

**JEWISH PHILANTHROPIC ASSOCIATION FOR
ISRAEL AND THE MIDDLE EAST
FINANCIAL STATEMENTS
30 SEPTEMBER 2018**

Charity Commission Registration No: 256689

HAYSMACINTYRE LLP
Chartered Accountants
10 Queen Street Place
London EC4R 1AG

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
CHARITY REGISTRATION NUMBER 256689
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

| CONTENTS | PAGE |
|-----------------------------------|-------------|
| Trustee' Report | 1-5 |
| Statement of Financial Activities | 6 |
| Balance Sheet | 7 |
| Notes to the Accounts | 8-13 |
| Independent Auditors' Report | 14-15 |

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
CHARITY REGISTRATION NUMBER 256689
ANNUAL REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

CORPORATE TRUSTEE: United Jewish Israel Appeal

Represented by:

EXECUTIVE COMMITTEE:

CHAIRMAN: Louise Jacobs

HONORARY TREASURER Warren Persky

MEMBERS

Melvin Berwald
Marc Cave (resigned 21 February 2019)
Karen Goodkind
Ruth Green
Steven Kaye
Samantha Leek QC
Marc Lester
Stuart Levy (resigned 18 December 2018)
Brian May
Jonathan Morris
Hilton Nathanson
Warren Persky
Robert Randall (resigned 22 October 2018)
Miles Webber (appointed 22 May 2018)
Nici Wertheim

PRINCIPAL ADDRESS: 1 Torriano Mews
London
NW5 2RZ

SOLICITORS: Farrer & Co Bryan Cave Leighton Paisner LLP
66 Lincoln's Inn Fields Adelaide House
London WC2A 3LH London Bridge
London EC4R 9HA

Mishcon De Reya
Summit House
Red Lion Square
London WC1B 5HS

BANKERS: Barclays Bank Plc
54 Lombard Street
London ECV 9EX

AUDITORS: Haysmacintyre LLP
Chartered Accountants
10 Queen Street Place
London EC4R 1AG

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
REPORT OF THE EXECUTIVE COMMITTEE INCLUDING THE STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2018

MISSION STATEMENT

Our vision is that future generations of Jews will be safe, proud and knowledgeable members of the Jewish people, committed to their unique heritage and the eternity of Israel.

Our mission is to secure the future of Jewish life by mobilising the UK Jewish community to support the rescue of Jews in need throughout the world and their absorption in Israel, and our strategic interventions in Israel, where our focus is on enabling vulnerable young people to achieve their potential as individuals and to participate in community life.

HIGHLIGHTS OF THE YEAR

Voluntary income in the year, including legacies, was £175,000 (2017 - £1,123,000)

The Charity continues to receive legacy income. The level of such income is not predictable. However, it is sufficient to allow the Charity to develop a creative programme in line with its charitable and strategic objectives.

The Charity has identified opportunities for strategic interventions in 2018-19.

A series of action plans has been developed to assist the board in monitoring implementation of the above objectives. They will be under continuous review to ensure that they remain viable in the light of any significant external or internal factors.

PRINCIPAL OBJECTIVES AND ACTIVITIES OF THE JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST ("JPAIME")

The constitution of the JPAIME sets out the following charitable activities to be carried out for the public benefit in the State of Israel and in any of the territories in the Near or Middle East:-

- (a) To relieve or assist in the relief of the needy, the old, the sick, the maimed, the wounded and those who are physically or mentally handicapped.
- (b) To protect children from cruelty or suffering.
- (c) To relieve or assist in the relief of necessitous immigrants.
- (d) To advance or propagate education generally or in particular subjects (other than education of a kind not charitable according to the law of England).
- (e) To carry on other activities as are charitable according to the laws of England.

The Trustee has had due regard to the Charity Commission's guidance on public benefit when considering the Charity's objectives and activities.

STRATEGIC AIMS AND PLANS FOR THE FUTURE

The Charity's Executive Committee has ratified a Strategic Plan, which sets out the objectives for the Charity to ensure that whilst remaining faithful to its original objectives, the Charity is in a position to develop new opportunities.

The Charity's main objectives are to invest in young people and education in Israel.

CONNECTED CHARITIES

On 31 March 1998, the Charity agreed to amalgamate with the United Jewish Israel Appeal ("UJIA" - formerly the Joint Jewish Charitable Trust) (registered charity no: 1060078) by the transfer of their activities and properties to that Charity. Thereafter, the UJIA became sole corporate trustee for the Charity. This agreement, and the appointment of the UJIA as sole trustee, did not establish the Charity as a special trust or branch of the UJIA. As a result, individual accounts continue to be presented.

