

Charity Registration No. 1113409

Company Registration No. 05718138 (England and Wales)

MAGEN DAVID ADOM UK
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

MAGEN DAVID ADOM UK

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	R. Jacobs P. Abram D. Burger D. Curtis B. Dingle R. Ellison M. Franks B. Kalms I. Langdon D. Levy R. Ordever N. Posnansky	(Appointed 5 May 2020) (Appointed 23 July 2019) (Appointed 8 August 2019)
Charity number	1113409	
Company number	05718138	
Principal address	Winston House 2 Dollis Park London N3 1HF	
Registered office	Winston House 2 Dollis Park London N3 1HF	
Auditor	FSPG 21 Bedford Square London WC1B 3HH	
Bankers	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Bank Leumi Group Plc 20 Stratford Place London W1C 1BG Israel Discount Bank Ltd Mapu Street 16 Tel Aviv - Yafo Israel	

MAGEN DAVID ADOM UK

LEGAL AND ADMINISTRATIVE INFORMATION

Solicitors

Bates Wells & Braithwaite Solicitors
10 Queen Street Place
London
EC4R 1BE

Womble Bond Dickinson LLP
4 More London Riverside
London
SE1 2AU

MAGEN DAVID ADOM UK

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MAGEN DAVID ADOM UK

Chief Executive's report

Chief Executive's report 2019

For Magen David Adom UK, 2019 was another year we were able to look back on with immense pride. Our small and dedicated team of nine saw income rise by 6% to £7.6m.

The first quarter of the year saw hugely successful speaking engagements and events with highlights including Ambassador Ron Prossor (former Israeli Ambassador to the UK and the UN) speaking to a group of 70 key supporters at a private dinner in London and Lord Woolf (MDA UK's President) hosting a reception at the House of Lords for legacy professionals. These two events are typical of the current fundraising strategy for MDA UK – engage key supporters through a series of small, interesting events and further the legacy reach in order to protect future legacy income.

In respect of legacy income, MDA UK saw a further successful legacy mission to Israel in May where participants were given the experience of a fully sponsored & fully immersive trip to Israel in return for their agreement to leave MDA UK a gift of at least £18,000 in their will. Although this is a significant donation, MDA UK (as with most other charities) has cash poor, asset rich donors.

The series of events continued later in the year with Sergeant Benjamin Anthony, Rob Rinder and Major Rami Sherman (one of the IDF commandoes from the famous Entebbe raid) speaking to audiences across the country. MDA also saw Ambassador Mark Regev host a dinner for some of our key Christian supporters and Noam Gershony, the inspiring wounded IDF Apache Helicopter cum Gold medal Paralympian, speak at our Annual Dinner before heading to Dublin to help us formally launch MDA Ireland as its own legal and charitable entity.

As the year drew to a close, I joined our amazing trekkers on a trek to the South of Israel which saw the cumulative total raised in four years of trekking exceed a truly remarkable £500,000.

We also invited Tobi Cohen, the first female Nigerian officer in the IDF, to join us for a series of events, starting with a reception for African church leaders hosted at the Embassy of Israel. MDA UK's strategy is to build upon successful relationships and to also grow new ones, particularly with our Christian supporters.

December was truly remarkable for MDA UK, the ongoing Nazi art restitution claim saw two significant pieces (from the artist Di Paolo) from the estate of Harry Fuld go to auction at Christies and sell for over double their estimated value. This was a truly wonderful way to end what was a great year.

MDA UK also moved out of Shield House in Hendon and into our new office space in Finchley (downsizing by 35%), bringing us closer to transport links and better access to parking.

As we head into 2020 & beyond, we know it has been and will continue to be a gamechanger in terms of how we raise money and operate as a business.

MAGEN DAVID ADOM UK

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the the company's Memorandum & Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

Objectives

The company's charitable objects are defined in the Articles of Association as '...primarily to assist Magen David Adom in Israel, or, where in the opinion of the Board of Trustees it is appropriate, in any other equivalent or similar organisation in Israel or anywhere in the world in the work of providing medical care and treatment for persons irrespective of the nationality, race, religion, ethnic origin, age disability, sexual orientation or political affiliation'.

