Path is a winding trail that connects the public schools, library and recreation areas of Mitzpe Ramon with the town's neighbourhoods. It is a well-trodden path that gets quite busy during morning and afternoon hours. Due to the lack of water, sun damage, strong winds and wild herds of Ibex which feed on the trees along the path, the Serpentine Path has become a particularly challenging place to plant trees. It is essential for hardy trees to be chosen for this project so that they can survive these conditions. JNF UK plans to plant 30 large trees and 130 large bushes along the path to provide shade. Additionally, 360 flowering bushes, herbs and other flora will also be planted, carefully selected to bloom in different seasons, thus providing an attractive walkway for residents to enjoy.

Overlooking the Serpentine Path is a special area named Noa's Peak after Noa Chaya Popovsky, a JNF UK staff member who tragically passed away after a long battle against cancer. Carefully chosen because of its location in Mitzpe Ramon – an area which Noa adored – the area will be shaded, have plentiful seating and will be equipped with picnic tables. JNF UK also plans to develop two urban forests within two schools in Mitzpe Ramon, beautifying the areas in which children learn.

Water Playground

As part of a project to improve the town centre of Mitzpe Ramon – known locally as Lev Ramon (the heart of Ramon) – the municipality plans to build a brand new recreation area which will include a skate park, bicycle paths, sports facilities, picnic areas and shaded areas with benches. JNF UK's contribution towards this project is to develop a water playground within the grounds of the new park. As well as installing

gazebos, benches and outdoor furniture, JNF UK will build a new multisensory water feature consisting of fountains and waterfalls. The water feature will bring many benefits to residents of the city sweltering under the heat of the desert. These developments will help enrich the life of the local community, giving residents a central place for recreational activities. It will also improve the town's image in the eyes of visitors and tourists, attracting new potential residents.

Medical

Ezra LeMarpe Rehabilitation Centre in Sderot

The Ezra LeMarpe Rehabilitation Centre is situated in Sderot, a city on the Israel-Gaza border. The Centre serves more than just the residents of Sderot, it provides life-changing services to tens of thousands of people living in southern Israel, removing from them the necessity to travel north to receive relevant care.

The building which was completed in 2016 is a state-of-the-art construction, offering a wide variety of free-of-charge physical and psychological therapies – including occupational therapy and counselling services – all under one rocket-proof roof. The new Centre offers specialised treatment to the thousands of Negev residents who suffer post-traumatic stress disorder as a result of living under the constant threat of rocket attacks from the Gaza strip. In 2017 JNF UK helped fund the operational costs of the centre, equipped the facility with a new physiotherapy suite and continued to promote its activities so that as many people as possible benefit from its existence.

Refua Vesimcha (Health and Happiness)

Refua Vesimcha is a medical NGO that provides essential assistance to patients and their families. Thanks to JNF UK and all our generous donors, the NGO now also provides a free ambulance service to help transport patients requiring hospital therapy such as dialysis, rehabilitation and chemotherapy. This is an essential service, as many people living in remote regions would not otherwise be able to afford to travel to the far-away hospitals where they can receive treatment. Although many of Refua Vesimcha's workers are volunteers, there are still certain paid positions at the NGO which require funding. JNF UK is helping to cover the organisation's running costs.

Music, Culture and Sport

Jonathan Wohl Music School in the Ono Academic College

The Jonathan Wohl Music School was completed and became fully operational in 2017. Having been inaugurated in 2016 – at a ceremony presided over by the Ono Academic College, which houses the music school – the school is now home to the JNF UK Scholarship Fund.

Our Scholarship Fund offers young people from the Negev access to this private academic institution in central Israel. A steering committee made up of JNF UK members presides over the NIS 5 million fund to provide financial support to talented Negev students who otherwise wouldn't be able to make it to the Music School. Additionally, the fund will also provide 100 hours of extra-curricular accredited musical education courses in the Negev per year, and students from the school will perform two concerts per year in the Negev.

The Bikurim School for Performing Arts

JNF UK helped establish the Bikurim School for Performing Arts in 2014. Located in Eshkol, on a dedicated campus in Kibbutz Magen, just 4.5km from the Gaza Strip, the Bikurim School for the Performing Arts lies in a region that has suffered from decades of conflict and neglect. Despite the harsh environment, the school stands as a testament to the musical excellence of the people of the Negev, a talent that has for too long been ignored due to the lack of residential music training.

The Bikurim School for the Performing Arts is unique due to the fact that the students live on campus. The School works in conjunction with the local high school; with students spending their time doing general studies during the day, then returning to the Bikurim campus for an additional five hours spent studying in

their respective artistic fields. This year, as we did in 2016, we have continued with the effort to strengthen and help the school grow by building more dormitories and music rooms so that an increasing number of students can participate. The school can now provide extra academic tutoring and support for students who come from lower socio-economic backgrounds. We will be continuing our commitment to Bikurim over the coming year.

Notes of Hope Concert

Gifted young musicians from the JNF UK-supported Bikurim School and Yerucham Conservatory, together with other talented young musicians from the Negev, formed the Children's Southern Orchestra. This year the young musicians have been training with Italian conductor Prof. Francesco Lotoro, who has made it his life's work to track down and orchestrate music composed by prisoners in the Nazi concentration camps, salvaging over 8,000 musical works from around the world over the past three decades. In 2018 the Children's Orchestra will play alongside the Ashdod Symphony Orchestra in JNF UK's upcoming Notes of Hope concert, which will feature 11 of these musical works.

Education

Ahuzat Ya'akov

Ahuzat Ya'akov is an organisation that focuses on integrating ultra-Orthodox Israelis into wider society by encouraging them to participate in programmes that combine studies and military or civic service. To further these aims, and to successfully abide by the priorities set by government authorities, JNF UK is assisting Ahuzat Ya'akov in renovating their 36,000 square metre campus in Gan Yavneh. This vital new phase in Ahuzat Ya'akov's ongoing mission will provide access to higher education to ultra-Orthodox communities and improve their chances of entering employment. JNF UK is helping to create a modern auditorium in the building, as well as a dining hall and landscaping around the campus.

Masa Israeli

With the aim of strengthening the Zionist identity of young Israelis, the Masa Israeli educational values programme offers a six day heritage journey through Israel's natural features and historical sites. Tracing the history of our nation, our people and our culture across the physical landscape of Israel has been shown to unite the various segments of Israel's diverse society, with everyone from secular to ultra-Orthodox backgrounds coming together around their shared values. For the past 12 years, Masa Israeli has taken a total of 150,000 students and young members of the military on the trip, proving the programme's ongoing effectiveness. Thanks to the support of JNF UK, in 2017 Masa Israeli is able to reach many more students from the Negev and the Galilee.

