

Charity Commission Registration No. 313900
Company Registration No. 395846

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**PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

THURSDAY



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30/09/2010
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PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
STATEMENT OF LEGAL AND ADMINISTRATIVE DETAILS

(a) Governing Instrument

The Pinhas Rutenberg Educational Trust ("PRET") is a company limited by guarantee and not having a share capital, the members having a liability not exceeding £1 each. Its governing instrument is its Memorandum and Articles of Association dated 1 June 1945.

(b) Registration Numbers

Charity Commission	313900
Companies House	395846

(c) Council of Management

Mr David Rutenberg
Miss Judith S Portrait
Mr Isaac Meshoulam
Mr John F Rosenheim
Professor Israel Agranat
Mrs Janet B Bloch
Mr Abraham Rutenberg (appointed 16 February 2010)

(d) Secretary

DWS Secretaries Limited

(e) Principal Address

The Pinhas Rutenberg Institute for Youth Education
77 Hanassi Avenue
Haifa
Israel

(f) Registered Office

12 York Gate
Regent's Park
London NW1 4QS

(g) Statutory Auditor

Blick Rothenberg
Chartered Accountants
12 York Gate
Regent's Park
London NW1 4QS

(h) Bankers

Barclays Bank Plc
Fleet Street Business Centre
80 Fleet Street
London EC4Y 1ET

(i) Investment advisors

Deutsche Bank
Winchester House
1 Great Winchester Street
London
EC2N 2DB

(j) Solicitors

Portrait Solicitors
1 Chancery Lane
London WC2A 1LF

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management (as directors for company law purposes and as trustees for charity law purposes) present their annual report (being their directors' report) together with the audited accounts for the year ended 31 December 2009

RESULTS

Incoming resources for the year amounted to £539,676 (2008 £482,944) including amounts contributed by various bodies co-operating in and benefiting from the Trust's educational activities of £462,796 (2008 £411,315), other grants and contributions of £12,000 (2008 £1,500), and investment income of £64,880 (2008 £70,129) Resources expended amounted to £504,651 (2008 £500,128) giving rise to net incoming/(outgoing) resources of £35,055 (2008 outgoing £17,184) The net increase in the Trust's funds in the year, after realised and unrealised gains on investments and exchange differences, was £304,552 (2008 decrease £312,400)

The balance on the consolidated trust capital account at 31 December 2009 was £1,528,990 (2008 £1,528,990) of which £1,271,761 (2008 £1,271,761) was attributable to general trust funds and £257,229 (2008 £257,229) to the Abraham Rutenberg Trust Fund The value of listed investments held at the end of the year was £1,477,298 (2008 £1,187,962) in excess of cost, as represented by the revaluation reserve Of this revaluation, £194,518 (2008 £174,916) related to the Abraham Rutenberg Trust Fund and the balance to general trust funds The balance on the income and expenditure account was £280,192 (2008 £210,794)

Total consolidated trust capital and reserves at 31 December 2009 were £3,286,480 (2008 £2,981,928) The Council of Management considers that the Trust has adequate available funds, on a fund by fund basis, to meet its foreseeable requirements

FORMAT OF ACCOUNTS

Whilst recognising the accounts format requirements of the Companies Act 2006, the Council of Management consider that certain formats and terminology contained therein do not wholly suit a charitable (not for profit) organisation In addition, the Statement of Recommended Practice ("SORP") Accounting and Reporting by Charities, SORP 2005, requires certain accounting treatment, formats and disclosures to be adopted in the annual report and accounts The Council of Management therefore prepares the annual report and accounts of the Trust in accordance with the Companies Act 2006, as augmented by the requirements of the SORP

OBJECTIVES

The main object of PRET is to provide at its Institute in Haifa, Israel, informal education for young people by providing a framework which is not part of the State's official school system but complementary to it The Institute assists and supports subjects where official or formal education is lacking Over the years, the Institute's activities have developed greatly and now cover a wide range of educational projects all of which are guided by the object of fulfilling the objects of the charity

