

ISRAELI SCOUTS WESTERN EUROPE
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

ISRAELI SCOUTS WESTERN EUROPE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Harry Daniel
Scott Saunders
Manuela Lea Rathaus-Alper
Carlo Cali Cohen

Charity number

1156815

Principal address

Central House
1 Ballards Lane
London
020 8371 5285
N3 1LQ

Independent examiner

Paul Kutner FCA
Landau Morley LLP
325-327 Oldfield Lane North
Greenford
Middlesex
UB6 0FX

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ISRAELI SCOUTS WESTERN EUROPE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees present their report and financial statements for the year ended 31 December 2018.

Objectives and activities

The charity's objectives include:

1. to promote the development of young people, in particular but not exclusively Hebrew speaking young people, in achieving their full physical, intellectual, social and spiritual potentials, as individuals, as responsible citizens, and as members of their local, national and international communities.
2. to help young people, especially but not exclusively through leisure time activities, so as to develop their capabilities that they may grow to full maturity as individuals and members of society.
3. to promote equality and diversity for the public benefit by (for example):
 - (a) the elimination of discrimination on the grounds of race, gender, disability, sexual orientation or religion;
 - (b) advancing education and raising awareness in equality and diversity;
 - (c) promoting activities to foster understanding between people from diverse backgrounds;
 - (d) conducting or commissioning research on equality and diversity issues and publishing the results to the public;
 - (e) cultivating a sentiment in favour of equality and diversity.
4. to promote racial harmony for the public benefit by: (for example)
 - (a) promoting knowledge and mutual understanding between different racial groups;
 - (b) advancing education and raising awareness about different racial groups to promote good relations between persons of different racial groups;
 - (c) working towards the elimination of discrimination on the grounds of race.

The trustees confirm that they have referred to the public benefit guidance by the Charity Commission when reviewing the charity's aims and objectives and in planning future activities.

For the benefit of the public, activities have expanded and are available to the community through many different events we arrange throughout 2018. For example, a large scale community event for the whole family to celebrate Purim. The event included activities for the whole family, food and a performance.

Achievements and performance

Substantial growth in our activities in the UK, with a successful branch in Manchester & Wimbledon. We have also opened new groups in London to reach and engage more children, and established the Israeli Scouts as a leading organisation in planning events for the Community (such as - Hanuka event, Remembrance Day ceremony, Rabin memorial service). In order to improve professionally, there has been a rise in the quality of the training programme for our staff, who now receive special training from Israel.

Financial review

For details of the charity's financial position see page 5 of the financial statements.

The charity does not aim to keep large sums of money in reserve. Some reserves may be maintained for specific periods, to be used as financial support for Alia program participant who may require substantial amounts. The charity spends what is necessary and turns to Israel if there are any difficulties.

At the year end the charity held free reserves totalling £84,218 (2017: £59,258).

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Structure, governance and management

The Charity is a Charitable Incorporated Organisation governed by a constitution dated 24 April 2014.

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

Harry Daniel

Scott Saunders

Manuela Lea Rathaus-Alper

Carlo Cali Cohen

Sharon Buenos

(Resigned 21 August 2019)

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Constitution.

The Trustees administer the charity on a day to day basis making whatever decisions they consider necessary to enable it to meet its objectives.

Apart from the first charity trustees, every trustee must be appointed (for a term of three years) by a resolution passed at a properly convened meeting of the charity trustees.

The trustees must have regard to the skills, knowledge and experience needed for the effective administration of the charity.

Newly appointment trustees undergo induction training to brief them on their legal obligations under charity law.

Trustees are also are provided with a copy of the charity's constitution and a copy of the charity's latest financial statement, in order that they can obtain a sufficient level of knowledge to enable them to perform their roles effectively.

The Trustees' report was approved by the Board of Trustees.

Harry Daniel

Trustee

Dated: 18 September 2019

Scott Saunders

Trustee

Dated:18 September 2019

ISRAELI SCOUTS WESTERN EUROPE

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF ISRAELI SCOUTS WESTERN EUROPE

I report to the Trustees on my examination of the financial statements of Israeli Scouts Western Europe charity for the year ended 31 December 2018.

Responsibilities and basis of report

The Trustees of the charity are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the 2011 Act).

I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act. In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 130 of the 2011 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

Paul Kutner FCA

Landau Morley LLP
325-327 Oldfield Lane North
Greenford
Middlesex
UB6 0FX

Dated: 18 September 2019

ISRAELI SCOUTS WESTERN EUROPE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

		Unrestricted funds 2018 £	Total 2017 £
	Notes		
<u>Income from:</u>			
Donations and legacies	2	236,466	225,884
Charitable activities	3	107,222	93,508
		<hr/>	<hr/>
Total income		343,688	319,392
		<hr/>	<hr/>
<u>Expenditure on:</u>			
Charitable activities	4	319,061	313,796
		<hr/>	<hr/>
Net income for the year/ Net movement in funds		24,627	5,596
Fund balances at 1 January 2018		62,208	56,612
		<hr/>	<hr/>
Fund balances at 31 December 2018		86,835	62,208
		<hr/>	<hr/>

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

All income and expenditure derive from continuing activities.