Shiur Acher (alternative lessons)

Shiur Acher is a programme aimed at providing underprivileged students from the Negev with access to industry leaders from multinational corporations such as Microsoft, Coca Cola, Ernst & Young and Teva. The named companies supply accomplished professionals to teach lessons at schools throughout the Negev, covering areas including marketing, law, entrepreneurship and many more. The students are not only empowered and inspired by these encounters with seasoned professionals, but they are also given the opportunity to explore exciting opportunities for their future. JNF UK has contributed to this inspirational programme by expanding its activities in the South. Our increased funding has enabled Shiur Acher to build new partnerships with businesses and public organisations, as well as hire a dedicated regional coordinator.

Al-Sayyid Bedouin High School

Al-Sayyid is a Bedouin village that is home to approximately 5,000 residents. The demographics in Al-Sayyid are notable for two main reasons, first because half of the village's population are under the age of 18 and second because Al-Sayyid is known to have the highest rate of hearing-impaired and deaf citizens in the whole world, with a full 9% of the town's population falling under one of these categories. The Al-Sayyid High School was established in 2015 and currently hosts 600 students, although this number is expected to jump to over 1000 within the next two years. As reflects the town's demographics, a large portion of the

students are hearing-impaired or deaf. This high school earned the attention of JNF UK due to its commitment to academic excellence as well as its policy of encouraging Bedouin engagement in mainstream Israeli society. The school has even reached agreements with the Israeli Airforce and the Israeli Ministry of Education to launch the Shachrut scheme, which trains students to be part of a technical support unit for the Airforce and enables them to enlist after they finish high school. The Al Sayyid Bedouin High School not only faces the same challenges that every new academic institution faces, but also has the extra burden of catering to the town's many hearing-impaired students. JNF UK has created and equipped two computer rooms and we are in the process of planning the construction of a sports field to bring the school up to the standard of most other Israeli schools.

Scholarship Programme for Bedouin

As modernity presses on, certain traditional ways of life are chafing as they transform from nomadic cultures into settled, organised societies. This transition is a tricky one for the Bedouin, who seek to honour their cultural traditions while taking advantage of all the benefits of modernity. The key to integrating Bedouins into mainstream Israeli society can be found in the education of their children.

As part of our commitment to social cohesion, JNF UK has established the Bedouin Academic Scholarship, which provides a full scholarship to 10 talented Bedouin students every academic year. These students are selected by considering their contributions to society, their completed military service or national service and whether they are in their first or second year of studies at Sapir College. The aim of this programme is to enable Bedouin students to achieve their full potential in education, and subsequently strengthen their connection to the State of Israel as well as inspiring the next generation of Bedouin leaders.

Or Me'Ophir

JNF UK is also committed to supporting new immigrants to Israel through the difficult transition of building a new life in a foreign country. In 2018 JNF UK will be helping to completely renovate dormitories and outside spaces of Or Me'Ophir as part of this strategy. This is a four year Hesder (Yeshiva) boarding school programme for Ethiopian students aged 18-23 that aims to strengthen the Ethiopian community in Israel. Although most Ethiopians who enter the military service do not finish their service, 100% of Or Me'Ophir graduates complete their military service. Only 45% of Ethiopian students graduate from secondary school in Israel. However 100% of Or Me'Ophir students graduate, 75% of whom achieve scores high enough to enable them to pursue higher education and a university degree. By completely renovating their dormitories, common areas, and outside spaces, JNF UK is improving these students' experience at the school and their perception of themselves and their self-worth.

Welfare

Tenufa Bakehila (Building Hope)

Tenufa Bakehila is an innovative programme aimed at renovating the private residences of low income families. The organisation has worked on over 4000 homes over the past 23 years, and is currently helping 70 low income families in Kiryat Gat.

Residents are referred to the organisation by professional social workers, whose selection process chooses families where a relatively small intervention can have the largest impact. These often include necessary repairs to plumbing, electricity and masonry. The professional handymen employed by Tenufa Bakehila engage the residents themselves in assisting with the repair work, giving them a sense of pride and accomplishment in their newly renovated homes. Social workers continue to provide assistance to the families after the renovation work is complete in order to help them overcome any other challenges they may be facing. JNF UK has committed to continue supporting this project in 2018 to cover the cost of the renovation of up to 70 additional flats in Kiryat Gat and 50 flats in Kiryat Malachi.

Yad Tamar

Established in 2009, Yad Tamar aims to assist cancer patients and their families by helping strengthen their emotional and economic status. Their HUG Model (Help. Understand. Give.) for patients suffering long-term illness, draws upon the goodwill of the community to provide support. It empowers the extended community to become the front line of support, in a way that is kind, effective and non-intrusive. The model aims to reach thousands of communities over the next decade. Yad Tamar is looking to extend this model into the Negev and has asked JNF UK for funding to recruit three community managers in Ashkelon, Sderot and Be'er Sheva. The funding will be used to manage the programme, for marketing, workshops for volunteers and activities for cancer patients.

Krembo Wings

Krembo Wings is the only youth movement for young people in Israel living with severe special needs. The programme provides these young people and their families with support, enabling them to engage in extra-curricular activities and weekly social events. Krembo Wings currently serves around 1,100 children and young people aged seven to 21 nationwide. Typically run from municipal halls, with each branch serving between 80 and 120 children on a weekly basis, the organisation's presence in the Negev can be felt across several towns and cities, including Be'er Sheva, Ofakim, Sderot, Kiryat Gat, Dimona, Arad, Rahat, Arara BaNegev, Al Kaassum, Eilat and Kiryat Malachi. In 2017 JNF UK supported Krembo Wings' extraordinary work by assisting with the purchase of equipment for events. This included canopies, water-coolers, wheelchairs, portable wheelchair ramps and multimedia equipment to allow for in-branch training as well as for activities for members with special needs.

