

TZEDEK

(A Company Limited by Guarantee)

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2006

Company No. 2781146
Registered Charity No. 1016767

TZEDEK

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YEAR ENDED 31 MARCH 2006**

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CHAIRMAN S STATEMENT

Tzedek has had a remarkable year, feeling at last that its concerns have finally been recognised to some extent by the community at large. The Make Poverty History campaign and its Jewish Coalition, within which Tzedek played a very creditable part, not least through the activities and involvement of our founder and one of our trustees, Steve Miller, led a far wider range of people to finally pay attention to the inordinate injustices that exist across the globe. Tzedek's increasing accent on popular campaigns like promoting Fair Trade, not least through our education programmes group, also played into this growing awareness of one of the easy ways to help rebalance world injustice.

Our various groups have done sterling work, identifying projects and ensuring that money given to Tzedek is not squandered carelessly. Many fear that money given to the developing world gets swallowed up in corruption or inefficiency. Tzedek, by working closely with our partners and rigorously monitoring the progress of projects we support, does not experience this problem in any significant way. Our volunteer programmes group once again mustered a fine group of volunteers to go out – some to India and some to Kenya - and experience first hand what Tzedek is concerned about. Our website has been upgraded to enable people more easily to access what we do. We have been very gratified once again to be showcased by non-Jewish media as an example of Jewish ethical activity in the wider world.

However, in fundraising and fund spending terms, this year has been not much different to the last few. As a result, Trustees finally decided that we have spent too many years banging our heads against the glass ceiling arising from Tzedek's current configuration and scale.

Following a very valuable day of reflection which brought together about thirty of Tzedek's enthusiasts, a Strategy Group was set up, with links to Trustees, but not controlled by us, to consider Tzedek root and branch and come up with proposals as to ways to change to shift us up at least another gear – if not more.

That group's preliminary report was received by Trustees in April and their general direction of thinking was supported. They proposed significant changes in leadership arrangements and still more significant changes in ambition for the organisation. They set out an inspiring vision of what Tzedek might look like and be doing in future and Tzedek has pledged itself to trying to make that vision a reality.

So these are exciting times for Tzedek, but we should not overlook all the regular work that continues. To all my colleague Trustees, to the leaders of our groups and to their members, I express my grateful thanks. Many many people give of their time to help our work and more give of their resources. It is clear that the Trustee board needs refreshing, not least given that two of our most valued members, Katie Schenk and Karin Shmueli are currently overseas, and while most assiduous in their attention, cannot give the same support as were they closeto hand.

Pivotal to so much of what we do and achieve is our Development Worker, Steve Derby, who, while only working for us half time, has entirely embodied all that we stand for, keeps us on the straight and narrow and challenges us regularly.

This has been a good year but, I think we all now accept, not good enough. The Strategy Group's report sets us challenging goals but I also think that everyone associated with Tzedek knows that there is more to be done and we must find ways to do it.

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees submits its report and accounts for the year ended 31 March 2006.

OBJECTS

The company is a charity registered in England and Wales, number 1016767 and its main objects as stated in its Memorandum of Association are: -

“the relief of poverty, deprivation, sickness, distress and hardship in any country or countries, place or places without differentiation on the grounds of race, colour, nationality, creed or sex;”

and

“to educate the public in general and the Jewish community in particular concerning the nature, causes and effects of poverty, deprivation, sickness, distress and hardship and of Jewish religious obligations, beliefs and traditions to relieve the same and to conduct and procure research concerning these and to publish or otherwise make the results thereof available to the public”.

ACTIVITIES

Activities comprise grant making to internally approved overseas projects, an annual overseas volunteer programme, educational activities in respect of informing the Jewish and wider communities of the causes and effects of poverty, and campaigning and fundraising in respect of the foregoing.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Overall control of the charity is in the hands of the Board of Trustees. Every trustee has been appointed a director of the company. Trustees are either the original subscribers to the company's Memorandum of Association or join the Board by election at Annual General Meetings or by appointment during the year by the Board itself, subject in this latter case to retirement and re-election at the next Annual General Meeting.

