

REGISTER

JEWISH ASSOCIATION FOR BUSINESS ETHICS
AND SUBSIDIARY UNDERTAKING
(LIMITED BY GUARANTEE)

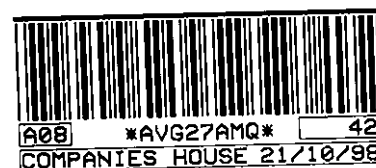
Company No: 2931643

FINANCIAL STATEMENTS

for the year ended

31 DECEMBER 1997

COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1X 2JP



JEWISH ASSOCIATION FOR BUSINESS ETHICS

LEGAL AND ADMINISTRATIVE INFORMATION

GOVERNORS (TRUSTEES)

Sir Trevor Chinn, CVO
Sir Stanley Kalms, Hon D Litt
David John Breecher
Sidney Corob CBE
Faanya Lydia Goldin
Anthony Grabiner, QC
Clive Maurice Marks
Michael Siegfried Meyer
Robert Abraham Perlman
Robert Stephen Rubin
Clinton Vita Silver, CBE
Philip Sober, FCA
Sir Harry Solomon
Andrew Zelig Stone
Michael Webber
Robert Yentob
Michael Bradfield
Stephen Zimmerman (appointed 25 February 1997)
Daniel Dover (appointed 3 June 1997)
Gerald Rothman (appointed 27 May 1997)

SECRETARY

Lorraine Spector

REGISTERED OFFICE

13-17 New Burlington Place
LONDON W1X 2JP

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
LONDON W1X 2JP

PRINCIPAL BANKERS

Lloyds Bank plc

COMPANY NUMBER

2931643

REGISTERED CHARITY NUMBER

1038453

JEWISH ASSOCIATION FOR BUSINESS ETHICS
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FOR THE YEAR ENDED 31 DECEMBER 1997

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JEWISH ASSOCIATION FOR BUSINESS ETHICS
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GOVERNORS' (TRUSTEES') REPORT

The Governors (Trustees) have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 31 December 1997.

PRINCIPAL OBJECTS AND BUSINESS REVIEW

The principal objects of the Company are the promotion, through education, of Jewish values relating to proper and ethical business practises and the raising of ethical standards within the business, professional and wider communities.

In furtherance of its principal objects, the Company has obtained Donations and Grants from third-parties, has organised public lectures, seminars, a programme for schools, and has initiated a series of publications providing information on Business Ethics.

The financial results of the Company's activities for the year ended 31 December 1997 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Company's enabling documents are its Memorandum and Articles of Association.

ADMINISTRATION OF COMPANY

The Company is controlled by its Council of Governors, day to day administration being undertaken by the Projects Director and the Company Secretary.

GOVERNORS (TRUSTEES)

The undermentioned individuals were Governors (Trustees) of the Company and continue in Office.

Sir Trevor Chinn, CVO
Sir Stanley Kalms, Hon D Litt
David John Breecher
Sidney Corob CBE
Faanya Lydia Goldin
Anthony Grabiner, QC
Clive Maurice Marks
Michael Siegfried Meyer
Robert Abraham Perlman
Robert Stephen Rubin
Clinton Vita Silver, CBE
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JEWISH ASSOCIATION FOR BUSINESS ETHICS

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GOVERNORS' (TRUSTEES) REPORT

GOVERNORS' (TRUSTEES') RESPONSIBILITIES

Company law requires the Governors (Trustees) to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing the Financial Statements, the Governors (Trustees) are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors (Trustees) are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Council

.....*L. Spector*.....
Lorraine Spector - Secretary

.....*14 August*.... 1998

REPORT OF THE AUDITORS' COHEN ARNOLD & CO.

TO THE MEMBERS

- OF -

JEWISH ASSOCIATION FOR BUSINESS ETHICS

(LIMITED BY GUARANTEE)

We have audited the Financial Statements on pages 4 to 11 which have been prepared under the historical cost convention and the Accounting Policies set out in Note 1.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS (TRUSTEES) AND AUDITORS

As indicated in the Governors' (Trustees') Report, the Company's Governors (Trustees) are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements by the Governors (Trustees) in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence and to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

As is usual with charitable organisations, the Company derives income from voluntary donations which, although not capable of being subject to independent verification, we believe to have been accounted for correctly and, accordingly, our opinion is not qualified in this respect.

OPINION

In our opinion the Financial Statements give a true and fair view of the state of the Group's affairs at 31 December 1997 and of its Results for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985.