MAIN ACTIVITIES IN 2009

1 *General*

The Pinhas Rutenberg Educational Trust ("PRET") was founded in 1945 as a consequence of Mr Pinhas Rutenberg's Will in which he dedicated all his property and wealth to the purpose of educating the youth of Israel

This report summarises the PRET educational activity for the year 2009

2 *Main Activities - 2009*

- 2.1 **Educational Activities and Seminars for Jewish Youth** The Institute continued organising and managing Zionist educational seminars for groups of Jewish youth More than 500 students from the USA, Australia and Europe participated in seminars and youth/student exchange programmes The average seminar duration was 4 days New seminars were designed and presented to Jewish youth organisations in which utilisation of the communication technology infrastructure which is available in the Institute is used We hope to enlarge the number of Jewish youth who participate in the seminars in 2010

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT

- 2 2 Communal Leadership of Ethiopian Youth This initiative, which was started in 2006 in collaboration with the Haifa Municipality, aims to promote communal leadership of youngsters from the Ethiopian community in Haifa. The Institute broadened the scope of the programme and the participating youth were offered paid apprentices' jobs as "Young Instructors" in the Institute's Educational Media & Communication Centre. The success of this programme resulted in schools requesting the Institute to run a formal programme (including matriculation exams) which will start in 2010. Overall, some 30 youngsters took part in the programme.
- 2 3 Educational Media & Communication Centre The centre, which is fully equipped to enable training of youth in communication media capabilities, serviced more than 1,850 youngsters from the Haifa area schools. Following the continuation of the upgrade of the broadcasting studio, the Institute, in cooperation with the Ministry of Education in the Haifa area, started broadcasting programmes on the internet and TV channels for teachers and youngsters. This programme is planned to be an integral part of the Ministry of Education internet site.

3 *Secondary Activities – 2009*

- 3 1 General Educational Seminars The Institute provided facilities for educational seminars for visiting groups from Germany. Overall, more than 250 participated in the seminars. The average seminar duration was 3 days.
- 3 2 Educational Centres: The Institute provided facilities for the educational activities of "Young Entrepreneurs".
- 3 3 Renovation and Modernisation of Facilities During 2009, the Institute continued to invest in the renovation and modernization of the dormitories on its campus. A renovation of an old class building (built during WWII on the Institute's campus) has been started. This building will be named after the late Miss Ethel Wix.
- 3 4 Cooperation with the Boston-Haifa Partnership The Institute provided rooms and facilities for the offices of the Boston-Haifa Partnership. Since the Boston-Haifa Partnership is involved in activities and Seminars for Jewish Youth it is hoped that the cooperation will strengthen the Institute's ability to operate in this area.

4 *Summary*

The Institute has been able to start new initiatives and to continue the ongoing activities of 2008. All activities during 2009 were constantly measured by strict accounting standards. The maintenance and further development of the educational activities have continued throughout 2009 without exceeding budget limits.

Reserves Policy

The Charity makes available all its income to the Pinhas Rutenberg Institute in Haifa. The Council of Management examines cash flow throughout the year and is satisfied that the Charity is in a position to meet any commitment it may make out of income and that its reserves are sufficient for its purpose. The capital is expendable endowment.

Investment Policy

The Council of Management has the power to invest in such assets as they see fit. The Council takes advice from Deutsche Bank. Their policy is to generate both income and capital. They have maintained a high percentage of gilts which have provided a stabilising factor.

The Council of Management confirm that all investments held have been acquired in accordance with the powers available to the Council of Management.

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT

Risk Review

The Council of Management has assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity. It is satisfied that systems are in place to mitigate their exposure to the major risks.

RESPONSIBILITIES OF COUNCIL MEMBERS AS DIRECTORS OF THE COMPANY

The Trustees are responsible for preparing the report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the charitable company and its subsidiary and of income and expenditure of the charitable company and its subsidiary for that period. In preparing those financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities Act 1993. 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.

