

TZEDEK
(A Company Limited by Guarantee)
REPORT AND ACCOUNTS
YEAR ENDED 31 MARCH 2007

Company No. 2781146
Registered Charity No. 1016767

TZEDEK

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YEAR ENDED 31 MARCH 2007**

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CHAIRMAN'S STATEMENT

As anticipated, 2006/7 was a year of significant transition as Tzedek realised that it simply could not fulfil its potential by continuing to operate as it had done.

A voluntary group had come into being following a very well attended 'Thinking Day' facilitated by Maggie Piazza, bringing fresh eyes to consideration of Tzedek's strategy. During this year that group has reported and its recommendations were largely accepted.

In the first instance, this resulted in the Trustees being joined for the first time by other leaders in Tzedek, principally the leaders of the sub-groups, to create 'The Executive' which, while incorporating the Trustees and not obviating their formal responsibilities, now serves as the principal forum for strategy and policy. It is intended that during the current year, Tzedek's constitution will be revisited to bring its terms into line with our (currently informal) practices by a redesign of its trustees and leadership arrangements.

A further recommendation by the strategy group was that we must reconsider our current staffing capacity. After more than a decade of sterling service, it was clear that a part-time Development Officer simply did not provide enough staff time to allow us to grow. It was proposed and accepted that we should appoint a full time Director. Having established that Steve Derby, our Development Officer, did not want to apply for the post, we advertised more widely and were fortunate to be able to select from a very impressive field. We are happy to have appointed Dan Berelowitz, who started with Tzedek in May 07, just after the period to which these accounts refer. Everyone in Tzedek recognises the huge debt of gratitude the organisation owes to Steve Derby for his dedicated work in getting Tzedek to this point and we wish him well in the future.

Joel Clarke, a former participant in our overseas volunteer programme committed himself to resurrecting Tzedek's newsletter, now called Arevut, which means 'Responsibility'. His first edition was strong and his second better still. I look forward to great developments on that front, especially once we fully embrace the use of electronic communication to supplement other more conventional forms.

The sub-groups have continued to acquit themselves well, producing yet another successful volunteer programme in Ghana, identifying and keeping in touch with grant recipients, making thoughtful and thoroughly researched recommendations to the Trustees for funding, and producing impressive educational materials designed to encourage people across the Jewish community to think about the issues about which Tzedek cares.

In this last regard, a subgroup of volunteers, led by Adrian Sieff and Elaine Robinson, devised a bid to DFID for funding to support an expansion of our educational work and, at the time of writing, we have just heard that that bid has been successful.

The difficult decision to devote funds to capacity building was made a little easier by strong signals from the Pears Foundation that if we did this intelligently they would support us. I am pleased to report that they have been as good as their word and I look forward to a continuing and ever firming relationship between us. It is clear to all that Tzedek is *the* organisation that actually does many of the things that Pears is keen to promote. It makes good sense for us to work closely.

Finally, I close by thanking all my colleague trustees for their hard work and commitment during this last year and to add to those thanks similar thanks to all the other members of the Executive Board whose fresh input has been a real fillip to the organisation.

I look forward to a very exciting year ahead.

Clive A Lawton
Chair: Trustees

12 July 2007

REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees submits its report and accounts for the year ended 31 March 2007.

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 normally at least one trustee. A Development Officer provides support to both the Board of Trustees and the sub committees.

This structure will be reviewed and reformed during the current year 2007/08 to bring it more formally into line with currently developing informal working arrangements as described in the Chair's Statement.

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 which applies 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 six 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 page 3.

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 2007 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 Clive Lawton and Katie Schenk 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 61 Llanvanor Road, NW2 2AR
The company's bankers are HSBC Bank plc, 166 Vauxhall Bridge Road, London SW1V 2RB.

By Order of the Board

Peter Scholl
Secretary

12 July 2007

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2007**

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2006 Total Funds £
INCOMING RESOURCES FROM GENERATED FUNDS					
Donations		72,482	1,840	74,322	54,326
Fundraising Activities	5	3,425	-	3,425	2,129
Investment Income	6	418	-	418	722
		-----	-----	-----	-----
		76,325	1,840	78,165	57,177
		=====	=====	=====	=====
RESOURCES EXPENDED					
Costs of Charitable Activities:					
Overseas Grants Costs	7	30,149	2,155	32,304	39,995
Overseas Volunteer Programme	8	6,095	-	6,095	6,815
Education, Outreach and Campaigning	9	8,414	-	8,414	8,534
		-----	-----	-----	-----
		44,658	2,155	46,813	55,344
		=====	=====	=====	=====
Costs of Generating Funds	5	6,593	-	6,593	5,974
Governance Costs	10	1,087	-	1,087	1,039
		-----	-----	-----	-----
		7,680	-	7,680	7,013
		=====	=====	=====	=====
Total Resources Used		52,338	2,155	54,493	62,357
		=====	=====	=====	=====
NET (OUTGOING)/ INCOMING RESOURCES FOR THE YEAR		23,987	(315)	23,672	(5,180)
Fund balances at 1 April 2006		30,429	500	30,929	36,109
		-----	-----	-----	-----
FUND BALANCES AT 31 MARCH 2007		54,416	185	54,601	30,929
		=====	=====	=====	=====

All recognised gains and losses are included above.