In practice these objects are met by:

- assisting Magen David Adom in Israel with the provision of ambulances, medical goods and other supplies necessary for its work as Israel's national medical emergency service.
- assisting Magen David Adom in Israel by the provision of funds for the construction and renovation of emergency medical and other facilities as necessary.
- providing first aid training to the Jewish community in the UK.
- providing a conduit for gifts in kind acting in concert with Magen David Adom in Israel and the British Red Cross.

The funding of these activities is raised by appealing for, soliciting, accepting and receiving endowments, legacies, bequests, gifts or donations for any purpose consistent with the objectives of the company.

The company provides and maintains such administrative organisation as is required for the advancement of the objectives.

Activities

The company is administered by the Chief Executive, a finance manager, an operations manager supported by a full time assistant; two fundraising managers, supported by one full time staff, three part time staff and two volunteers.

The directors have paid due regard to guidance issued by the Charity Commission in deciding what activities the the company should undertake.

MAGEN DAVID ADOM UK

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

The funds raised for Magen David Adom in Israel, international support and UK first aid training programme during the year ended 31 December 2019 totalled £7,590,708 (2018: £7,193,817).

Legacy income was a considerable part of the success of this and last year's income. We received many significant legacies in 2019 which has enabled Magen David Adom UK to meet additional funding demands for Magen David Adom in Israel.

Magen David Adom UK continues to increase the capital funding towards The National Blood & Logistics Centre in Ramla. This £90m state of the art facility will safeguard the blood supplies of Israel as well as MDA's store of key medical supplies and vehicles up to 15 metres underground. Work is well advanced and it is estimated the entire campus will be ready by mid-2021.

None of this success would be possible without a dedicated board and team of professional staff who work tirelessly to produce these results. Magen David Adom UK's reach in the UK and further afield continues to grow with loyal committees ranging from Gibraltar to Manchester.

Financial review

The accounts for the year are set out on pages 12 to 24. The company continues its valuable contribution to Magen David Adom in Israel and other similar humanitarian causes where funds are donated for that purpose.

It is the policy of the company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three to six months' expenditure. The directors consider that reserves at this level will ensure that in the event of a significant drop in funding, they will be able to continue the company's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The company has adopted a policy of placing its funds on short term deposit with its bankers as it wishes to maintain flexibility to meet urgent requests for financial assistance. Quoted securities when given to the company are sold as soon as practicable except where this conflicts with the donor's wishes.

Cash at the bank and in hand on 31 December 2019 was £2,349,974 (2018: £3,148,681). This decrease is mainly due to funds being remitted towards the National Blood and Logistics Centre and other ongoing Magen David Adom UK capital projects.

There has been an increasing trend for donors and legacies, to some extent, to fund restricted items including vehicles. As with capital projects, the items are paid for once they are in Israel and payment requested against invoice. In the case of ambulances, on some occasions the lead time can be a few months which further inflates Magen David Adom UK's bank position.

Towards the end of December 2018, ELIXIRR (Management Consultancy) performed a general internal business Process and Team Organisation Review. MDA has implemented the recommendations and will continue to do so.

Plans for future

The company intends to continue and enhance its charitable efforts in accordance with its objectives as expressed in the articles of association.

MAGEN DAVID ADOM UK

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Covid-19

The impact of the Covid-19 pandemic in 2020 has had serious implications for the work of Magen David Adom in Israel as they are the 'front line' in providing patients with emergency treatment and transport to hospital. Their reliance on continued support from friends' societies has been paramount. Fortunately, supporters of Magen David Adom UK have remained very supportive in the year 2020, to date. However, certain fund raising activities will not be able to take place and alternative methods of fund raising are being explored. The year 2021 may be far more challenging and the CEO together with the Board are looking at contingency plans.

Structure, governance and management

The company is a company limited by guarantee, Charity Registration number 1113409.