FIXED ASSETS

Details of the movements in tangible fixed assets are shown in note 9 to the accounts. The Council is of the opinion that the values of the freehold properties (which are all held for direct charitable use) are above cost, but does not consider any benefit would be served by performing a revaluation.

ORGANISATIONAL STRUCTURE

The charity is managed in the UK by the Council of Management comprising seven members, the work of the Institute in Israel which the charity funds are run on a day to day basis by Mr David Rutenberg, a Council member.

COUNCIL OF MANAGEMENT

The current members of the Council of Management (as directors and members for company law purposes and trustees for charity law purposes) are listed on page 1. During the year, Mr John Rosenheim, Mr Isaac Meshoulam and Mrs Janet Bloch members of the Council of Management retired by rotation in accordance with article 45 of the Articles of Association and were re-elected unanimously. Mr Abraham Rutenberg was appointed a member of the Council of Management on 16 February 2010.

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
REPORT OF THE COUNCIL OF MANAGEMENT

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the members of the Council of Management are aware

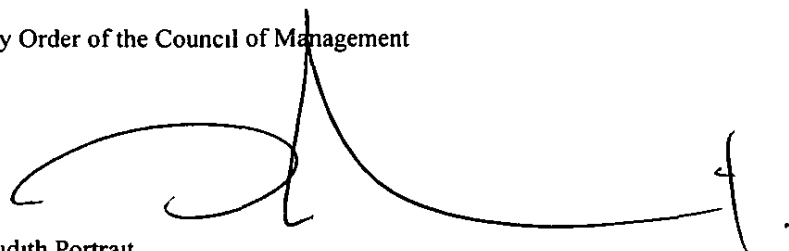
- there is no relevant audit information of which the charity's auditors are unaware, and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

The auditors, Blick Rothenberg, have indicated their willingness to continue in office and a resolution for their re-appointment, at a fee to be agreed by the Council, will be submitted at the Annual General Meeting

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

By Order of the Council of Management



Judith Portrait

Member of the Council of Management

Date 28 September 2010

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
SUMMARY OF THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
INCOME			
Contributions, grants and donations		474,796	412,815
Income from listed investments		64,673	68,326
Interest receivable and similar income		207	1,803
		<u>539,676</u>	<u>482,944</u>
EXPENDITURE			
Direct charitable expenditure		(489,705)	(482,866)
Indirect expenditure		(14,916)	(17,262)
		<u>(504,621)</u>	<u>(500,128)</u>
Gain/(loss) on disposal of investments		<u>2,453</u>	<u>(2,212)</u>
Net surplus/(deficit) for the year	2	<u>37,508</u>	<u>(19,396)</u>

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES
AND RECONCILIATION TO STATEMENT OF FINANCIAL ACTIVITIES

	2009 £	2008 £
Net surplus/(deficit) for the year	37,508	(19,396)
Unrealised gains/(losses) on investments	235,153	(249,594)
Exchange differences on retranslation of Israeli branch opening assets and liabilities	7,894	(43,410)
Adjustment in respect of previous years	<u>23,997</u>	<u>-</u>
Total recognised gains and losses for the year and net movement in funds (per Statement of Financial Activities)	<u>304,552</u>	<u>(312,400)</u>

None of the Trust's activities were new or discontinued during the above two financial years. The income and expenditure account and statement of investment gains should be read in conjunction with the reconciliation and analysis of movement on the funds on pages 10 and 11.