Eden Karmia

In Kibbutz Karmia, a small kibbutz near Ashkelon, the Eden Residential Home for Girls has been operational since 2005. Currently serving 60 girls aged between 12 and 18, the Home provides a therapeutic framework for survivors of abuse who have been referred to the Home via the Ministry of Welfare's Child Support Services. All the girls currently residing at the Home have been forcibly removed from their families by order of the court, and many still suffer deep trauma caused by years of neglect and abuse. JNF UK is extremely proud to support this organisation and the vital work they do. We have helped them to renovate their facilities, beautifying both the interior and outdoor areas, expanding the Nitzan dormitory building and transforming the Home into a place that is welcoming and homely. Most of the girls who reside at the Home study at a special school inside the kibbutz. In 2017, JNF UK helped renovate and outfit the school to bring it up to modern educational standards.

Combatting Hunger

In Israel many people are struggling to eat. Some are elderly or homeless, but others are in full time employment yet still find it difficult to make ends meet by the end of the month. JNF UK is supporting a number of key organisations who are improving the lives of thousands of Israelis, simply by providing them with healthy, nourishing food. Thousands of hot meals are served in soup kitchens in Be'er Sheva and Eilat and sandwiches are delivered to schools each morning to ensure every child has something to eat for lunch. In 2017 we ensured that the soup kitchens in Eilat and Be'er Sheva were fit for purpose as previously both had been dilapidated and in one case even lacking basic necessities like electricity and refrigeration. We also provided support to SAHI, an organisation that makes and distributes weekly food parcels to 200 families in Kiryat Malachi and Kiryat Gat, by purchasing a much-needed van. SAHI is unique in that it empowers young people to develop community spirit by involving them in providing food for others. JNF UK has committed that in 2018 it will purchase a van for the soup kitchen in Eilat so that it can collect and distribute more food to those who need it most.

Others

HaShomer HaChadash (The New Guardians)

Communities on Israel's periphery have long suffered from attacks on soft-targets like farms. These attacks involve serious vandalism, theft and arson. HaShomer HaChadash was established in 2007 as a neighbourhood watch initiative to protect livestock and land in rural communities. The organisation has ballooned from having only 40 volunteers at its inception to currently boasting a force many thousands strong. JNF UK has been key to the success of HaShomer HaChadash, by assisting with operational and capital costs that have enabled the organisation to maintain a presence in the Negev and the Galilee and run a number of educational and leadership programmes.

Derech Eretz (Youth Programme)

Derech Eretz is a programme designed to assist Israeli youth as they grow into the next generation of Israel's leaders. Focussing on the period between graduation and enlistment, Derech Eretz prepares young people for national service and instils in them an understanding of their responsibilities and a roadmap for their personal development.

Young people from underprivileged backgrounds are often at a disadvantage when it comes to enlistment. They are often unprepared when it comes to applying for sought after positions in the army, they often have little understanding of the variety of ways in which they can contribute and due to this the process can swiftly become bewildering and uninspiring. Derech Eretz helps these kids achieve their full potential, and in the process secures the future of the State by ensuring the best people get the best jobs so not a single droplet in Israel's deep talent pool goes to waste. Through community outreach and classroom work designed to deepen young people's understanding of Israeli society and their Jewish heritage, the Derech Eretz programme also directly benefits the whole community, with over 70,000 hours of community service logged over the past 6 years.

Derech Eretz began life as a small organisation with only 23 participants. Thanks to the support of JNF UK, the organisation has now opened two additional campuses in Kmehin and Ashalim and has helped found a new post-army programme to provide youngsters who are at the start of their adult lives with career counselling, academic consultation, mentoring, and life-skills workshops. In 2017, JNF UK continued to provide running costs to support to this important programme.

DIY Volunteering Project

A new volunteering scheme called DIY was initiated this year. We successfully ran more than thirty volunteering days whereby the beneficiaries of some of JNF UK's projects volunteered their time at their own projects or at other JNF UK supported-projects around the Negev. For example, students from the Metarim Lachish Pre-Army Programme renovated the grounds at Amit High School in Kiryat Malachi alongside students from the school itself. The benefits of the scheme are abundant; helping young people give back to society, teaching important teamwork skills, connecting Israelis to the land, increasing social cohesion among communities and saving labour costs.

Projects in the Galilee

Moadoniot (after schools clubs for youth at risk) in Hatzor Haglilit

Moadoniot are a nationally proven alternative to removing children from their family home when they come from at-risk families. Each club serves as a safe and welcoming 'home' for the afternoon, five days a week, for up to fifteen 6-11 year old children. The two existing after-school clubs operating in Hatzor Haglilit are housed in former kindergarten buildings, both of which need renovating. These centres each look after 15 local children after the end of the school day. At the Moadonit, the children receive warm meals, help with their homework and enjoy stimulating leisure activities in a protected environment. Such activities are especially important to these children who are dependent on people other than their parents for cognitive stimulation and worldly knowledge. JNF UK committed to provide support for the upgrade and

adaptation of the facilities to an exceptional standard that would create a home-like atmosphere. The work will include renovation of the kitchens and bathrooms, decorating and equipping the centres, installing a fire exit and fire detection systems.

Public Park in Beit Jann

There are no public playgrounds, parks or public areas in the Druze village of Beit Jann. The closest recreational space is located so far away it is only reachable by car, however many of the women in Beit Jann do not drive. Meeting places are of high value to these young woman with children because their husbands are often away during the week in the IDF or Police Force so they rely on networks of other women for support. Following an application from the next generation of leaders of the community, JNF UK is to fund the development of the park which will include playgrounds, lighting, picnic tables, a car park and a lawn. It will be a place where families can connect and a venue for various activities during holidays.

Connecting UK Jewish Communities to Israel

JNF UK is proud of the work we are doing to connect UK Jewish communities to Israel. We are doing this through a number of channels. Our day trips to the Negev are for those who are already in Israel on holiday but want to see a different side of the country. JNF UK introduces participants to grassroots organisations, they meet 21st century pioneers and take part in an activity on the land which helps them to strengthen their bond with Israel. The Senior Legacy Mission is a ten day programme including visiting some important historical sites and JNF UK-supported projects. We have also sponsored two groups of youths from Yavneh College and the Mizrahi Youth Movement to visit Israel to take part in similar activities.

Most recently we approved a scheme offering educational grants to Jewish primary and secondary schools to improve their students' connection to Israel and to JNF UK's philanthropic work in Israel.

JNF Charitable Trust

Structure, Governance, Management and Financial Review

Governing Document

The company is a registered charity and a company limited by guarantee, without share capital, originally incorporated on 21 July 1939. It is governed by its Memorandum and Articles of Association, the most recent version of which was adopted on 21 July 2015.