Responsibility for implementing policy rests with the trustees to whom recommendations are made by the following sub committees: -

- the Overseas Projects Group which carries out the identification and assessment of projects;
- the Volunteer Programmes Group which organises overseas volunteer programmes;
- the Education Programmes Group which organises Tzedek's educational activities.

The sub committees are made up of volunteers and at least one trustee. A consultant Development Officer provides support to both the Board of Trustees and the sub committees.

STRATEGY FOR ACHIEVING OBJECTS

Tzedek currently works through the above structure and targets the Jewish community for recruiting volunteers for its sub committees. It also targets the Jewish community in its funding appeals to individuals, and Jewish and non-Jewish organisations in its appeals for funding to trusts and similar bodies.

REPORT OF THE BOARD OF TRUSTEES (continued)

GRANT MAKING POLICY

Trustees make grants after applications have been assessed and recommended by the Overseas Projects Group who apply rigorous procedures. These procedures are guided by our Project Criteria, a comprehensive statement of which can be found at www.tzedek.org.uk, and which can be summarised as follows:

"Tzedek works regardless of race or religion with some of the poorest communities in the world, providing direct support to small-scale, sustainable, self-help development projects for the relief and elimination of poverty."

RESERVES POLICY

Tzedek's Reserves Policy is: -

to ensure that a minimum level of resources is always retained to continue funding:

- its core structure for a period of three months
- its existing commitments to overseas projects.

In addition the trustees continuously monitor the balance between funding availability and the demand from projects under appraisal by the Overseas Projects Group.

THE YEAR UNDER REVIEW

An assessment of the year under review including a summary of the charity's main achievements, is given in the Chairman's Statement on pages 3 & 4.

AUDIT REQUIREMENTS AND ACCOUNTING EXEMPTIONS

Advantage has been taken of:

- the exemption from audit requirements of the Companies Act for small companies;
- special exemptions in respect of the preparation of this report applicable to small companies.

The accounts comply with the Statement of Recommended Practice for Accounting and Reporting by Charities (revised 2005) and the Companies Act 1985. Where applicable the Companies Act takes precedence.

RISK POLICY

In accordance with the recommendations of the Statement of Recommended Practice the trustees confirm that they have reviewed the major risks to which the charity might be exposed. Risks relating to financial control within the charity are addressed, by suitable systems of internal check. External risks relating to grants to overseas projects are addressed by monitoring and feedback procedures put in place by the Overseas Projects Group, as overseen by the trustees on a project by project basis.

REPORT OF THE BOARD OF TRUSTEES (continued)

THE BOARD OF TRUSTEES

The directors constituting the Board of Trustees at 31 March 2006 were as follows:

Clive Lawton
Steve Miller
Justin Philips
Ian Rosmarin
Katie Schenk
Peter Scholl
Karin Shmueli

In accordance with Clause 12.01 of the Articles of Association Peter Scholl and Karin Shmueli will retire by rotation at the forthcoming Annual General Meeting. They will both offer themselves for re-election.

OTHER LEGAL AND ADMINISTRATIVE INFORMATION

The company's governing instruments are its Memorandum and Articles of Association.
The company's registered office is at 1 Regent Street, London SW1Y 4NW.
The company's main administration is carried on at 25 King's Close, London NW4 2JU.
The company's bankers are HSBC Bank plc, 166 Vauxhall Bridge Road, London SW1V 2RB.