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 Restricted Funds £	2009 Unrestricted Funds £	2009 Total £	2008 Total £
Incoming resources					
Incoming resources from generated funds					
Donations and grants	3	-	12,000	12,000	1,500
Investment income	5	12,733	52,147	64,880	70,129
Incoming resources from charitable activities					
Educational projects	4	-	462,796	462,796	411,315
Total incoming resources		<u>12,733</u>	<u>526,943</u>	<u>539,676</u>	<u>482,944</u>
Resources expended					
Costs of charitable activities					
Educational projects	6	-	489,705	489,705	482,866
Governance costs	7	-	14,916	14,916	17,262
Total resources expended		<u>-</u>	<u>504,621</u>	<u>504,621</u>	<u>500,128</u>
Net incoming/(outgoing) resources before other recognised gains/(losses)		12,733	22,322	35,055	(17,184)
Other recognised gains/(losses)					
Gain/(loss) on disposal of investments		282	2,171	2,453	(2,212)
Exchange difference on retranslation of Israeli Branch		-	7,894	7,894	(43,410)
Unrealised gains/(losses) on investments		19,602	215,552	235,154	(249,592)
Adjustment in respect of previous years		-	23,997	23,997	-
Net movement in funds		32,617	271,936	304,552	(312,400)
Total funds brought forward		<u>551,646</u>	<u>2,430,281</u>	<u>2,981,928</u>	<u>3,294,325</u>
Total funds carried forward		<u>584,263</u>	<u>2,702,217</u>	<u>3,286,480</u>	<u>2,981,928</u>

None of the Trust's activities were new or discontinued during the above two financial years. The statement of financial activities should be read in conjunction with the reconciliation and analysis of movement on the funds on pages 10 and 11.

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2009

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		316,912		374,465
Investments	10		2,867,507		2,608,835
			<u>3,184,419</u>		<u>2,983,300</u>
CURRENT ASSETS					
Debtors	11	132,672		140,418	
Cash at bank		191,425		94,899	
		<u>324,097</u>		<u>235,317</u>	
CREDITORS:					
Amounts falling due within one year	12	(118,622)		(132,917)	
NET CURRENT ASSETS					
			205,475		102,400
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>3,389,894</u>		<u>3,085,700</u>
PROVISION FOR LIABILITIES					
For employees' severance pay	13		(103,414)		(103,772)
NET ASSETS					
			<u>3,286,480</u>		<u>2,981,928</u>
TRUST CAPITAL AND RESERVES					
<u>Unrestricted funds</u>					
Trust capital account		1,271,761		1,271,761	
Revaluation reserve		1,282,780		1,067,228	
Income and expenditure account		147,677		91,293	
			<u>2,702,218</u>		<u>2,430,282</u>
<u>Restricted funds</u>					
Trust capital account		257,229		257,229	
Revaluation reserve		194,518		174,916	
Income and expenditure account		132,515		119,501	
			<u>584,262</u>		<u>551,646</u>
			<u>3,286,480</u>		<u>2,981,928</u>

Approved by the Council of Management on 28/07/10


Judith Portrait
Member of the Council of Management

The Balance Sheet should be read in conjunction with the reconciliation and analysis of movement on funds on pages 10 and 11

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
TRUST BALANCE SHEET AT 31 DECEMBER 2009

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		316,911		374,464
Investments	10		2,867,507		2,608,835
			3,184,418		2,983,299
CURRENT ASSETS					
Debtors	11	132,672		140,418	
Cash at bank		191,425		94,899	
		324,097		235,317	
CREDITORS:					
Amounts falling due within one year	12	(118,622)		(132,917)	
NET CURRENT ASSETS			205,475		102,400
TOTAL ASSETS LESS CURRENT LIABILITIES			3,389,893		3,085,699
PROVISION FOR LIABILITIES					
For employees' severance pay	13		(103,414)		(103,772)
NET ASSETS			3,286,479		2,981,927
TRUST CAPITAL AND RESERVES					
<u>Unrestricted funds</u>					
Trust capital account		1,271,760		1,271,760	
Revaluation reserve		1,282,780		1,067,228	
Income and expenditure account		147,677		91,293	
			2,702,217		2,430,281
<u>Restricted funds</u>					
Trust capital account		257,229		257,229	
Revaluation reserve		194,518		174,916	
Income and expenditure account		132,515		119,501	
			584,252		551,646
			3,286,479		2,981,927

Approved by the Council of Management on

28/07/10

Judith Portrait
Member of the Council of Management

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
RECONCILIATION OF MOVEMENT ON CONSOLIDATED FUNDS
YEAR ENDED 31 DECEMBER 2009