Appointment of Trustees

As set out in the Articles of Association the 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 Trustees of the Charity. One third of them must offer themselves for re-election each year.

The Trustees retiring by rotation are G Avshalom, D Berens, G Mond and B Perl who, being eligible, offer themselves for re-election. During the year no new Trustees were appointed. M Mansour and M Sinclair resigned as Trustees on 23 January 2018 and 24 April 2018 respectively.

Trustee Induction and Training

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

Related Parties

KKL Charity Accounts Limited 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. JNF UK Israel Limited is a wholly owned subsidiary and manages the projects in Israel.

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 the Finance Director, the Head of Marketing, the Operations and Projects Manager, the Director of KKL Executor & Trustee Company Limited and the Head of the team based in Israel.

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.
- **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 UK, and how much to allocate from both existing funds and potential future funds.

Criteria for the assessment of projects is summarised as follows:

- projects should be in Israel and preferably in the Negev
- the contribution and support of JNF UK will make a significant difference to the success of the project
- the project and any partner organisations must satisfy JNF UK's requirements regarding transparency and accountability
- the project must be charitable under UK law and adhere to any legal restraints
- the project should not be in receipt of funds from any other UK charity.

In setting its programme of funding each year the Charity takes into consideration the Charity Commission's general guidance on public benefit in Israel and the UK. The Trustees always ensure that the funding JNF UK undertakes is in line with its charitable objectives and aims.

Risk Management

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 that the principal risk faced by the Charity is the effect of the recent economic downturn on our donors.

The Trustees have resolved that future project commitments will be in Sterling to mitigate exchange risk with the Israeli Shekel.

Volunteers

JNF UK 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 UK'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 2017 are shown in the attached Financial Statements.

The Consolidated Statement of Financial Activities set out on page 27 reflects all incoming resources.

Our total income increased by 37% from the previous year to £17,038,000 (2016: £12,417,000). Donations have increased to £1,917,000 (2016: £1,633,000), an increase of 17%. Legacies increased to £7,079,000 (2016: £2,387,000) and KKL Charity Accounts income decreased by £312,000 to £7,880,000 (2016: £8,192,000).

The funding of project commitments to Israel decreased to £731,000 (2016: £1,915,000). This was the result, as shown in Note 3 on page 32, of the Charity approving new project commitments of £4,010,000 but also releasing commitments of £3,635,000, approved in earlier years, for projects that will now not proceed.

The surplus generated of £7,336,000 (2016: £1,285,000) will be used in future years to fund projects and investments in Israel.

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 2017 comfortably exceeded this level.

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

Investment Powers and Policy

The Memorandum and Articles of Association empower the charity to invest 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, JNF UK holds most of its assets in bank deposits with some investments, including, in the past, where it has been bequeathed some properties where there is a life tenant.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Trustees are responsible for keeping proper accounting records that 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 and the Charities Act 2011. 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website, legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

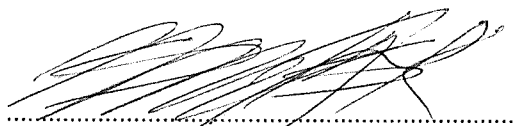
Statement as to Disclosure of Information to the Auditors

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution proposing the re-appointment of the RPG Crouch Chapman LLP as Auditors of the charity will be put to members at the Annual General Meeting.

This report was approved by the board on 26 June 2018.


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Samuel Hayek, Chairman

JNF Charitable Trust

Independent Auditors Report to the Members of JNF Charitable Trust

Opinion

We have audited the financial statements of JNF Charitable Trust (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2017 set out on pages 27 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's 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 and the Charities Act 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for which the financial statements are prepared is consistent with the financial statements and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us or
- the parent charitable company financial statements are not in agreement with the accounting records and returns or
- certain disclosures of Trustees' remunerations specified by law not made or
- we have not received all the information and explanations we require for our audit or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Group strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.



PAUL RANDALL BA ACA
Senior Statutory Auditor
RPG Crouch Chapman LLP
Chartered Accountants and Statutory Auditors
62 Wilson Street
London
EC2A 2BU

Date: 26 June 2018

RPG Crouch Chapman LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

JNF Charitable Trust

Consolidated Statement of Financial Activities for the Year Ended 31 December 2017

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | 2017 Total £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | 2016 Total £'000 |
|---|-----------|--------------------------------|------------------------------|------------------------|--------------------------------|------------------------------|------------------------|
| INCOME | | | | | | | |
| Donations | | 997 | 920 | 1,917 | 1,092 | 541 | 1,633 |
| Legacies | | 6,191 | 888 | 7,079 | 2,008 | 379 | 2,387 |
| Investment income and interest receivable | | 140 | - | 140 | 155 | - | 155 |
| KKL Charity Accounts income | | 271 | 7,609 | 7,880 | 267 | 7,925 | 8,192 |
| Other income | | 22 | - | 22 | 50 | - | 50 |
| Total Income | | 7,621 | 9,417 | 17,038 | 3,572 | 8,845 | 12,417 |
| EXPENDITURE | | | | | | | |
| Fundraising costs of donations and legacies | 2 | 1,236 | 10 | 1,246 | 1,258 | 59 | 1,317 |
| Charitable activities | | | | | | | |
| Funding project commitments in Israel | 2 & 3 | (1,368) | 2,099 | 731 | 130 | 1,785 | 1,915 |
| Donations to UK charities | 2 & 4 | 172 | 7,995 | 8,167 | 154 | 7,760 | 7,914 |
| Governance and legal costs | 2 | 21 | - | 21 | 32 | - | 32 |
| Total Expenditure | 2, 5 & 13 | 61 | 10,104 | 10,165 | 1,574 | 9,604 | 11,178 |
| Net Incoming/(Outgoing) Resources | | 7,560 | (687) | 6,873 | 1,998 | (759) | 1,239 |
| Increase in fair value of property assets and investments | | 463 | - | 463 | 46 | - | 46 |
| NET MOVEMENT IN FUNDS | | 8,023 | (687) | 7,336 | 2,044 | (759) | 1,285 |
| RECONCILIATION OF FUNDS | | | | | | | |
| Total funds brought forward | | 8,195 | 7,070 | 15,265 | 6,151 | 7,829 | 13,980 |
| TOTAL FUNDS CARRIED FORWARD | | 16,218 | 6,383 | 22,601 | 8,195 | 7,070 | 15,265 |

The Charity has no recognised gains or losses other than the results for the year, as set out above.
All of the above incoming resources and resources expended were generated from continuing operations.