By Order of the Board

Peter Scholl
Secretary

26 June 2006

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2006**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2005 Total Funds £
INCOMING RESOURCES FROM GENERATED FUNDS					
Donations		39,987	14,339	54,326	41,780
Fundraising Activities	5	2,129	-	2,129	5,377
Investment Income	6	722	-	722	1,086
		-----	-----	-----	-----
		42,838	14,339	57,177	48,243
		=====	=====	=====	=====
RESOURCES EXPENDED					
Charitable Activities					
Overseas Grants	7	24,521	14,395	38,916	31,945
Overseas Volunteer Programme	8	3,512	2,224	5,736	4,753
Education, Outreach and Campaigning	9	7,454	-	7,454	4,263
		-----	-----	-----	-----
		35,487	16,619	52,106	40,961
		=====	=====	=====	=====
Costs of Generating Funds	5	4,895	-	4,895	3,110
Governance Costs	10	5,356	-	5,356	4,901
		-----	-----	-----	-----
		10,251	-	10,251	8,011
		=====	=====	=====	=====
Total Resources Used		45,738	16,619	62,357	48,972
		=====	=====	=====	=====
NET (OUTGOING)/ INCOMING RESOURCES FOR THE YEAR		(2,900)	(2,280)	(5,180)	(729)
Fund balances at 1 April 2005		33,329	2,780	36,109	36,838
		-----	-----	-----	-----
FUND BALANCES AT 31 MARCH 2006		30,429	500	30,929	36,109
		=====	=====	=====	=====

All recognised gains and losses are included above.

BALANCE SHEET AS AT 31 MARCH 2006

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2005 Total Funds £
FIXED ASSETS					
Tangible Assets	2	324	-	324	649
		=====	=====	=====	=====
CURRENT ASSETS					
Cash at bank and in hand		28,333	500	28,833	35,518
Debtors	3	4,342	-	4,342	2,200
		-----	-----	-----	-----
		32,675	500	33,175	37,718
CURRENT LIABILITIES	4	2,570	-	2,570	2,258
		-----	-----	-----	-----
		30,105	500	30,605	35,460
		=====	=====	=====	=====
NET ASSETS		30,429	500	30,929	36,109
		=====	=====	=====	=====
ACCUMULATED FUNDS		30,429	500	30,929	36,109
		=====	=====	=====	=====

In accordance with s249B(4) Companies Act 1985 the directors state that:

- a) the company is entitled to exemption under s.249A(1) for the year ended 31 March 2006.
- b) no notice has been deposited under s.249B(2), in relation to its accounts for the financial year.
- c) they acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with s.221 and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at 31 March 2006 and of its net outgoing resources for the year then ended in accordance with the requirements of s.226 and which otherwise comply with the requirements of the Companies Act 1985 so far as applicable to the company.

In the opinion of the Board of Directors the company qualifies as a small company under s.247 Companies Act 1985. Advantage has been taken in the preparation of the accounts of special exemptions applicable to small companies.

Approved by the Board of Directors on 26 June 2006.

Clive Lawton
Chair

ACCOUNTING POLICIES - YEAR ENDED 31 MARCH 2006

(a) **BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost convention.

(b) **INCOME RECOGNITION**

Income from grants and donations is accounted for when received. Income tax recoverable on Gift Aid donations is accounted for when the donation is received.

(c) **RESTRICTED FUNDS**

Restricted funds are those donations received from donors with a specific request as to their application and which must be applied accordingly.

(d) **GRANTS MADE**

Grants made are recognised in the accounts at the time payment is made by the Charity.

(e) **RESOURCES USED**

Costs are allocated to direct charitable expenditure where such costs relate directly to a specific grant or project with the exception of the development officer's fees, which are allocated as follows:

Overseas Volunteer Programmes	1/5
Education and Outreach	1/5
Fundraising	1/5
Administration	1/5
Overseas Grants	1/5

(f) **DEPRECIATION**

The cost of fixed assets is depreciated by equal instalments over their expected lives at the following annual rates:

Computer equipment 33.33%

(g) **TAXATION**

The activities of Tzedek are exempt from direct taxation under section 505 of the Income and Corporation Taxes Act 1988.