	General Trust Fund	Abraham Rutenberg Trust Fund (restricted fund)	Israeli Electricity Company Trust Fund (restricted fund)	Arison Fund (restricted fund)	2009 Total	2008 Total
	£	£	£	£	£	£
TRUST CAPITAL ACCOUNT						
Balance at 1 January and 31 December 2009	1,271,761	257,229	–	–	1,528,990	1,528,990
REVALUATION RESERVE						
Balance at 1 January 2009	1,067,228	174,916	–	–	1,242,144	1,442,452
Unrealised gains/(losses) in year on revaluation of investments	215,552	19,602	–	–	235,154	(249,594)
Transfer of realised (gains)/losses	–	–	–	–	–	(11,630)
Adjustment in respect of prior years	–	–	–	–	–	60,914
Balance at 31 December 2009	1,282,780	194,518	–	–	1,477,298	1,242,144
INCOME AND EXPENDITURE ACCOUNT						
Balance at 1 January 2009	91,293	63,002	36,626	19,873	210,794	322,884
Net surplus / (deficit) for the year	22,322	12,733	–	–	35,055	(17,184)
Gain/(loss) on disposal of investments	2,171	281	–	–	2,453	(2,212)
Exchange differences on retranslation of Israeli branch opening assets and liabilities	7,894	–	–	–	7,894	(43,410)
Transfer of unrealised gains	–	–	–	–	–	11,630
Adjustment in respect of prior years	23,997	–	–	–	23,997	(60,914)
Balance at 31 December 2009	147,677	76,016	36,626	19,873	280,192	210,794
TOTAL RESERVES	2,702,218	527,763	36,626	19,873	3,286,480	2,981,928

The revaluation reserve represents a non-distributable reserve

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
ANALYSIS OF CONSOLIDATED NET ASSETS BETWEEN FUND BALANCES
YEAR ENDED 31 DECEMBER 2009

	General Trust Fund	Abraham Rutenberg Trust Fund (restricted fund)	Israeli Electricity Company Trust Fund (restricted fund)	Arison Fund (restricted fund)	2009 Total	2008 Total
	£	£	£	£	£	£
Fixed assets	269,427	–	34,699	12,786	316,912	374,465
Investments	2,451,010	416,496	–	–	2,867,507	2,608,835
Net Current Assets	85,195	111,267	1,927	7,087	205,475	102,400
Provisions	(103,414)	–	–	–	(103,414)	(103,772)
	<u>2,702,218</u>	<u>527,763</u>	<u>36,626</u>	<u>19,873</u>	<u>3,286,480</u>	<u>2,981,928</u>
Represented by						
Realised amounts	1,419,438	333,245	36,626	19,873	1,809,182	1,739,784
Unrealised amounts	1,282,780	194,518	–	–	1,477,298	1,242,144
	<u>2,702,218</u>	<u>527,763</u>	<u>36,626</u>	<u>19,873</u>	<u>3,286,480</u>	<u>2,981,928</u>

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

- a) The accounts are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with the Companies Act 2006, the Charities Act 1993, recommendations in SORP 2005 (Accounting and Reporting by Charities) and with applicable accounting standards
- b) The consolidated accounts incorporate the financial statements of the Pinhas Rutenberg Educational Trust and its subsidiary undertaking, the Pinhas Rutenberg Trust Limited. The parent company has taken advantage of the exemption afforded by Section 408 of Companies Act 2006 not to present its own income and expenditure account. There were no differences between the results of the parent company and the results on a consolidated basis. Other than in the case of fixed assets, there were no differences between the state of affairs of the parent company and those on a consolidated basis
- c) (i) Freehold and leasehold properties and fixed assets in Israel are translated at the rate of exchange ruling at the date of purchase. Other overseas assets and liabilities are converted at the rates of exchange ruling at the year end
(ii) Income and expenditure in Israel are converted at the average rate of exchange prevailing during the year
(iii) Gains and losses on exchange arising on transactions during the year are written off to income and expenditure. Exchange differences arising on the above mentioned translation of overseas assets and liabilities are taken directly to reserves
- d) Income and expenditure is recognised on an accruals basis, except in the case of income from investments which is recognised when received. Direct charitable expenditure represents expenditure on the Institute for youth education and other educational activities. Indirect expenditure represents the cost of management administration and governance
- e) Tangible fixed assets are stated at cost less provision for depreciation