The objects of this Charity were incorporated into the Memorandum of the UJIA in order to ensure that the specific work of this Charity would be continued through the new arrangements.

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
REPORT OF THE EXECUTIVE COMMITTEE INCLUDING THE STRATEGIC
REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

FINANCIAL OUTCOME FOR THE YEAR

Total income in 2017-18 was £188,000 compared with £1,136,000 in 2016-17. Total expenditure increased from £60,000 in 2016-17 to £465,000 in 2017-18.

The allocation of funds is shown at Note 8 to the Financial Statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Charity was established as an unincorporated association on 10 July 1968.

MEMBERSHIP

The Charity is controlled by a Corporate Trustee, which is represented by an Executive Committee.

The Executive Committee defines the membership criteria for members of the Charity who in turn elect the Executive Committee at an Annual General Meeting.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for the policy decisions of the Charity, and, within the framework of the constitution, the Executive Committee is empowered to make arrangements for the management and administration of the Charity through the appointment of a Chief Executive Officer and other professional staff.

The Trust Deed provides that the Trustee shall deal with the property and assets of the Charity in accordance with the directions of the Executive Committee notwithstanding the provisions of the Trustee Investments Act 1961 (now replaced by the Trustee Act 2000).

New members of the Executive Committee are co-opted by existing members to maintain or augment the range of skills and experience appropriate to the needs and activities of the Charity and subsequently proposed for election by the Members at the AGM.

On appointment, new members of the Executive Committee are provided with appropriate Charity Commission guides, a copy of the Constitution, a full set of the Charity's policies, the current Strategic Plan, the latest Statutory Accounts and an outline of their duties and responsibilities. New members meet with the Chief Executive to undertake an induction process.

FUNDRAISING APPROACH AND PERFORMANCE

The Charity does not carry out any fundraising activities.

INVESTMENT POLICY AND PERFORMANCE

The Charity does not hold funds for investment.

GRANT MAKING POLICY

The Charity distributes funds in fulfilment of its aims as expressed in its Mission Statement. Funds are allocated towards the rescue of Jews from around the world and their absorption into Israel, through support of educational, welfare and other humanitarian projects.

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

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

JPAIME RISK STATEMENT

The risks of JPAIME are managed through the detailed risk management process of UJIA. The process outlines all the key risks of the Charity, relevant control procedures, responsibilities and future actions to be taken. Monitoring of risk has now become embedded within the overall agreed procedures of the UJIA.

The Trustees of UJIA are satisfied that all the major risks to which the Charity is exposed are being reviewed and systems of internal control are being established to mitigate those risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

RESERVES POLICY

The Trustee considers that the inflow of income on an annual basis will be sufficient to cover any financial commitments that may arise, and therefore that there is no current need to increase the amount of free reserves. Any assets retained will be solely for the purpose of generating income to cover any distribution policy that the Trustee may formulate in the future. The Trustee has established a committee to consider the distribution of funds.

The restricted funds balance will be paid over to UJIA during 2018/19 once all monies receivable have been collected.

At 30 September 2018 unrestricted funds stood at £874,000 (2017: £1,049,000). This balance is after making a provision for the pension deficit funding arrangement in relation to the Charity's multi-employer defined benefit scheme. The Executive Committee are looking at the programmes that require support and the effect of the current economic climate upon the programmes of the Charity. They will make a decision about funding during the year to 30 September 2019.

TRUSTEE' RESPONSIBILITIES

The Trustee is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
REPORT OF THE EXECUTIVE COMMITTEE (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

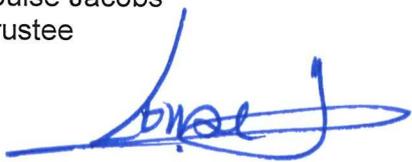
So far as the Trustee at the date of this report is aware, there is no relevant audit information of which the Charity's auditor is unaware. The Trustee has taken all the steps that ought to have been taken as a trustee in order to become aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

AUDITORS

haysmacintyre have indicated their willingness to be reappointed as statutory auditor.