The notes on pages 30 to 39 form part of these financial statements.

JNF Charitable Trust

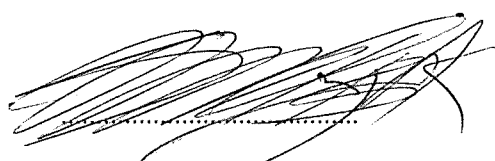
Balance Sheets as at 31 December 2017

Registered Company Number: 355248

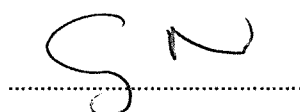
Registered Charity Number: 225910

| | Notes | 2017 Group £'000 | 2016 Group £'000 | 2017 Charity £'000 | 2016 Charity £'000 |
|---------------------------------------|---------|------------------------|------------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible Assets | 8 | 135 | 147 | 92 | 102 |
| Investments | 9 | 2,064 | 945 | 1,493 | 1,031 |
| | | 2,199 | 1,092 | 1,585 | 1,133 |
| CURRENT ASSETS | | | | | |
| Debtors falling due within one year | 10 | 9,019 | 3,564 | 10,187 | 3,686 |
| Debtors falling due after one year | | - | - | - | - |
| Cash at bank and in hand | | 22,037 | 22,594 | 15,058 | 15,904 |
| | | 31,056 | 26,158 | 25,245 | 19,590 |
| Creditors falling due within one year | 11 | (5,190) | (4,979) | (4,599) | (4,667) |
| NET CURRENT ASSETS | | 25,866 | 21,179 | 20,646 | 14,923 |
| Creditors falling due after one year | 12 | (5,464) | (7,006) | (5,661) | (7,287) |
| NET ASSETS | | 22,601 | 15,265 | 16,570 | 8,769 |
| FUNDS | | | | | |
| Unrestricted funds | | 16,218 | 8,195 | 16,037 | 7,916 |
| Restricted funds | 13 & 14 | 6,383 | 7,070 | 533 | 853 |
| TOTAL FUNDS | | 22,601 | 15,265 | 16,570 | 8,769 |

The financial statements were approved and authorised by the Board of Trustees on 26 June 2018 and were signed on its behalf by:



Samuel Hayek, Chairman



Gary Mond, Trustee

The notes on pages 30 to 39 form part of these financial statements.

JNF Charitable Trust

Consolidated Cash Flows for the Year Ended 31 December 2017

| | Notes | 2017 Group £'000 | 2016 Group £'000 |
|--|-------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net cash provided by operating activities | 16 | (29) | 1,881 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment Income | | 140 | 155 |
| Acquisition of tangible assets | | (668) | (130) |
| Proceeds from the sale of tangible assets | | - | 1,520 |
| Net cash provided by investing assets | | <u>(528)</u> | <u>1,545</u> |
| Change in cash and cash equivalents in the reporting period | | (557) | 3,426 |
| Cash and cash equivalents at the beginning of the reporting period | | 22,594 | 19,168 |
| Cash and cash equivalents at the end of the reporting period | | <u>22,037</u> | <u>22,594</u> |

The notes on pages 30 to 39 form part of these financial statements.

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

1. ACCOUNTING CONVENTION AND POLICIES

JNF Charitable Trust is registered under the Companies Act 2006 no 355248 and is registered with the Charity Commission no 225910.

a) Accounting Conventions

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FR102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The reporting currency is GBP and the figures in the accounts are rounded to the nearest thousand pounds. JNF Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Group Financial Statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries KKL Executor and Trustee Company Limited, JNF UK Israel Limited and KKL Charity Accounts Limited. A separate statement of financial activities (SOFA) is not presented because the charity has taken advantage of paragraph 397 of SORP FRS102. The Charity had incoming resources of £9,108,000 (2016: £4,229,000) and expenditure of £1,773,000 (2016: £3,076,000) and net incoming resources of £7,797,000 for the year (2016: Net incoming resources of £1,153,000).

c) Incoming resources

Donations, legacies and receipts from functions are accounted for when received or notified. Donated services are included at their fair value to the charity. Gift Aid recoverable in respect of income is accounted for on a receivable basis. Income from shares in subsidiary undertakings is accounted for on a received basis. 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, which are subject to conditions that have not been met at the year end, are noted as a commitment, but are not accrued as expenditure in the financial statements. Project commitments in Israel includes all funds remitted to Israel by the charity in direct pursuit of its charitable objectives and their associated support costs and governance costs. Remittances to UK Charities - in accordance with instructions received for donors' individual accounts within KKL Charity Accounts Limited and include their associated support costs and governance costs. Support costs is 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 and are incurred in support on the charitable expenditure above. Governance costs are generally allocated over charitable expenditure. Irrecoverable VAT is included under the relevant expense headings.

e) Capitalisation and depreciation of tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

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

Rates of depreciation:

- Leasehold improvements are amortised over the period of the lease.
- 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.

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

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

f) Impairment

Property and investments are assessed for impairment indicators. Where indicators are identified an assessment for impairment is undertaken comparing the asset's carrying amount to its recoverable amount. Where the carrying amount of an asset is deemed to exceed its recoverable amount, the asset is written down to its recoverable amount, this is likely to be the value in use of the asset based on its service potential. The resulting impairment loss is recognised as expenditure in the Statement of Financial Activities.

g) Pension Scheme

Payments to defined contributions schemes are written off as incurred.

h) Funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

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

i) 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.

j) 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. TOTAL RESOURCES EXPENDED

| | Fundraising £'000 | Project Funding in Israel £'000 | Donations to UK Charities £'000 | Governance and Legal £'000 | 2017 Total £'000 | 2016 £'000 |
|---------------------------|----------------------|--|--|----------------------------------|------------------------|---------------|
| Staff costs | 380 | 179 | 83 | - | 642 | 743 |
| Direct costs | 444 | 446 | 8,084 | 21 | 8,995 | 9,846 |
| | 824 | 625 | 8,167 | 21 | 9,637 | 10,589 |
| Share of support costs | 422 | 106 | - | - | 528 | 589 |
| | 1,246 | 731 | 8,167 | 21 | 10,165 | 11,178 |