The directors who served during the year and up to the date of signature of the financial statements were:

R. Jacobs	
P. Abram	
D. Burger	
A. Clyne	(Resigned 8 January 2020)
D. Curtis	
B. Dingle	(Appointed 5 May 2020)
R. Ellison	
M. Franks	
L. Grossmith	(Resigned 17 September 2019)
B. Kalms	
I. Langdon	(Appointed 23 July 2019)
D. Levy	
R. Ordever	(Appointed 8 August 2019)
N. Posnansky	

None of the directors has any beneficial interest in the company. All of the directors are members of the company and guarantee to contribute £1 in the event of a winding up.

New directors are provided with a Charity Commission publication on the trustees' duties and are given guidance on the Charity's trust deed, the board and decision-making processes of the Charity and recent financial performance.

The directors have assessed the major risks to which the company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

MAGEN DAVID ADOM UK

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Committees of the Board

There are three Committees of the Board – the Executive Committee, the Governance Committee and the Israel Property Committee. All three Committees report directly to the Chair of the Board and have delegated authorities and responsibilities.

The Executive Committee is responsible for providing advice and guidance on the activities, organisation, management and day-to-day operational matters and challenges facing Magen David Adom UK.

The Governance Committee is responsible for providing advice and guidance on issues involving the governance, reputation, community standing and ethics applicable to Magen David Adom UK and its activities.

The Israel Property Committee is responsible for providing advice and guidance on the application of resources of Magen David Adom UK towards the construction, improvement and renovation of Magen David Adom sites in Israel. Such advice may relate to the manner of Magen David Adom UK's supervision of such investments within Israel.

Members of the Committees

Executive Committee:

D. Burger
D. Curtis
M. Franks
R. Jacobs (Appointed 8 August 2019)
B. Kalms (Appointed 8 August 2019)
R. Ordever (Appointed 8 August 2019)

Governance Committee:

D. Burger
D. Curtis
R. Ellison
R. Jacobs (Appointed 8 August 2019)

Israel Property Committee:

D. Burger
R. Jacobs

Auditor

In accordance with the company's articles, a resolution proposing that FSPG be reappointed as auditor of the company will be put at a General Meeting.

MAGEN DAVID ADOM UK

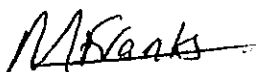
DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of Information to auditor

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The directors' report was approved by the Board of Directors.



M. Franks

Director

Dated: 27 October 2020

MAGEN DAVID ADOM UK

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors, who also act as trustees for the charitable activities of Magen David Adom UK, are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the the company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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.

MAGEN DAVID ADOM UK

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

Governance, internal control and risk management

The board of directors needs to provide reasonable assurance that:

- the company is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use and disposition;
- proper records are maintained and financial information used within the company or published is reliable;
- the company complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- A strategic plan and annual budget approved by the directors.
- Regular consideration by the directors of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The board of directors has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the directors have reviewed the adequacy of the company's current internal controls. The directors are pleased to report that the company's internal financial controls, in particular, conform with the guidelines issued by the Charity Commission.

In addition, the directors have considered the guidance for directors of public listed companies contained within the Turnbull Report. It believes that although this is not mandatory for the company it should, as a public interest body, adopt these guidelines as best practice. Accordingly it has set policies on internal controls which cover the following:

- consideration of the types of risks the company faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks concerned materialising;
- the company's ability to reduce the incidence and impact on the company of risks that do materialise; and
- the costs of operating particular controls relative to the benefit obtained
- clarified the responsibility of management to implement the board of director's policies and identify and to evaluate risks for its consideration.
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- embedded the control system in the company's operations so that it becomes part of the culture of the company.
- developed systems to respond quickly to evolving risks arising from factors within the company and to changes in the external environment.
- included procedures for reporting failings immediately to appropriate levels of management and the trustees together with details of corrective action being undertaken.

MAGEN DAVID ADOM UK

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAGEN DAVID ADOM UK

Opinion

We have audited the financial statements of Magen David Adom UK (the 'the company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, 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 Companies Act 2006.