Depreciation of fixed assets is provided by the straight line method so as to write off the cost of fixed assets over their estimated useful lives as follows

Freehold properties	25 years
Computer equipment	3 years
Furniture and equipment	10 years
Leasehold improvements	10-25 years

Long leasehold property is not depreciated

- f) Listed investments are shown at market values at the year end. A revaluation (non-distributable) reserve is maintained to reflect any excess of market values over costs. Any diminution in the market value of investments in excess of the balance on the revaluation reserve is provided for in the income and expenditure account where it is considered a permanent diminution in value
- g) The Abraham Rutenberg Trust ("ART") Fund is a restricted fund which is subject to certain donor declared restrictions. The objects of the ART fund are the same as the objects of the Trust. Income from the ART fund may be applied by the trustees in furtherance of the activities of the Trust
- h) The Israeli Electricity Company fund is a restricted fund which is subject to donor declared restrictions. The object of the fund is to assist towards the reconstruction of the Pinhas Rutenberg perpetuation room
- i) The Arison Fund is a restricted fund which is subject to donor declared restrictions. The object of the fund is to assist towards the building of a computer centre aimed at giving training in communication and information technology

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

2 SURPLUS/(DEFICIT) FOR THE YEAR

The surplus/(deficit) of income less expenditure is stated after charging

	2009	2008
	£	£
Auditors' remuneration - Israel	3,091	3,161
- England	7,850	7,298
Depreciation	<u>57,928</u>	<u>82,431</u>

3 DONATIONS

	Restricted	Unrestricted	2009	2008
	£	£	Total	Total
			£	£
General donations	<u>—</u>	<u>12,000</u>	<u>12,000</u>	<u>1,500</u>

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted	Unrestricted	2009	2008
	£	£	Total	Total
			£	£
Income from further education courses	—	28,820	28,820	26,498
Participation in various seminars and various activities including hostel facilities	—	226,386	226,386	180,934
Services to educational institutions	—	74,061	74,061	61,899
Rent	—	40,773	40,773	31,201
Income from courses in communications	—	52,925	52,925	41,015
Sundry income	—	33,046	33,046	59,636
Amounts released from net assets restricted for activities	—	6,785	6,785	10,132
	<u>—</u>	<u>462,796</u>	<u>462,796</u>	<u>411,315</u>

5 INVESTMENT INCOME

	Restricted	Unrestricted	2009	2008
	£	£	Total	Total
			£	£
Dividend and investment income	12,580	52,093	64,673	68,326
Interest receivable and similar income	153	54	207	1,803
	<u>12,733</u>	<u>52,147</u>	<u>64,880</u>	<u>70,129</u>

Income from listed investments relates to investment assets held in the United Kingdom

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

6 COSTS OF CHARITABLE ACTIVITIES

	2009	2008
	Total	Total
	£	£
Expenditure on educational projects.		
Wages & salaries	149,815	171,663
Lecturers' & instructors' fees	7,271	7,375
Victuals	47,047	39,396
Transport and travelling	79,813	40,095
Building, maintenance & upkeep of garden, furniture & kitchen equipment	81,421	80,447
Legal, bookkeeping & accountancy charges	17,968	9,623
Bank interest & charges	5,847	5,479
Insurance & rates	25,200	17,324
Communications	9,649	7,577
Depreciation	57,928	82,431
Foreign exchange losses	-	14,102
Sundry	7,746	7,354
	<u>489,705</u>	<u>482,866</u>

Given the limited number of projects being undertaken by the charity, the trustees consider that no further analysis of the above direct charitable expenditure would be beneficial. Governance costs are separately disclosed in note 7 to the financial statements.