The analysis by fund is:

| | Fundraising £'000 | Project Funding in Israel £'000 | Donations to UK Charities £'000 | Governance and Legal £'000 | 2017 Total £'000 | 2016 £'000 |
|----------------------|----------------------|--|--|----------------------------------|------------------------|---------------|
| Unrestricted fund | 1,236 | (1,368) | 172 | 21 | 61 | 1,574 |
| Restricted fund | 10 | 2,099 | 7,995 | - | 10,104 | 9,604 |
| | 1,246 | 731 | 8,167 | 21 | 10,165 | 11,178 |

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

The resources expended are stated after charging:

| | 2017 £'000 | 2016 £'000 |
|---|---------------|---------------|
| Depreciation | 24 | 21 |
| Payments to auditors for audit services | 15 | 14 |
| Payments to auditors for non-audit services | 3 | 3 |

3. FUNDING PROJECT COMMITMENTS IN ISRAEL

| | 2017 £'000 | 2016 £'000 |
|---|---------------|---------------|
| Education/Training | 1,258 | 1,319 |
| Advancement of Health | 1,295 | 1,083 |
| Youth | 229 | 336 |
| Development/Employment | 105 | 1,137 |
| Economic/Community | 358 | 1,341 |
| Environment | 454 | 1,159 |
| Emergency | - | 24 |
| Welfare | 276 | 63 |
| Donation less than £25,000 | 35 | 128 |
| Total funding committed to new projects | 4,010 | 6,590 |
| Release of prior year project commitments | (3,635) | (4,967) |
| Currency exchange adjustments | 8 | (38) |
| Direct staff costs and share of allocated costs | 343 | 284 |
| Other net charitable expenditure | 5 | 46 |
| | 731 | 1,915 |

The amounts released were reallocated to new projects in 2017. A full list of the projects approved is set out on pages 40 and 41.

4. DONATIONS TO UK CHARITIES

Payments to UK charities principally 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 Charity's own grant making policies.

5. SUPPORT COSTS

An analysis of the major support costs in Note 2 is as follows:

| | 2017 £'000 | 2016 £'000 |
|---------------------------------------|---------------|---------------|
| Staff costs | 303 | 300 |
| Direct costs | 225 | 289 |
| | 528 | 589 |
| Analysed between: | | |
| Fundraising | 422 | 471 |
| Funding project commitments in Israel | 106 | 118 |
| | 528 | 589 |

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

6. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or benefits for the years ended 31 December 2017 and 31 December 2016.

There were no trustees' expenses paid for the years ended 31 December 2017 and 31 December 2016.

7. STAFF COSTS

| | 2017 £'000 | 2016 £'000 |
|-----------------------|---------------|---------------|
| Salaries | 779 | 865 |
| Social security costs | 95 | 118 |
| Pension costs | 71 | 60 |
| | 945 | 1,043 |

The average monthly number of employees during the year was as follows:

| | 2017 | 2016 |
|-----------------------------------|-----------|-----------|
| Fundraising | 3 | 3 |
| Bequests Department | 3 | 3 |
| Charity Accounts | 2 | 2 |
| Israel Project Team | 4 | 4 |
| Finance | 3 | 3 |
| Marketing | 2 | 2 |
| Management, HR and Administration | 2 | 2 |
| | 19 | 19 |

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

| | 2017 | 2016 |
|-------------------|------|------|
| £70,000 - £80,000 | 1 | - |
| £80,000 - £90,000 | 1 | 2 |

Contributions were made to defined contribution schemes for two high paid employees (2016: two employees) and contributions amounted to £4,973 (2016: £12,300). The total is disclosed above.

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

8. TANGIBLE FIXED ASSETS

GROUP

| | Leasehold Improvements £'000 | Furniture, Computer and Equipment £'000 | Motor Vehicles £'000 | Total £'000 |
|----------------------------|------------------------------------|---|----------------------------|----------------|
| COST | | | | |
| At 1 January 2017 | 71 | 434 | 51 | 556 |
| Additions | - | 12 | - | 12 |
| Disposals | - | - | - | - |
| At 31 December 2017 | 71 | 446 | 51 | 568 |
| DEPRECIATION | | | | |
| At 1 January 2017 | 1 | 399 | 9 | 409 |
| Charge for year | 7 | 7 | 10 | 24 |
| Disposals | - | - | - | - |
| At 31 December 2017 | 8 | 406 | 19 | 433 |
| NET BOOK VALUE | | | | |
| At 31 December 2017 | 63 | 40 | 32 | 135 |
| At 31 December 2016 | 70 | 35 | 42 | 147 |

CHARITY

| | Leasehold Improvements £'000 | Furniture, Computer and Equipment £'000 | Motor Vehicles £'000 | Total £'000 |
|----------------------------|------------------------------------|---|----------------------------|----------------|
| COST | | | | |
| At 1 January 2017 | 71 | 303 | - | 374 |
| Additions | - | 3 | - | 3 |
| Disposals | - | - | - | - |
| At 31 December 2017 | 71 | 306 | - | 377 |
| DEPRECIATION | | | | |
| At 1 January 2017 | 1 | 271 | - | 272 |
| Charge for year | 7 | 6 | - | 13 |
| Disposals | - | - | - | - |
| At 31 December 2017 | 8 | 277 | - | 285 |
| NET BOOK VALUE | | | | |
| At 31 December 2017 | 63 | 29 | - | 92 |
| At 31 December 2016 | 70 | 32 | - | 102 |

The leasehold property is the Charity's Head Office, based in Hendon, London.

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

9. INVESTMENTS

| | Group 2017 £'000 | Group 2016 £'000 | Charity 2017 £'000 | Charity 2016 £'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Property investments | 803 | 803 | 803 | 803 |
| Impact investment | 1,110 | - | 450 | - |
| Investment in subsidiary undertakings | - | - | 89 | 89 |
| Quoted investments | 151 | 139 | 151 | 139 |
| Investments held for KKL Charity Accounts clients | - | 3 | - | - |
| | 2,064 | 945 | 1,493 | 1,031 |