Basis for opinion

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 the company 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.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the the company'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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

MAGEN DAVID ADOM UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MAGEN DAVID ADOM UK

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the the company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

MAGEN DAVID ADOM UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MAGEN DAVID ADOM UK

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**David Tropp (Senior Statutory Auditor)
for and on behalf of FSPG**

27 October 2020

**Chartered Accountants
Statutory Auditor**

**21 Bedford Square
London
WC1B 3HH**

MAGEN DAVID ADOM UK

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Income from:							
Donations and legacies	3	4,914,890	2,675,818	7,590,708	2,655,671	4,538,146	7,193,817
Investments	4	13,488	-	13,488	7,298	-	7,298
Total income		4,928,378	2,675,818	7,604,196	2,662,969	4,538,146	7,201,115
Expenditure on:							
Raising funds							
Costs of raising funds	6	740,896	-	740,896	956,907	-	956,907
Charitable activities	5	1,631,159	3,851,695	5,482,854	1,573,442	3,643,512	5,216,954
Total resources expended		2,372,055	3,851,695	6,223,750	2,530,349	3,643,512	6,173,861
Net income/(expenditure) for the year/							
Net movement in funds		2,556,323	(1,175,877)	1,380,446	132,620	894,634	1,027,254
Fund balances at 1 January 2019		2,445,273	3,039,090	5,484,363	2,312,653	2,144,456	4,457,109
Fund balances at 31 December 2019		5,001,596	1,863,213	6,864,809	2,445,273	3,039,090	5,484,363

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MAGEN DAVID ADOM UK

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11		50,827		8,808
Current assets					
Debtors falling due after one year	12	1,375,484		1,251,786	
Debtors falling due within one year	12	3,867,687		1,203,383	
Cash at bank and in hand		2,349,974		3,148,681	
		7,593,145		5,603,850	
Creditors: amounts falling due within one year	13	(779,163)		(128,295)	
Net current assets			6,813,982		5,475,555
Total assets less current liabilities			6,864,809		5,484,363
Income funds					
Restricted funds	14		1,863,213		3,039,090
<u>Unrestricted funds</u>					
Designated funds	15	2,380,000		-	
General unrestricted funds		2,621,596		2,445,273	
			5,001,596		2,445,273
			6,864,809		5,484,363

The financial statements were approved by the Directors on 27 October 2020



M. Franks
Director

Company Registration No. 05718138

MAGEN DAVID ADOM UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	20		(764,943)		606,753
Investing activities					
Purchase of tangible fixed assets		(47,252)		(5,892)	
Interest received		13,488		7,298	
Net cash (used in)/generated from investing activities			(33,764)		1,406
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(798,707)		608,159
Cash and cash equivalents at beginning of year			3,148,681		2,540,522
Cash and cash equivalents at end of year			<u>2,349,974</u>		<u>3,148,681</u>

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Magen David Adom UK is a private company limited by guarantee incorporated in England and Wales. The registered office is Winston House, 2 Dollis Park, London, N3 1HF.

The company is limited by guarantee of £1 per member.

1.1 Accounting convention

The accounts have been prepared in accordance with the the company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The the company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Restricted funds are monies raised for a specific purpose, or donations subject to conditions imposed by donors. Restricted fund balances cannot be transferred to unrestricted.

Unrestricted funds comprise those monies which may be used towards meeting the charitable objectives of the charity at the discretion of the board of directors.

1.4 Income

Income is recognised when the the company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the the company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the the company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Gifts in kind relating to medical supplies are based on the gift donation certificate and distribution are recognised only when distributed.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party.

Expenditure can be classified under the following activity headings:-

- Costs of raising funds
- Expenditure on charitable activities
- Gifts in Kind
- Other expenditure

Expenses include VAT where applicable as the company cannot reclaim it.

Fundraising costs consist of the direct costs of fundraising activities.

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the charity and includes direct staff costs attributable to charity's activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over lease term
Fixtures, fittings & equipment	25% per annum on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

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

1.9 Financial Instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The company operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.11 Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are included in resources expended.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Donations and gifts	413,022	2,000,805	2,413,827	3,692,351
Legacies receivable	4,332,590	248,540	4,581,130	1,618,376
Gifts in kind	-	426,473	426,473	1,667,210
Gift Aid claimed	169,278	-	169,278	215,880
	<u>4,914,890</u>	<u>2,675,818</u>	<u>7,590,708</u>	<u>7,193,817</u>
For the year ended 31 December 2018	<u>2,655,671</u>	<u>4,538,146</u>		<u>7,193,817</u>

Gifts in kind

Gifts in kind relating to medical supplies have been included at £426,473 (2018: £1,667,210) as donations for the year and distributed in the year. The valuation is based on the gift donation certificate.