Approved by the Executive Committee on 4 April 2019 and signed on its behalf:

Louise Jacobs
Trustee



JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2018

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2018 £'000 | <i>Total 2017 £'000</i> |
|---|-------|--------------------------------|------------------------------|---------------------------------|---------------------------------|
| INCOME AND EXPENDITURE | | | | | |
| Income from: | | | | | |
| Voluntary income – donations & tax refunds | | 9 | - | 9 | 11 |
| Voluntary income – legacies | | 163 | 3 | 166 | 1,112 |
| Investment income | | 13 | - | 13 | 13 |
| Total income | | 185 | 3 | 188 | 1,136 |
| Expenditure on: | | | | | |
| Charitable activities | 2 | 360 | 105 | 465 | 60 |
| Total expenditure | 3 | 360 | 105 | 465 | 60 |
| Net income/ (expenditure) for the year | | (175) | (102) | (277) | 1,076 |
| Funds brought forward at 1 October 2017 | | 1,049 | 200 | 1,249 | 173 |
| Funds carried forward at 30 September 2018 | | 874 | 98 | 972 | 1,249 |

There are no gains or losses other than as shown above. All activities are continuing. Comparative figures for restricted and unrestricted income and expenditure for the Statement of Financial Activities are shown in note 9.

The notes on pages 8 to 13 from part of these financial statements

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
BALANCE SHEET
AS AT 30 SEPTEMBER 2018

| | Notes | £'000 | 30 Sept 2018 £'000 | £'000 | 30 Sept 2017 £'000 |
|--|-------|------------|--------------------------|--------------|--------------------------|
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 2,877 | | 3,169 | |
| Cash at bank and in hand | | <u>82</u> | | <u>4</u> | |
| | | | <u>2,959</u> | <u>3,173</u> | |
| CREDITORS: amounts falling due within one year | | | | | |
| | 7 | <u>278</u> | | <u>279</u> | |
| NET CURRENT ASSETS | | | 2,681 | | 2,894 |
| CREDITORS: Amounts falling due after one year – pension accrual | | | | | |
| | 10 | | <u>1,709</u> | | <u>1,645</u> |
| NET ASSETS | | | <u>972</u> | | <u>1,249</u> |
| REPRESENTED BY: | | | | | |
| Unrestricted funds | 8 | | <u>874</u> | | <u>1,049</u> |
| Restricted funds | 8 | | <u>98</u> | | <u>200</u> |
| | | | <u>972</u> | | <u>1,249</u> |

Approved by the Executive Committee and authorised for issue on 4 April 2019 and signed on their behalf:

Louise Jacobs)
) 
)
)
)
Warren Persky)
) 
)
)
)

The notes on pages 8 to 13 from part of these financial statements

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2018

1. ACCOUNTING POLICIES

a) Statement of compliance and Basis of Accounting

The financial statements are prepared under the historical cost convention which is consistent with the prior year. The format of the financial statements has been presented to comply with the Charities Act 2011, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities* ("SORP 2015"). The Charity is a Public Benefit Entity as defined by FRS102.

b) Going concern

As highlighted in the report of the Executive Committee, having assessed the Charity's financial position, its plans for the foreseeable future and the risks to which it is exposed, the Trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

c) General information

The Charity is registered in England and Wales (charity number: 256689) The Charity's registered office address is 1 Torriano Mews, London NW5 2RZ.

d) Income

Revenue is recognised when its receipt is considered to be probable

- i) Donation income, net Gift Aid and covenanted income are accounted for on a cash received basis.
- ii) Legacy income is recognised when the amount can be determined and notification has been received that payment would be made or property transferred.
- iii) Income tax refunds are accounted for on an accruals basis.
- iv) Interest received is accounted for when earned.

e) Expenditure

Expenditure is recognised as soon as the related liability is incurred and has been classified under headings that aggregate all costs relating to that category. Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure.

Employment benefits, including holiday pay, are recognised in the period in which they are earned. Termination benefits are recognised in the period in which the decision is made and communicated to the relevant employee(s).

Expenditure on raising funds comprises trading costs, fundraising costs and finance costs. Finance costs comprise interest payable.

Expenditure on charitable activities comprises

- i) Charitable grants in respect of Israel programmes and
- ii) Sundry Welfare payments.

Restricted fund expenditure represents funds passed on to other organisations in satisfaction of the specific criteria under which they were raised.

Support costs represent indirect costs relating to raising funds and the Charity's charitable activities. Support costs, including governance costs, are allocated to activities on bases that represent the Trustees' best estimate of actual use.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, auditors' remuneration, certain legal costs and all costs of complying with constitutional and statutory requirements, such as costs of Board meetings and of preparing the statutory accounts. In accordance with the provisions of SORP 2017, governance costs are now included within support costs.