BALANCE SHEET AS AT 31 MARCH 2007

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds £	2006 Total Funds £
FIXED ASSETS					
Tangible Assets	2	-	-	-	324
		=====	=====	=====	=====
CURRENT ASSETS					
Cash at bank and in hand		53,515	-	53,515	28,833
Debtors	3	4,072	185	4,257	4,342
		-----	-----	-----	-----
		57,587	185	57,772	33,175
CURRENT LIABILITIES	4	3,171	-	3,171	2,570
		-----	-----	-----	-----
		54,416	185	54,601	30,605
		=====	=====	=====	=====
NET ASSETS		54,416	185	54,601	30,929
		=====	=====	=====	=====
ACCUMULATED FUNDS		54,416	185	54,601	30,929
		=====	=====	=====	=====

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 2007.
- 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 2007 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 12 July 2007.

Clive Lawton
Chair

ACCOUNTING POLICIES - YEAR ENDED 31 MARCH 2007

(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, together with related Gift Aid where applicable, 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 they relate directly to a specific grant or project. Development officer's fees and general expenses are allocated in accordance with the requirements of the SORP 2005 (see (h) below) as follows:

Overseas Grants Costs	23.75%
Overseas Volunteer Programmes	23.75%
Education, Outreach and Campaigning	23.75%
Fundraising	23.75%
Governance	5%

Note II to the accounts makes reference to changes in allocation since 2006.

(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 2007

	2007 £	2006 £
1. NET INCOMING RESOURCES		
Net Incoming Resources are arrived at after charging:		
Depreciation of owned fixed assets	324 =====	325 =====
2. TANGIBLE FIXED ASSETS		
	Computer Equipment £	
At 1 April 2006	2,167	
Additions	-	
Disposals	-	

At 31 March 2007	2,167 =====	
At 1 April 2006	1,843	
Charge for the year	324	
On Disposal	-	

At 31 March 2007	2,167 =====	
Depreciation		
At 31 March 2007	-	
Net Book Value	----- =====	
3. DEBTORS		
	2007 £	2006 £
Gift Aid Income Tax Recoverable	4,257 =====	4,342 =====
4. CREDITORS		
Accruals	3,171 =====	2,570 =====

NOTES TO THE ACCOUNTS - 31 MARCH 2007

5. FUND RAISING ACTIVITIES

	2007 Income £	2007 Costs £	2007 Net £	2006 (Net) £
Dreams of India	860	-	860	-
Full Moon Party	235	-	235	-
Carnival Night	-	-	-	481
Tikkun Trek	1,141	94	1,047	676
Donations – weddings, birthdays, etc.	968	-	968	513
Other	221	-	221	227
	-----	-----	-----	-----
	3,425	94	3,331	1,897
	=====		=====	=====
Sundry Fundraising Costs		172		18
Costs of Appeals (Appeal income is included in Donations under Incoming Resources)		1,148		789
Development Officer - support cost (23.75%)		4,821		4,579
General Expenses (23.75%)		358		356
		-----		-----
		6,593		=====
		=====		

6. INVESTMENT INCOME

Bank and other Interest		418	1,086
		=====	=====

7. COSTS OF OVERSEAS GRANTS

	2007 £	2006 £
Apprenticeship Scheme, Zimbabwe	840	-
Maternity Worldwide, Ethiopia	1,350	-
Economic Rural Development Society, Gajole Project, West Bengal.	237	120
Ebukya Women's Cooperative, Uganda	5,038	-
Society for Women Against Aids, South Africa	-	3,525
Pallisathi, West Bengal	3,060	-
Elmina Women's Textile Project, Ghana	4,000	12,000
Sevalaya, Tamil Nadu, South India	6,600	8,176
World Medical Fund, Malawi	-	4,000
Centre for Rural Systems & Development, Tamil Nadu, South India	6,000	-
NBJK – Rural Industries Programme, North India	-	7,238
Development Officer – support cost (23.75%)	4,821	4,580
General Expenses (23.75%)	358	356
	-----	-----
	32,304	39,995
	=====	=====

NOTES TO THE ACCOUNTS - 31 MARCH 2007 (continued)

8. OVERSEAS VOLUNTEER PROGRAMME

	2007 £	2006 £
Volunteer Programme expenses	918	1,880
Development Officer - support cost (23.75%)	4,820	4,579
General Expenses (23.75%)	357	356
	-----	-----
	6,095	6,815
	=====	=====

9. EDUCATION AND OUTREACH

	2007 £	2006 £
Tzedek Open Meeting	-	832
Website Costs	826	503
Exhibition, Teaching and Publicity costs	908	870
Newsletter and Leaflet Costs	1,501	793
Campaigning	-	600
Development Officer - support cost (23.75%)	4,821	4,579
General Expenses (23.75%)	358	357
	-----	-----
	8,414	8,534
	=====	=====

10. GOVERNANCE COSTS

	2007 £	2006 £
Development Officer - support cost (5%)	1,015	964
General Expenses (5%)	72	75
	-----	-----
	1,087	1,039
	=====	=====

11. DEVELOPMENT OFFICER'S FEES AND GENERAL EXPENSES

	2007 £	2006 £
Development officer's fees	20,296	19,280
Printing, postage and stationery	353	435
Telephone, fax and email	634	522
Sundry expenses	194	218
Depreciation	324	325
	=====	=====

The above expenses have been allocated in accordance with Note (e) on page 9.

During the year the trustees further refined the method for allocating the above expenses in accordance with the requirements of SORP 2005. The SORP inter alia, restricts expenditure charged to Governance (Note 10) and requires an appropriate allocation of general running costs to direct charitable activities.