4 Investments

	Unrestricted funds	Unrestricted funds
	2019 £	2018 £
Interest receivable	<u>13,488</u>	<u>7,298</u>

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Charitable activities

	Assistance to MDA Israel £	Gift in Kind £	Other charitable activities £	Admin and premises cost £	Total 2019 £	Total 2018 £
Staff costs	23,176	-	-	141,402	164,578	204,442
Depreciation	-	-	-	5,233	5,233	4,235
Medical Equipment	634,479	-	-	-	634,479	265,089
Casualty stations refurbishment costs	1,897,278	-	-	-	1,897,278	764,042
Ambulances and other vehicles associated costs	1,510,309	-	-	-	1,510,309	1,405,936
Command and Control	282,043	-	-	-	282,043	237,514
Donated goods and associated costs	-	438,973	-	-	438,973	1,668,710
UK First Aid training and defibrillator supplies	-	-	2,687	-	2,687	6,333
Holocaust campaign	-	-	25,000	-	25,000	25,000
IMDAC	-	-	14,992	-	14,992	16,906
Computerisation	56,588	-	-	-	56,588	412,154
Miscellaneous project costs	-	-	165,401	-	165,401	76,346
Israel training costs	160,061	-	-	-	160,061	-
Premises costs	-	-	-	44,202	44,202	37,691
Legal and professional fees	-	-	-	10,425	10,425	17,054
Office expenses	-	-	-	53,195	53,195	49,669
Other administrative costs	-	-	-	(28,116)	(28,116)	(10,846)
	<u>4,563,934</u>	<u>438,973</u>	<u>208,080</u>	<u>226,341</u>	<u>5,437,328</u>	<u>5,180,275</u>
Share of governance costs (see note 7)	-	-	-	45,526	45,526	36,679
	<u>4,563,934</u>	<u>438,973</u>	<u>208,080</u>	<u>271,867</u>	<u>5,482,854</u>	<u>5,216,954</u>
Analysis by fund						
Unrestricted funds	1,163,712	12,500	183,080	271,867	1,631,159	
Restricted funds	3,400,222	426,473	25,000	-	3,851,695	
	<u>4,563,934</u>	<u>438,973</u>	<u>208,080</u>	<u>271,867</u>	<u>5,482,854</u>	

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5 Charitable activities (Continued)

For the year ended 31 December 2018

Unrestricted funds	1,172,944	1,500	95,774	303,224	1,573,442
Restricted funds	1,947,491	1,667,210	28,811	-	3,643,512
	<u>3,120,435</u>	<u>1,668,710</u>	<u>124,585</u>	<u>303,224</u>	<u>5,216,954</u>

6 Raising funds

	2019	2018
	£	£
<u>Costs of raising funds</u>		
Advertising	188,698	203,404
Other fundraising costs	277,951	461,285
Staff costs	274,247	292,218
	<u>740,896</u>	<u>956,907</u>

7 Support and Governance costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Charitable activities	-	45,526	45,526	36,679

Governance costs includes payments to the auditors of £6,600 (2018- £6,600) for audit fees.

8 Directors

Expenses paid to the directors in the year totalled £3,620 (2018- £4,267). These expenses were made for 2 directors' reimbursed travel expenses.

The director, D. Burger has received remuneration from employment with the charity. The salary paid to him amounted to £125,000 (2018- £130,000).