7 GOVERNANCE COSTS

	2009	2008
	£	£
Auditor's remuneration	7,850	8,198
Legal fees	4,402	6,753
Indemnity insurance	2,094	1,995
Other professional charges	570	316
	<u>14,916</u>	<u>17,262</u>

PINHAS RUTENBERG EDUCATIONAL TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

8 STAFF NUMBERS AND COST

Average number of staff employed by the group
(excluding council members) during the year

	2009	2008
	Number	Number
Management	4	4
Instructors	5	5
Office	3	3
Kitchen and maintenance	7	7
	<u>19</u>	<u>19</u>
	£	£
Wages and salaries	137,041	157,026
Payroll, taxes and social security	12,774	14,637
	<u>149,815</u>	<u>171,663</u>

No employees received emoluments above £60,000 Council members are not remunerated £4,402 was paid for legal services to Portrait Solicitors, a firm in which Miss J Portrait is a partner (2008 £6,321)

PINHAS RUTENBERG EDUCATIONAL TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
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9 TANGIBLE FIXED ASSETS

The Trust and its subsidiary

	Freehold Property £	Long Leasehold Property £	Leasehold Improvement £	Computer Equipment £	Furniture & Equipment £	Total £
COST						
At 1 January 2009	768,810	1,273	376,958	25,064	504,124	1,676,229
Additions	-	-	-	-	375	375
At 31 December 2009	<u>768,810</u>	<u>1,273</u>	<u>376,958</u>	<u>25,064</u>	<u>504,499</u>	<u>1,676,604</u>
DEPRECIATION						
At 1 January 2009	(676,425)	-	(155,516)	(24,113)	(445,710)	(1,301,764)
Charge for year	(14,419)	-	(27,482)	(653)	(15,374)	(57,928)
At 31 December 2009	<u>(690,844)</u>	<u>-</u>	<u>(182,998)</u>	<u>(24,766)</u>	<u>(461,084)</u>	<u>(1,359,692)</u>
NET BOOK VALUE						
At 31 December 2009	<u>77,966</u>	<u>1,273</u>	<u>193,960</u>	<u>298</u>	<u>43,415</u>	<u>316,912</u>
At 31 December 2008	<u>92,385</u>	<u>1,273</u>	<u>221,442</u>	<u>951</u>	<u>58,414</u>	<u>374,464</u>

All the fixed assets are held for direct charitable purposes of the Trust and its subsidiary

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

9 TANGIBLE FIXED ASSETS (Continued)

The Trust

	Freehold Property £	Long Leasehold Property £	Leasehold Improvement £	Computer Equipment £	Furniture & Equipment £	Total £
COST						
At 1 January 2009	746,284	1,273	376,958	25,064	504,124	1,653,703
Additions	—	—	—	—	375	375
At 31 December 2009	<u>746,284</u>	<u>1,273</u>	<u>376,958</u>	<u>25,064</u>	<u>504,499</u>	<u>1,654,078</u>
DEPRECIATION						
At 1 January 2009	(653,900)	—	(155,516)	(24,113)	(445,710)	(1,279,239)
Charge for year	(14,419)	—	(27,482)	(653)	(15,374)	(57,928)
At 31 December 2009	<u>(668,319)</u>	<u>—</u>	<u>(182,998)</u>	<u>(24,766)</u>	<u>(461,084)</u>	<u>(1,337,167)</u>
NET BOOK VALUE						
At 31 December 2009	<u>77,965</u>	<u>1,273</u>	<u>193,960</u>	<u>298</u>	<u>43,415</u>	<u>316,911</u>
At 31 December 2008	<u>92,384</u>	<u>1,273</u>	<u>221,442</u>	<u>951</u>	<u>58,414</u>	<u>374,464</u>

The Trust's interest in the lease expires in 2078

All the fixed assets are held for direct charitable purposes of the Trust

PINHAS RUTENBERG EDUCATIONAL TRUST
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NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