(h) **STATEMENT OF RECOMMENDED PRACTICE**

The accounts have been prepared in accordance with the Statement of Recommended Practice for Accounting and Reporting by Charities (revised 2005) issued by the Charity Commission in co-operation with the Accounting Standards Board. The requirements of the Companies Act however take precedence where applicable.

NOTES TO THE ACCOUNTS - 31 MARCH 2006

	2006 £	2005 £
1. NET INCOMING RESOURCES		
Net Incoming Resources are arrived at after charging:		
Depreciation of owned fixed assets	325 =====	325 =====
2. TANGIBLE FIXED ASSETS		
	Computer Equipment £	
At 1 April 2005	2,167	
Additions	-	
Disposals	-	

At 31 March 2006	2,167 =====	
At 1 April 2005	1,518	
Charge for the year	325	
On Disposal	-	

At 31 March 2006	1,843 =====	
At 31 March 2006		
Net Book Value	324 =====	
3. DEBTORS		
	2006 £	2005 £
Gift Aid Income Tax Recoverable	4,342 =====	2,200 =====
4. CREDITORS		
Accruals	2,570 =====	2,258 =====

NOTES TO THE ACCOUNTS - 31 MARCH 2006

5. FUND RAISING ACTIVITIES

	2006 Income £	2006 Costs £	2006 Net £	2005 (Net) £
Sponsored Slim	-	-	-	4,227
Carnival Night	481	-	481	-
Liverpool Ball – Union of Jewish Students	-	-	-	258
Tikkun Trek	685	9	676	-
Personal Functions: donations in lieu of gifts	513	-	513	591
Other	450	223	227	301
	-----	-----	-----	-----
	2,129	232	1,897	5,377
	=====		=====	=====
Sundry Fundraising Costs		18		24
Costs of Appeals (Appeal income is included in Donations under Incoming Resources)		789		-
Development Officer - consulting support cost (1/5)		3,856		3,086
		-----		-----
		4,895		3,110
		=====		=====

6. INVESTMENT INCOME

Bank and other Interest	722	1,086
	=====	=====

7. COSTS OF OVERSEAS GRANTS

	2006 £	2005 £
Maternity Worldwide, Ethiopia	-	1,350
Economic Rural Development Society Gajole Project, West Bengal.	120	3,172
Society for Women Against Aids, South Africa	3,525	-
Elmina Women's Textile Project, Ghana.	12,000	1,454
Sevalaya, Tamil Nadu, South India.	8,176	6,500
World Medical Fund, Malawi.	4,000	4,000
Centre for Rural Systems & Development, Tamil Nadu, South India.	-	6,098
NBJK – Rural Industries Programme, North India	7,238	6,285
Development Officer – consulting support cost (1/5)	3,856	3,086
	-----	-----
	38,916	31,945
	=====	=====

NOTES TO THE ACCOUNTS - 31 MARCH 2006 (continued)

8. OVERSEAS VOLUNTEER PROGRAMME

	2006	2005
	£	£
Volunteer Programme expenses	1,880	1,666
Development Officer - consultancy support cost (1/5)	3,856	3,087
	-----	-----
	5,736	4,753
	=====	=====

9. EDUCATION AND OUTREACH

	2006	2005
	£	£
Tzedek Open Meeting	832	-
Website Costs	503	418
Exhibition, Teaching and Publicity costs	870	714
Newsletter and Leaflet Costs	793	-
Shabbaton		45
Campaigning	600	-
Development Officer - consultancy support cost (1/5)	3,856	3,086
	-----	-----
	7,454	4,263
	=====	=====

10. ADMINISTRATION

	2006	2005
	£	£
Printing, postage & stationery	435	854
Telephone, fax & email	522	547
General expenses	218	88
Depreciation	325	325
Development Officer - consultancy support cost (1/5)	3,856	3,087
	-----	-----
	5,356	4,901
	=====	=====