The charity contributed £7,943 (2018- £7,943) to the director's pension scheme.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	£	£
Audit of the annual accounts	6,790	6,600
Non-audit services		
All other non-audit services	600	600

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Management and administration of charity	9	9
Directors	12	13
	21	22

Employment costs

	2019 £	2018 £
Wages and salaries	348,840	428,949
Social security costs	35,527	31,717
Other pension costs	14,976	12,972
	399,343	473,638

The number of employees whose annual remuneration was £60,000 or more were:

	2019 Number	2018 Number
60,001 - 70,000	1	1
130,001 - 140,000	1	1

Contributions totalling £10,760 (2018: £7,943) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Tangible fixed assets

	Leasehold Improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2019	-	42,885	42,885
Additions	14,080	33,172	47,252
At 31 December 2019	14,080	76,057	90,137
Depreciation and impairment			
At 1 January 2019	-	34,077	34,077
Depreciation charged in the year	704	4,529	5,233
At 31 December 2019	704	38,606	39,310
Carrying amount			
At 31 December 2019	13,376	37,451	50,827
At 31 December 2018	-	8,808	8,808

12 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,792,824	1,115,815
Other debtors	60,173	69,245
Prepayments and accrued income	14,690	18,323
	3,867,687	1,203,383
Amounts falling due after more than one year:		
Trade debtors	1,375,484	1,251,786
Total debtors	5,243,171	2,455,169

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	717,568	55,212
Accruals and deferred income	61,595	73,083
	<u>779,163</u>	<u>128,295</u>

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2018	Movement in funds			Balance at 1 January 2019	Movement in funds			Transfers	Balance at 31 December 2019
	£	Incoming resources	Resources expended	£	£	Incoming resources	Resources expended	£	£	£
Ambulance stations refurbishment costs	952,938	110,000	(560,350)	502,588		389,197	(472,384)	(150,000)		269,401
National blood and logistic centre	686,039	595,115	-	1,281,154		426,353	(1,068,772)	152,094		790,829
Ambulances	290,617	1,143,599	(912,518)	521,698		755,431	(764,970)	(294,477)		217,682
Bikes	167,854	987,717	(468,426)	687,145		330,953	(574,694)	(208,420)		234,984
Bloodmobile	-	-	-	-		303,010	-	-		303,010
Medical Equipment	18,197	9,505	(6,197)	21,505		19,352	(1,600)	(17,000)		22,257
Holocaust survivors	24,980	25,000	(24,980)	25,000		25,000	(25,000)	-		25,000
First Aid	3,831	-	(3,831)	-		-	-	-		-
Gift in kind & associated costs	-	1,667,210	(1,667,210)	-		426,473	(426,473)	-		-
Milk bank	-	-	-	-		50	-	-		50
	2,144,456	4,538,146	(3,643,512)	3,039,090		2,675,819	(3,333,893)	(517,803)		1,863,213

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds		
	Balance at 1 January 2019	Incoming resources	Balance at 31 December 2019
	£	£	£
National Blood and logistic centre	-	2,380,000	2,380,000
	-	2,380,000	2,380,000

16 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Tangible assets	50,827	-	50,827	8,808	-	8,808
Current assets/ (liabilities)	4,963,269	1,850,713	6,813,982	2,436,465	3,039,090	5,475,555
	5,014,096	1,850,713	6,864,809	2,445,273	3,039,090	5,484,363

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	27,750	16,000
Between two and five years	102,906	64,000
In over five years	-	16,000
	130,656	96,000

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

18 Events after the reporting date

The emergence of the Covid 19 pandemic in February/March 2020 has had a significant impact upon the economy and the operating practices of all businesses. Magen David Adom UK Limited, in line with government guidelines, swiftly moved to a remote working operating structure which materially reduced the risk to employees and other parties coming into contact with the company. In what is clearly a period of financial stress the directors have taken strong action to ensure the financial strength of the business and the safety of their staff.

The business anticipates that the business will not be badly effected by the pandemic.

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	150,839	153,193

The aggregate donations received from the trustees in the year was £125,397 (2018- £123,698).

20 Cash generated from operations	2019 £	2018 £
Surplus for the year	1,380,446	1,027,254
Adjustments for:		
Investment income recognised in statement of financial activities	(13,488)	(7,298)
Depreciation and impairment of tangible fixed assets	5,233	4,235
Movements in working capital:		
(Increase) in debtors	(2,788,002)	(386,956)
Increase/(decrease) in creditors	650,868	(30,482)
Cash (absorbed by)/generated from operations	(764,943)	606,753

21 Analysis of changes in net funds

The the company had no debt during the year.