10. INVESTMENTS

	Costs	Market Value
	£	£
At 1 January 2009	1,420,873	2,608,835
Additions	23,518	23,518
Movements in market value	-	235,154
	1,444,391	2,867,507
Differences between cost and market value	1,423,116	
Market value at 31 December 2009	2,867,507	

The Trust also owns the entire share capital of the Pinhas Rutenberg Trust Limited, a company incorporated in Israel. The authorised and issued share capital of this company comprises 5,000 shares of NIS 0 0001 each. The company owns properties which are used by the Trust for the furtherance of charitable activities and did not have any income or expenditure in 2009 or 2008 other than in respect of depreciation of property. The net assets of the company are NIS479,646 (2008 NIS568,636).

All investments are listed on a recognised UK Stock Exchange. Investments comprising over 5% of the portfolio, at market value, are as follows:

	£
2 5% Index Linked Treasury Loan Stock 2024	1,338,062
2 5% Index Linked Treasury Loan Stock 2020	1,134,491

11. DEBTORS

	2009	2008
	£	£
Income receivable	31,972	57,426
Deposit with Central Severance Pay Fund	100,046	81,743
Other debtors	654	1,249
	132,672	140,418

12. CREDITORS - Amounts falling due within one year

	2009	2008
	£	£
Other creditors	84,184	95,362
Accruals and deferred income	34,438	37,555
	118,622	132,917

Included within other creditors is a loan of £48,959 (NIS 299,287 @ 6 1133) (2008 £52,545) from the estate of the late Mr Sandy Rutenberg. The loan is linked to the Israeli Consumer Price Index and does not bear interest.

PINHAS RUTENBERG EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)
NOTES TO THE CONSOLIDATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2009

13 PROVISION FOR EMPLOYEES' SEVERANCE PAY

	2009	2008
	£	£
Balance at 1 January 2009	103,772	62,411
Exchange difference on opening balance	(10,544)	33,022
Provision made in year	10,186	8,339
Balance at 31 December 2009	103,414	103,772

The Trust's liability for the above is covered by deposits with an approved fund, the Central Severance Pay Fund, which is managed by Bank Leumi Le-Israel BM

14 CAPITAL COMMITMENTS

There were no capital commitments at the date of the balance sheet

15 SUBSEQUENT EVENTS

On 23 February 2010 it was resolved to amalgamate the funds held in the ART Fund with the general funds of the charity

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PINHAS RUTENBERG EDUCATIONAL TRUST

We have audited the group and parent financial statements of Pinhas Rutenberg Educational Trust for the year ended 31 December 2009 on pages 6 to 19 which have been prepared on the basis of the accounting policies set out on page 12

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. 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF COUNCIL OF MANAGEMENT AND AUDITORS

As described on page 4, the Council of Management (who are also the directors for the purposes of company law and the trustees for the purposes of charity law) are responsible for preparing the Report of the Council of Management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether, in our opinion, the information given in the Report of the Council of Management is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charity has not kept proper accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company are not made.

We read other information contained in the Report of the Council of Management and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

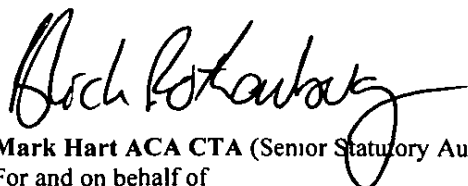
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF PINHAS RUTENBERG EDUCATIONAL TRUST**

OPINION

In our opinion

- the financial statements give a true and fair view, of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's incoming resources and application of resources, including the income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance in accordance with United Kingdom Generally Accepted Accounting Practice,
- The financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the Report of the Council of Management is consistent with the financial statements



Mark Hart ACA CTA (Senior Statutory Auditor)

For and on behalf of

BLICK ROTHENBERG

Chartered Accountants

Registered Auditors

12 York Gate
Regent's Park
London NW1 4QS

29 September 2010