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2018

Staff costs are allocated according to the functions of staff as well as an estimate of the time spent by them in promoting the programmes of the Charity.

f) Financial instruments

Basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

g) Pensions

Contributions to the Zionist Federation Staff Pension Scheme (ZFSPS) defined contribution pension scheme and to employees' personal pensions are recognised as expenditure when they fall due.

The ZFSPS is a multi-employer defined benefit scheme for which the Charity's share of the underlying assets and liabilities cannot be separately identified. This scheme is therefore accounted for as a defined contribution scheme in accordance with section 28 of FRS102.

The scheme is a defined benefit scheme in accordance with section 28 of FRS102. Service costs, curtailments, settlement gains and losses, net financial returns and re-measurement gains and losses are included in the Statement of Financial Activities in the year to which they relate.

Changes in the assets and liabilities of the scheme in the year are disclosed and allocated as follows:

- Changes relating to current or past service costs and gains and losses on settlements and curtailments and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme.
- Pension finance charges arising from similar changes are recognised as outgoing resources.
- Re-measurement gains and losses arising are recognised as other recognised gains and losses.

The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities and major assumptions are shown in note 10.

h) Taxation

As a registered charity, no tax is payable on income.

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2018

i) Funds

General funds comprise the accumulated surplus or deficit from the Statement of Financial Activities which is not restricted nor designated funds. They are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds comprise funds that have been set aside at the discretion of the Trustees for specific purposes. The purpose and use of the designated unrestricted funds are set out in the notes to the accounts.

Restricted income funds comprise unexpended balances of donations and grants held in trust to be applied for specific purposes.

j) Grants payable

Grants payable are charged when the offer is conveyed to the recipient and all the conditions attaching to these grants are fulfilled. In the case where grants payable are dependent on donations receivable, the grant payable does not become a commitment until the donation is received.

k) Cash-flow statement

The Charity has taken advantage of the exemptions available under FRS1 'Cash Flow Statements' not to prepare a cash flow statement on the grounds that it qualifies as a small entity.

2. CHARITABLE ACTIVITIES

| | Unrestricted Funds 2018 £'000 | Restricted Funds 2018 £'000 | Total Funds 2018 £'000 | Unrestricted Funds 2017 £'000 | Restricted Funds 2017 £'000 | Total Funds 2017 £'000 |
|---|--|--------------------------------------|---------------------------------|--|--------------------------------------|---------------------------------|
| Grants | | | | | | |
| United Jewish Israel Appeal | - | 105 | 105 | - | 12 | 12 |
| Support Costs (Pension costs – see Note 4) | 360 | - | 360 | 48 | - | 48 |
| | <u>360</u> | <u>105</u> | <u>465</u> | <u>48</u> | <u>12</u> | <u>60</u> |

Included in Support costs are audit fees of £2k (2017 - £2k)

3. TOTAL EXPENDITURE

| | Staff Costs 2018 £'000 | Other Costs 2018 £'000 | Total Costs 2018 £'000 | Staff Costs 2017 £'000 | Other Costs 2017 £'000 | Total Costs 2017 £'000 |
|--------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Charitable Activities | 358 | 107 | 465 | 46 | 14 | 60 |
| | <u>358</u> | <u>107</u> | <u>465</u> | <u>46</u> | <u>14</u> | <u>60</u> |

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 SEPTEMBER 2018

4. STAFF COSTS

| | 2018 | <i>2017</i> |
|-------------------------------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Staff costs comprise the following: | | |
| Special pension contributions | 338 | <i>21</i> |
| Past service pension contributions | 20 | <i>25</i> |
| | 358 | <i>46</i> |

The average number of staff during the period was Nil (2017: Nil). Pension contributions are in relation to deferred members of the Zionist Federation Staff Pension Scheme. Past service pension contributions relate to former employees not covered by pension legislation. These are explained in note 10 below.

5. EXECUTIVE COMMITTEE'S EMOLUMENTS

No remuneration or re-imbursment of expenses was paid to the Executive Committee for their services to the Charity. One Member, Jonathan Morris, is a partner in Bryan Cave Leighton Paisner LLP which did not provide any service to the Charity in the year.