FSPG
21 Bedford Square
London
WC1B3HH

Life President
The Rt. Hon. The Lord Woolf

President
Sir Ian Gainsford

Vice Presidents
Graham Edwards
Lorraine Grossmith
Rev Mark Madelay
Stuart Roden

Chairman
Russell Jacobs

Vice Chairman
Brian Kolins

Treasurer
Marc Franks

Board
Patricia Abram
David Curtis
Barbara Dingle
Robin Ellison
Daniel Levy
Robert Ordever
Nicholas Posnansky
Nicholas Springer

Chief Executive
Daniel Burger

Dear Sirs

LETTER OF REPRESENTATION

We confirm the following representations which are given to you in connection with your Audit of the accounts of the company for the year ended 31st December 2019.

We confirm that we have prepared the accounts of the company for the year ended 31st December 2019 for audit by you and that the contents of these accounts have been the subject of discussions between us. We acknowledge our ultimate responsibility for the completeness, accuracy and reliability of the accounts records of the company in accordance with the Charities Act 2011.

We confirm that the following representations are made on the basis of enquiries of management and/or staff with relevant knowledge and experience (and where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you.

Contingent Liabilities and Commitments

There are no contingent liabilities or commitments which affect the company at the balance sheet date other than as disclosed in the accounts.

Events since the Balance Sheet date

No events have occurred since the balance sheet date which have caused or are likely to cause any material changes in the financial position or results of the company other than those disclosed in the accounts.

Completeness of information

We confirm all accounting records, supporting documents, information and explanations necessary for an understanding of the nature of the company's transactions, the assets owned, the liabilities and commitments entered into by the company have been made available to you.

Donations due to the Company

We confirm that the donations due to the company at 31st December 2019 amounted to £5,168,308 which is fully recoverable.

Related Party Transactions

No material transactions have been entered into by the company with any director or officer of the company or with any third party in which any director or officer of the company has any material, direct or indirect interest other than as disclosed in the accounts.

Going Concern

We are satisfied that it is appropriate to adopt the going concern basis in preparing the accounts and that they include such disclosures relating to going concern as are necessary for them to give a true and fair view.



LETTER OF REPRESENTATION
(Continued from page 1)

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Responsibilities

We acknowledge that your report is made solely to the members as a body in accordance with Section 43 of the Charities Act 1993 and with Regulations made under Section 44 of the Act, and that your audit work has been undertaken so that you might state to the Board of Directors those matters you are required to state to them in the auditors' report and for no other purpose. We acknowledge that to the fullest extent permitted by law, you do not accept or assume responsibility to anyone other than the company and the Board of Directors as a body for your audit work, for the audit report or for the opinions you have formed.

Staff Costs

We confirm that salary allocated for 2019 are as follows:

- Cost of generating funds amounted to £274,247
- Assistance to Magen David Adom in Israel amounted to £23,176
- Governance amounted to £38,926

Other Matters

We acknowledge our responsibility for the design and implementation of internal controls to prevent and detect errors of fraud and have disclosed to you the result of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We are not aware of any irregularities, including fraud, involving management or employees of the company, nor are we aware of any events which involve possible non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and hence to its financial statements, including any breaches or possible breaches of statute, regulations, contract, or the company's constitution which might result in the company suffering significant penalties or other loss. No allegations of such irregularities, including fraud or such breaches have come to our notice.

We confirm that the total designated funds at 31st December 2019 were £1,863,213

We confirm that the designated fund at 31st December 2019 was £2,380,000 for the National Blood and Logistics Centre.

We confirm the petty cash balance at 31st December 2019 was £141.

Yours faithfully

M. Franks
Director

Approved on behalf of the Board of Directors on 27th October 2020

Life President
The Rt. Hon. The Lord Woolf

President
Sir Ian Gairdner

Vice Presidents
Graham Edwards
Lorraine Grossmith
Rev Mark Madeley
Stuart Roden

Chairman
Russell Jacobs

Vice Chairman
Brian Kohns

Treasurer
Marc Franks

Board
Pahola Abram
David Curtis
Barbara Dingle
Robin Ellison
Daniel Levy
Robert Ordever
Nicholas Posnansky
Nicholas Springer

Chief Executive
Daniel Burger