Impact investments relate to projects previously shown as project commitments in Israel, where the Group owns the property and receives rental income but where there is an associated high level of social and economic impact. The project in Mitzpe Ramon, Israel, which is a commercial property on a long leasehold, will be completed in 2018. It has been reclassified as an impact investment as the Group is now receiving rental income. This investment is shown at cost.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2017 £'000 | Group 2016 £'000 | Charity 2017 £'000 | Charity 2016 £'000 |
|-----------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Donations and legacies receivable | 7,826 | 2,251 | 7,826 | 2,251 |
| Prepayments and accrued income | 1,193 | 1,313 | 609 | 896 |
| Due from subsidiary undertakings | - | - | 1,752 | 539 |
| | 9,019 | 3,564 | 10,187 | 3,686 |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2017 £'000 | Group 2016 £'000 | Charity 2017 £'000 | Charity 2016 £'000 |
|--------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Trade creditors | 482 | 405 | 29 | 39 |
| Accruals and deferred income | 923 | 52 | 758 | 24 |
| Taxation and social security | 25 | 25 | 25 | 25 |
| Project commitments | 3,760 | 4,497 | 3,760 | 4,497 |
| Due to subsidiary undertakings | - | - | 27 | 82 |
| | 5,190 | 4,979 | 4,599 | 4,667 |

12. CREDITORS: AMOUNTS FALLING DUE OVER ONE YEAR

| | Group 2017 £'000 | Group 2016 £'000 | Charity 2017 £'000 | Charity 2016 £'000 |
|---------------------|------------------------|------------------------|--------------------------|--------------------------|
| Project commitments | 5,464 | 7,006 | 5,661 | 7,287 |

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

13. RESTRICTED FUNDS

| | Balance at 1 January 2017 £'000 | Incoming resources £'000 | Resources expended £'000 | Balance at 31 December 2017 £'000 |
|---------------------------------|--|--------------------------------|--------------------------------|--|
| KKL Charity Accounts | 6,217 | 7,609 | 7,995 | 5,831 |
| Beit Uri | 23 | 30 | 27 | 26 |
| Benji Hillman | 10 | 50 | 54 | 6 |
| Emergency projects | 31 | 2 | 33 | - |
| Environmental projects | 140 | 55 | 26 | 169 |
| ESRA | 647 | - | 570 | 77 |
| Macon Arava | 2 | - | 2 | - |
| Alon kindergarten | - | 10 | 10 | - |
| Barzilai Hospital | - | 25 | 25 | - |
| Derech Eretz | - | 88 | 88 | - |
| Desert Stars | - | 20 | 20 | - |
| Edem Karmia | - | 42 | 42 | - |
| Havatzelet | - | 10 | 10 | - |
| Kiryat Malachi kindergartens | - | 18 | 18 | - |
| Legacies | - | 888 | 888 | - |
| Refua Vesimcha | - | 500 | 249 | 251 |
| Sachlav kindergarten | - | 24 | 24 | - |
| Yerucham Early Childhood Centre | - | 43 | 20 | 23 |
| Other | - | 3 | 3 | - |
| | 7,070 | 9,417 | 10,104 | 6,383 |

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2017 £'000 | Total 2016 £'000 |
|----------------------------|--------------------------------|------------------------------|------------------------|------------------------|
| Fixed assets | 135 | - | 135 | 147 |
| Investments | 2,064 | - | 2,064 | 945 |
| Current assets | 24,673 | 6,383 | 31,056 | 26,158 |
| Current liabilities | (5,190) | - | (5,190) | (4,979) |
| Creditors more than 1 year | (5,464) | - | (5,464) | (7,006) |
| | 16,218 | 6,383 | 22,601 | 15,265 |

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

15. SUBSIDIARY COMPANIES

The Charity owns two active subsidiaries, KKL Executor and Trustee Company Limited and JNF UK Israel Limited. A summary of their results is shown below:

| | Total Income £'000 | Total Expenditure £'000 | Total 2017 £'000 | Total 2016 £'000 |
|----------------------------------|-----------------------|-------------------------------|------------------------|------------------------|
| KKL Executor and Trustee Limited | 403 | (399) | 4 | 4 |
| JNF UK Israel Limited | 281 | (277) | 4 | 1 |
| | 684 | (676) | 8 | 5 |

The aggregate of the assets, liabilities and funds were:

| | Assets £'000 | Liabilities £'000 | Funds 2017 £'000 | Funds 2016 £'000 |
|----------------------------------|-----------------|----------------------|------------------------|------------------------|
| KKL Executor and Trustee Limited | 613 | (520) | 93 | 89 |
| JNF UK Israel Limited | 1,251 | (1,245) | 6 | 1 |
| | 1,864 | (1,765) | 99 | 90 |

The Charity also owns the following dormant subsidiaries:

JNF Limited
Jewish National Fund Limited
Jewish National Fund for Israel Limited
JNF UK Limited
JNF Executor and Trustee Company Limited
KKL Limited

16. RECONCILIATION OF NET INCOME TO NET CASHFLOW FROM OPERATING ACTIVITIES

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Net Income for the year, as per the Statement of Financial Activities | 7,336 | 1,285 |
| Adjustments for: | | |
| Investment income | (140) | (155) |
| Depreciation | 24 | 21 |
| Profit on the sale of tangible assets | - | (3) |
| Increase in fair value of investments | (463) | (46) |
| (Decrease)/Increase in creditors | (1,331) | 3 |
| Decrease/(Increase) in debtors | (5,455) | 776 |
| Net cash flow from Operating Activities | (29) | 1,881 |

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

17. CONNECTED CHARITIES

KKL Charity Accounts is a connected charity (Charity Number 1105998), which operates from the same address as the Charity. The Trustees of KKL Charity Accounts are also Trustees of this Charity and it is therefore treated as a subsidiary. A summary of its results are shown below:

| | Restricted Funds £'000 | Unrestricted Funds £'000 | Total 2017 £'000 | Total 2016 £'000 |
|-------------------|------------------------------|--------------------------------|------------------------|------------------------|
| Total income | 7,609 | 299 | 7,908 | 8,230 |
| Total expenditure | (7,995) | (147) | (8,142) | (7,952) |
| Net result | (386) | 152 | (234) | 278 |

The aggregate of its assets, liabilities and funds were:

| | 2017 £'000 | 2016 £'000 |
|--------------------|---------------|---------------|
| Assets | 6,691 | 6,761 |
| Liabilities | (280) | (115) |
| Net assets | 6,411 | 6,645 |
| Unrestricted funds | 580 | 429 |
| Restricted funds | 5,831 | 6,217 |
| Total funds | 6,411 | 6,645 |