6. DEBTORS

| | 2018 | <i>2017</i> |
|-----------------------------|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Amounts due from | | |
| United Jewish Israel Appeal | 2,434 | <i>1,815</i> |
| Accrued income | 439 | <i>1,347</i> |
| Other debtors | 4 | <i>7</i> |
| Tax claims | - | <i>-</i> |
| | 2,877 | <i>3,169</i> |

The movements in the year related to transfer of funds to UJIA for funds to earn collectively a higher rate of interest and pension contributions paid.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | <i>2017</i> |
|---|--------------|--------------|
| | £'000 | <i>£'000</i> |
| Pension deficit reduction contributions (note 11) | 273 | <i>273</i> |
| Other creditors | 5 | <i>6</i> |
| | 278 | <i>279</i> |

8. ALLOCATION OF FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds £'000 | Unrestricted Funds £'000 | Restricted Funds £'000 | Total Funds £'000 |
|--------------------|--------------------------------|------------------------------|-------------------------|--------------------------------|------------------------------|-------------------------|
| Net current assets | 874 | 98 | 972 | <i>1,049</i> | <i>200</i> | <i>1,249</i> |
| | 874 | 98 | 972 | <i>1,049</i> | <i>200</i> | <i>1,249</i> |

Restricted funds comprise funds provided by the donor for a specific purpose or in support of a specific project. As noted in the Trustee Report, all restricted funds will be transferred to UJIA once funds have been received. Unrestricted funds comprise general donations which can be used at the discretion of the Trustee in accordance with the general aims and objectives of the Charity.

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2018

9. COMPARATIVE FIGURES FOR PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

| | Notes | Un restricted Funds £'000 | Restricted Funds £'000 | Total 2017 £'000 |
|---|-------|------------------------------------|------------------------------|------------------------|
| INCOME AND EXPENDITURE | | | | |
| Income from: | | | | |
| Voluntary income – donations | | 11 | - | 11 |
| Voluntary income - legacies | | 1,010 | 102 | 1,112 |
| Investment income | | 13 | - | 13 |
| Total income | | <u>1,034</u> | <u>102</u> | <u>1,136</u> |
| Expenditure on: | | | | |
| Charitable activities | 2 | 48 | 12 | 60 |
| Total expenditure | 3 | <u>48</u> | <u>12</u> | <u>60</u> |
| Net income for the year | | 986 | 90 | 1,076 |
| Funds brought forward at 1 October 2016 | | 63 | 110 | 173 |
| Funds carried forward at 30 September 2017 | | <u>1,049</u> | <u>200</u> | <u>1,249</u> |

JEWISH PHILANTHROPIC ASSOCIATION FOR ISRAEL & THE MIDDLE EAST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30 SEPTEMBER 2018

10. PENSION SCHEME COSTS

The Charity participates in a multi-employer final salary pension scheme, the Zionist Federation Staff Pension Scheme ("ZFSPS"). As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the Charity. The Charity also provides pensions for other pensioners who are not covered by formal pension arrangements.

The last report by the actuary covered the period to 6 April 2017. The valuation report stated that the market value of the entire scheme's assets was £15,370,000 and that this represents 84% of the funding level required by the scheme. The report recommended a normal contribution rate of 45.5% for employers.

The charity has recognised a provision in these financial statements, for additional special (deficit reduction) contributions to cover a potential deficit in the ZFSPS. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement relating to the deficit. The present value is calculated using a discount rate of 1%, which represents the interest rate available to the charity rounded up to the nearest whole per cent.

The movements on the provision are:

| | 2018 | <i>2017</i> |
|---|---------------------|---------------------|
| | £'000 | <i>£'000</i> |
| Provision at start of period | 1,918 | <i>2,172</i> |
| Deficit contributions paid | (273) | <i>(273)</i> |
| Unwinding of discount factor | 19 | <i>19</i> |
| Re-measurement due to change in contributions | 318 | <i>-</i> |
| | <u>1,982</u> | <i><u>1,918</u></i> |
| Split as follows: | | |
| Due within one year | 273 | <i>273</i> |
| Due after one year | 1,709 | <i>1,645</i> |
| | <u>1,982</u> | <i><u>1,918</u></i> |

Other organisations also contribute to the deficit funding agreement and the net present value of their contributions has been included in these accounts. The amounts for these included within other debtors and prepayments are £0.4k (2017: £2.1k). The liability is shared with the United Jewish Israel Appeal ("UJIA") which is responsible for funding the pensions of those employees who became employees of UJIA when the Charity started operations in January 1997.

The charge in the accounts represents contributions payable to the ZFSPS fund of £273,000 (2017: £273,000) and to the other pensioners of £20,000 (2017: £25,000).

Independent auditor's report to the trustee of Jewish Philanthropic Association for Israel & the Middle East

Opinion

We have audited the financial statements of Jewish Philanthropic Association for Israel & the Middle East for the year ended 30 September 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 charity's affairs as at 30 September 2018 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 auditor's report.

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 charity'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 Report of the Executive Committee. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of Our Report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditors
4 April 2019

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006