ISRAELI SCOUTS WESTERN EUROPE

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8		2,617		2,950
Current assets					
Debtors	9	200,130		176,648	
Cash at bank and in hand		25,000		41,171	
		<u>225,130</u>		<u>217,819</u>	
Creditors: amounts falling due within one year	10	<u>(140,912)</u>		<u>(158,561)</u>	
Net current assets			84,218		59,258
Total assets less current liabilities			<u>86,835</u>		<u>62,208</u>
Income funds					
Unrestricted funds			86,835		62,208
			<u>86,835</u>		<u>62,208</u>

The financial statements were approved by the Trustees on 18 September 2019

Harry Daniel
Trustee

Scott Saunders
Trustee

ISRAELI SCOUTS WESTERN EUROPE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Charity information

Israeli Scouts Western Europe is a Charitable Incorporated Organisation governed by a constitution dated 24 April 2014.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's [governing document], the Charities Act 2011 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 charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees 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 Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

1.4 Incoming resources

Income is recognised when the charity 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.

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is inclusive of irrecoverable VAT.

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:

Computers	25% straight line
Motor vehicles	25% straight line

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 charity 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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 charity 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 balance sheet when the charity 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.

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 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity'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 charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies (Continued)

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Donations and legacies

	Unrestricted funds 2018 £	Total 2017 £
Donations and gifts	236,466	225,884
Donations and gifts		
Donations	14,825	2,513
UJIA Grant	35,000	33,500
Jewish Agency Israel Mapat Hashlihut Grant	43,307	42,636
Services from Tzabar Olami	143,334	146,735
Other Income	-	500
	<u>236,466</u>	<u>225,884</u>

3 Charitable activities

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Programme revenue	107,222	93,508
	<u>107,222</u>	<u>93,508</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Charitable activities

	2018 £	2017 £
Staff costs	45,575	58,108
Programme expenses - General	34,285	55,506
Programme expenses - Israel area	29,134	27,071
Advertising	657	2,460
Uniforms	1,800	1,418
Office expenses	4,761	4,127
Rent and rates	17,502	25,150
Programme Co-ordinator costs	112,061	83,315
Bank charges, interest and exchange rate differences	(2,045)	(222)
Grants to Israel Scouts Amsterdam	6,794	12,900
Registration costs (Rugpack)	955	911
Education costs (Komunah)	14,000	16,167
Insurance	2,592	1,397
Travel costs	36,842	10,330
Scholarships	193	2,420
	<u>305,106</u>	<u>301,058</u>
Share of support costs (see note 5)	13,955	12,738
	<u>319,061</u>	<u>313,796</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Support costs

	Support costs £	2018 £	2017 £
Accountancy	9,556	9,556	9,718
Depreciation	1,755	1,755	1,400
Legal and professional	1,670	1,670	1,620
Staff training	974	974	-
	<u>13,955</u>	<u>13,955</u>	<u>12,738</u>
Analysed between Charitable activities	<u>13,955</u>	<u>13,955</u>	<u>12,738</u>

Support costs includes governance costs of £5,094 (2017: £5,650).

Governance costs includes payments to the independent examiner of £1,000 (2017: £1,000) for independent examination services and £3,094 (2017: £3,030) for accountancy services.

6 Trustees

None of the Trustees (or any persons connected with them) received any remuneration, benefits or reimbursement of expenses from the charity during the year (2017 - £NIL).

7 Employees

Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
	<u>3</u>	<u>3</u>
Employment costs	2018 £	2017 £
Wages and salaries	43,834	56,884
Social security costs	1,237	1,012
Other pension costs	504	212
	<u>45,575</u>	<u>58,108</u>

No employee received remuneration amounting to more than £60,000 in either year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Tangible fixed assets

	Computers £	Motor vehicles £	Total £
Cost			
At 1 January 2018	600	5,000	5,600
Additions	1,422	-	1,422
At 31 December 2018	2,022	5,000	7,022
Depreciation and impairment			
At 1 January 2018	150	2,500	2,650
Depreciation charged in the year	505	1,250	1,755
At 31 December 2018	655	3,750	4,405
Carrying amount			
At 31 December 2018	1,367	1,250	2,617
At 31 December 2017	450	2,500	2,950

9 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Other debtors	194,586	173,596
Prepayments and accrued income	5,544	3,052
	200,130	176,648

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Other creditors	116,234	134,443
Accruals and deferred income	24,678	24,118
	140,912	158,561

11 Related party transactions

There were no disclosable related party transactions during the year (2017 - none).