18. FINANCIAL ASSETS AND LIABILITIES

| | Group 2017 £'000 | Group 2016 £'000 | Charity 2017 £'000 | Charity 2016 £'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Financial assets measured at fair value through the Statement of Financial Activities | 24,101 | 23,539 | 16,551 | 16,935 |
| Financial assets measured at amortised cost | 7,826 | 2,251 | 7,826 | 2,251 |
| | 31,927 | 25,790 | 24,377 | 19,186 |
| Financial liabilities measured at amortised cost | (9,706) | (11,908) | (9,450) | (11,823) |

JNF Charitable Trust

Notes to the Financial Statements for the Year Ended 31 December 2017

19. FINANCIAL COMMITMENTS

The Board of Trustees has authorised commitments relating to further impact investments:

| | Group 2017 £'000 | Group 2016 £'000 | Charity 2017 £'000 | Charity 2016 £'000 |
|--------------------------|---------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| Authorised | 3,625 | - | 3,625 | - |
| Authorised and committed | - | - | - | - |
| | 3,625 | - | 3,625 | - |

As disclosed in Note 8 the Charity has a leasehold property being the Charity head office in Hendon. The rental is £84,942 per annum and the lease expires on 9 August 2026. This means that the charity has operating lease obligations of £737,000 (2016: £821,000) not included on the balance sheet.

FULL LIST OF PROJECT COMMITMENTS IN ISRAEL

| | 2017 £'000 | 2016 £'000 |
|---|---------------|---------------|
| Education/Training | | |
| Kiryat Malachi - renovation of remaining state kindergartens | 320 | 316 |
| Kiryat Malachi - renovation of Eli Cohen primary school | 192 | - |
| Kiryat Malachi - young adult centre - equipment | 36 | - |
| Yerucham - renovation of state kindergartens | 171 | 105 |
| Yerucahm - equipping 3 classrooms in new day-care centre | 53 | - |
| HaShomer HaChadash | 171 | 179 |
| Bedouin Academy scholarships | 101 | 71 |
| WIZO daycare centre - Be'er Sheva | 43 | - |
| Hatzor Haglilit - renovating two moadoniot | 64 | - |
| Ma'a lot - landscaping WIZO-Savyonim daycare centre | 107 | - |
| Kiryat Malachi - renovation of Amit High School | - | 105 |
| Arad – Ma'or Hadarom – renovation of 2 kindergartens | - | 63 |
| Ahuzat Ya'akov – integration of ultra-orthodox community into Israeli workforce | - | 295 |
| Sheizaf – establishing first kindergarten in settlement | - | 69 |
| Al-Sayyid – computer lab and sports ground in a Bedouin school | - | 116 |
| | 1,258 | 1,319 |
| Advancement of Health | | |
| Rachashei Lev – Shiba and Ichilov hospitals | 1,113 | - |
| Ezra LeMarpe | 182 | - |
| Refuah VeSimcha – funding of operational expenses for three years | - | 1,083 |
| | 1,295 | 1,083 |
| Youth | | |
| Derech Eretz pre-Army Programme | 128 | 126 |
| Ein Prat pre-army programme | 37 | - |
| Or MeOphir Hesder dormitories | 64 | - |
| Derech Eretz pre-Army Programme – Kmehim Campus | - | 84 |
| Masa Israeli – youth programme | - | 84 |
| Young Pioneers of Chiran – public playground and youth programme | - | 42 |
| | 229 | 336 |
| Development/Employment | | |
| Mitzpe Ramon – solar panels | 105 | 1,053 |
| Gvachim Accelerator Programmes | - | 84 |
| | 105 | 1,137 |
| Economic/Community | | |
| Notes of Hope concert | 272 | - |
| Nurit Absorption Centre | 43 | - |
| JNF DIY volunteering project | 43 | - |
| Kiryat Malachi – renovation and upgrade of old commercial centre | - | 421 |
| Arad – renovation of Oron Theatre | - | 421 |
| Mitzpe Ramon – renovation and equipment for music studio in community centre | - | 37 |
| S.A.H.I. – commercial vehicle for emergency warehouse | - | 31 |
| Nitzan Community Village – construction of a sports field | - | 47 |
| B'Nei Dkalim Community Village – construction of a public playground | - | 139 |
| Moshav Karmei Katif – construction of a sports field | - | 72 |
| Neta Community Village – construction of a public playground | - | 104 |
| Eliav Community Village – construction of a sports field | - | 69 |
| | 358 | 1,341 |

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Environment | | |
| Urban forest – Bnei Dekalim | 73 | - |
| Planting urban forests in the Negev | 149 | - |
| Public park in Beit Jann | 125 | - |
| Mitzpe Ramon - water playground | 107 | - |
| Be'eri and Kissufim forests – tree planting | - | 474 |
| Arad – entrance to Nesharim Park and city | - | 53 |
| Lake Yerucham – developing recreation area and campsite | - | 421 |
| KKL British Park – development of Srigim recreation area | - | 211 |
| | 454 | 1,159 |
| Emergency | | |
| Northern Fire Appeal | - | 24 |
| | - | 24 |
| Welfare | | |
| Tnufa Bakehila – renovation of low-income family homes in Kiryat Gat | 53 | 63 |
| Tnufa Bakehila – renovation of low-income family homes in Kiryat Malachi | 58 | - |
| Yad Tamar | 90 | - |
| Ba'it LeKol Yeled - Shiri's House | 43 | - |
| Latet B'Eilat - Beit Rafa'el soup kitchen | 32 | - |
| | 276 | 63 |
| Donation less than £25,000 | 35 | 128 |
| Total donations to charities/projects | 4,010 | 6,590 |
| Release of prior year project commitments | (3,635) | (4,967) |
| Currency exchange adjustments | 8 | (38) |
| Direct staff costs and share of allocated costs | 343 | 284 |
| Other net charitable expenditure | 5 | 46 |
| | 731 | 1,915 |

The amounts released were reallocated to new projects in 2017.

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|---------------------------|--|
| Registered Company number | 355248 (England and Wales) |
| Registered Charity number | 225910 |
| Registered office | Mountcliff House 154 Brent Street London NW4 2BF |
| Trustees | S Hayek – Chairman G Avshalom D Berens G Falter E Gorji Rabbi A Kimche M Lee G Mond B Perl MBE D Seal M Waisman H Wayne |
| Company Secretary | D Berens |
| Auditors | RPG Crouch Chapman LLP 62 Wilson Street London EC2A 2BU |
| Solicitors | Mischon de Reya Summit House 12 Red Lion Square London WC1R 4QD |
| Bankers | Barclays Bank plc 1 Churchill Place London E14 5HP |

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