London

Date:16 October 1998

COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

JEWISH ASSOCIATION FOR BUSINESS ETHICS
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CONSOLIDATED INCOME & EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)
FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	£	1997	£	1996	£
INCOME AND EXPENDITURE						
Incoming Resources						
Donations Received	1.4		84,983		56,202	
Other Income Received	1		4,948		9,449	
Net Income of Trading Subsidiary	3		972		10,969	
Total Incoming Resources			90,903		76,620	
Resources Expended						
Direct Charitable Expenditure:						
Educational Projects		14,933		13,284		
Other Expenditure:						
Management and Administration	4	75,870		70,561		
Total Resources Expended			(90,803)		(83,845)	
Net Incoming /(Outgoing) Resources and						
Net Movement of Funds	5		100		(7,225)	
Unrestricted Funds Brought Forward			(20,234)		(13,009)	
Unrestricted Funds Carried Forward			£(20,134)		£(20,234)	

None of the Company's activities was initiated or discontinued during the financial year nor in the previous year.

The notes on pages 7 to 11 form part of these Financial Statements.

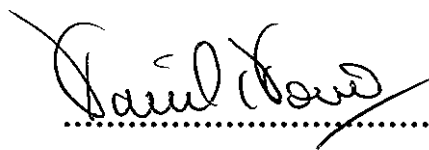
JEWISH ASSOCIATION FOR BUSINESS ETHICS
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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible Assets	6		2,008		1,750
CURRENT ASSETS					
Debtors	8	441		2,350	
Cash at Bank and in Hand		154		3,787	
			595		6,137
CREDITORS: Amounts falling due within one year	9	(22,737)		(28,121)	
NET CURRENT LIABILITIES			(22,142)		(21,984)
NET LIABILITIES			£(20,134)		£(20,234)
UNRESTRICTED FUNDS					
Other Charitable Funds			(20,042)		(19,690)
Non-Charitable Funds	3		(92)		(544)
			£(20,134)		£(20,234)

The Financial Statements were approved by the Council on *14th Aug 1998* 1998
and signed on its behalf by


.....


.....

GOVERNORS (TRUSTEES)

The notes on pages 7 to 11 form part of these Financial Statements.

JEWISH ASSOCIATION FOR BUSINESS ETHICS
(LIMITED BY GUARANTEE)

BALANCE SHEET AS AT 31 DECEMBER 1997

		<u>1997</u>	<u>1996</u>
	Notes	£	£
FIXED ASSETS			
Investments	7	2	2
CURRENT ASSETS			
Debtors	8	408	-
CREDITORS: Amounts falling due within one year	9	(20,452)	(19,692)
NET CURRENT LIABILITIES		(20,044)	(19,692)
		£(20,042)	£(19,690)
UNRESTRICTED FUNDS			
Other Charitable Funds		£(20,042)	£(19,690)

The Financial Statements were approved by the Council on *1st August* 1998
and signed on its behalf by

..... *[Signature]*

GOVERNORS (TRUSTEES)

The notes on pages 7 to 11 form part of these Financial Statements.

JEWISH ASSOCIATION FOR BUSINESS ETHICS
AND SUBSIDIARY UNDERTAKING
(LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Group's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the Historical Cost Convention and in accordance with applicable Accounting Standards (Statement of Recommended Practice - Accounting by Charities, SORP2).

1.2 CONSOLIDATION

A separate income and expenditure account dealing with the results of the Company only has not been presented, in accordance with Section 230 (4) Companies Act 1985.

1.3 INVESTMENT IN SUBSIDIARY UNDERTAKINGS AND LISTED INVESTMENTS

Share-holdings acquired are included at Market Value; any surplus or deficit on revaluation is taken to Revaluation Reserve.

1.4 DONATIONS RECEIVED

Donations Received represents income from grants and donations received by the Company, all such income and any tax recoverable being credited to the Income and Expenditure Account when received.

1.5 CASH FLOW STATEMENT

The Group is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

1.6 GOING CONCERN

The Financial Statements have been prepared on the basis that grants and donations will continue to be received from third parties to support the operations and activities undertaken by the Group.

JEWISH ASSOCIATION FOR BUSINESS ETHICS
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 as well as by Statement of Recommended Practice - Accounting by Charities with suitable adaptation thereof which the Governors (Trustees) consider to be appropriate having regard to the nature of the Group's activities.

3. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The Subsidiary Undertaking included within the Group Accounts is detailed in Note 7. A summary of its trading results is shown below. Audited accounts of the Subsidiary Undertaking have been filed with the Registrar of Companies.

PROFIT AND LOSS ACCOUNT	<u>1997</u> £	<u>1996</u> £
Turnover	8,400	18,000
Administrative Expenses	(7,328)	(7,031)
	<hr/>	<hr/>
PROFIT BEFORE TAXATION	1,072	10,969
Taxation	(100)	-
	<hr/>	<hr/>
PROFIT AFTER TAXATION	972	10,969
Gift Aid Payment to Jewish Association for Business Ethics	(520)	(11,000)
	<hr/>	<hr/>
RETAINED IN SUBSIDIARY	452	(31)
RESERVES BROUGHT FORWARD	(544)	(513)
	<hr/>	<hr/>
RESERVES CARRIED FORWARD	£(92)	£(544)
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

4. MANAGEMENT AND ADMINISTRATION

	<u>1997</u> £	<u>1996</u> £
Salaries and Related Costs	53,374	50,632
Employer's Social Security Contributions	5,653	5,605
Auditors' Remuneration	905	610
Office and Administration Costs	15,938	13,714
	<hr/>	<hr/>
	£75,870	£70,561
	<hr/>	<hr/>

The average number of employees during the year was four (1996 : three).

5. NET MOVEMENT OF FUNDS

Of the Net Movement of Funds of the Group an amount of £(352) (1996:£(7,194)) has been dealt with in the Statement of Financial Activities of the Company itself.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

6. TANGIBLE FIXED ASSETS

The Group		<u>Office Equipment</u>
		£
Cost		
	At 1 January 1997	1,750
	Additions	926
		<hr/>
	At 31 December 1997	£2,676
		<hr/>
Depreciation		
	Charge for the year	668
		<hr/>
	At 31 December 1997	£668
		<hr/>
Net Book Value		
	At 31 December 1997	£2,008
		<hr/>
	At 31 December 1996	£1,750
		<hr/>

7. INVESTMENTS

Investment in Subsidiary Undertaking

	<u>1997</u>	<u>1996</u>
	£	£
Integrity Publications Ltd	£2	£2
- Incorporated in England	<hr/>	<hr/>

The value of the Investment in the Subsidiary Undertaking is based on the underlying value of assets less liabilities of the Subsidiary Undertaking. All assets thereof are based on Trustee Valuation at the Balance Sheet date.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

8. DEBTORS

	The Group		The Company	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Trade Debtors	-	2,350	-	-
Other Debtors	441	-	408	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£441	£2,350	£408	£NIL
	<hr/>	<hr/>	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	£	£	£	£
Bank Loans & Overdrafts	6,429	6,820	6,429	6,820
Trade Creditors	1,497	4,178	-	-
Loan Creditor	10,000	10,000	10,000	10,000
Corporation Tax Payable	100	-	-	-
Other Taxes and Social Security Costs	1,180	4,894	1,180	1,554
Other Creditors and Accruals	3,531	2,229	2,843	1,318
	<hr/>	<hr/>	<hr/>	<hr/>
	£22,737	£28,121	£20,452	£19,692
	<hr/>	<hr/>	<hr/>	<hr/>

JEWISH ASSOCIATION FOR BUSINESS ETHICS
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INCOME & EXPENDITURE ACCOUNT
(STATEMENT OF FINANCIAL ACTIVITIES)
FOR THE YEAR ENDED 31 DECEMBER 1997

	£	<u>1997</u>	£	<u>1996</u>	£
INCOME AND EXPENDITURE					
Incoming Resources					
Donations Received		85,503		67,202	
Other Income Received		4,948		9,449	
		<hr/>		<hr/>	
Total Incoming Resources		90,451		76,651	
Resources Expended					
Direct Charitable Expenditure:					
Educational Projects	14,933		13,284		
Other Expenditure:					
Management and Administration	75,870		70,561		
	<hr/>		<hr/>		
Total Resources Expended		(90,803)		(83,845)	
		<hr/>		<hr/>	
Net Outgoing Resources and Net Movement of Funds		(352)		(7,194)	
Unrestricted Funds Brought Forward		(19,690)		(12,496)	
		<hr/>		<hr/>	
Unrestricted Funds Carried Forward		£(20,042)		£(19,690)	
		<hr/> <hr/>		<hr/> <hr/>	