

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 2020

MAGEN DAVID ADOM UK

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	R. Jacobs (Chair) P. Abram D. Burger D. Curtis B. Dingle R. Ellison M. Franks B. Kalms D. Levy R. Ordever N. Posnansky (Appointed 5 May 2020)
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 2020

The past twelve months have been dominated by the global Covid pandemic. The upheaval and impact on all our lives has been unlike anything we have ever experienced. Certainly, the charity sector was presented with its own particular challenges, yet in and amongst all the turbulence 2020 had many positives that we can and will learn from in the future.

When I travelled to Israel to check on the progress of the National Blood & Logistics Centre in Ramla, the £90m project that Magen David Adom UK has been fundraising for over the last 4 years, the world was on the cusp of lockdown. Literally overnight all travel and events were cancelled. The very real challenge was one that was shared by all colleagues across the sector. How do we fundraise if we cannot meet donors, either one-to-one or through the large-scale events that were part and parcel of the day-to-day life of fundraising for MDA UK?

The answer, of course, was that we needed to adapt - and fast. Our team worked remotely and immediately set out to establish new ways to engage with our audiences in the alternative world that we were living in. Indeed, it was in our isolation that we found new and innovative ways to connect. Whereas in the past, organising guests and speakers from Magen David Adom in Israel would have been a small mission in itself, now we could dial them into an online webinar with hundreds of our supporters in just seconds. As the community in the UK became increasingly distant from friends and family in Israel, our regular updates delivered from those on the frontline - the medics and volunteers both treating and testing for Covid round the clock - proved to be hugely popular.

As the year progressed, we were constantly looking for new initiatives to fundraise and nowhere was that better evidenced than November's 'National Lifesaving Day'. For the first time ever, we reached supporters up and down the country (and even as far afield as Gibraltar) across a 36-hour fundraising campaign. The event culminated with 'Every Second Counts', a 40-minute online broadcast that combined the very best of Israeli entertainment from the likes of Lior Suchard and Idan Raichel, with updates from Magen David Adom in Israel on the need for our support. The online donation total kept climbing and climbing, whilst the phones continued ringing as we smashed our £2m target. Most incredibly, this was not a case of just a few major donors giving big amounts. Thousands of people gave gifts, ranging from £5 to thousands of pounds and everything in between. It really was a day that everyone came together to save more lives.

Online giving increased considerably in 2020, and this extended to the previously 'conservative' world of legacies. MDA UK's gifts from wills can often represent up to 20% of our total annual income. This is no small amount and often it can come as a surprise, reflecting the hard work of our team over the years promoting the work of MDA. This was further enhanced by our recent collaboration with Farewill. This online platform is a market leader in legacy giving and provides a free service to everyone remembering Magen David Adom UK in their will. Yet another innovative way of enhancing our fundraising capability at a time when digital donations are undoubtedly our biggest growth area.

When we look back in years to come, it is possible that the most significant event of 2020 won't be the pandemic, but the signing of the Abraham Accords. This may sound ridiculous but it is clear that the long-term impact of Israel having genuine peace treaties with so many of its neighbours is a real generational shift. It has changed and will continue to change the face of the Middle East over the years ahead. The Accords prompted us at Magen David Adom to look inwards too. To establish what our role is in this changing world, and how MDA could and should be a force for positive change not just within Israel's borders but beyond them too. We commissioned a piece of market research that overwhelmingly told us that our donors and supporters see MDA as a beacon of light for Israel across the world. It is now our responsibility to ensure that this continues.

We entered 2020 with big plans and came out with a new reality. The organisation is leaner, more dynamic and better equipped to fundraise in the post-pandemic world. In a year of few positives, this is undoubtedly a big one.

Thank you for your continued support and hoping for a better and brighter 2021

MAGEN DAVID ADOM UK

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and financial statements for the year ended 31 December 2020.

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 2020

Achievements and performance

The total funds raised for Magen David Adom in Israel, international support and UK first aid training programme during the year ended 31 December 2020 totalled £5,751,840 (2019: £7,590,708).

Legacy income in 2020 was £801,575 (2019: £4,581,130). A significant legacy amounting to £2.98m was included in the 2019 accounts although the funds were received in 2020. This accounts for the difference in legacy income shown in the accounts. Legacy income remains a significant part of our income.

Donations and gifts in 2020 were £3,809,576 (2019: £2,413,827) and total income excluding legacies in 2020 was £4,950,265 (2019: 3,009,578). This shows how successful a year 2020 has been given all the complications caused by Covid-19.

Magen David Adom UK has continued to increase 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 15 metres underground. Work will be completed in 2021 and the keys will be formally handed over in 2022.

None of this 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 from Gibraltar to Manchester.

Financial review

The accounts for the year are set out on pages 12 to 26. 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 2020 was £3,676,981 (2019: £2,349,974).

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.

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 2020

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 (Chair)

P. Abram

D. Burger

A. Clyne

(Resigned 8 January 2020)

D. Curtis

B. Dingle

(Appointed 5 May 2020)

R. Ellison

M. Franks

B. Kalms

I. Langdon

(Resigned 28 January 2021)

D. Levy

R. Ordever

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 2020

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
B. Kalms
R. Ordever

Governance Committee:

D. Burger
D. Curtis
R. Ellison
R. Jacobs

Israel Property Committee:

D. Burger
R. Jacobs
B. Kalms

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 2020

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: 28 October 2021

MAGEN DAVID ADOM UK

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020**

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 DIRECTORS 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 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2020 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 DIRECTORS 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

MAGEN DAVID ADOM UK

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE DIRECTORS OF MAGEN DAVID ADOM UK

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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

28 October 2021

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 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	3	1,871,187	3,880,653	5,751,840	4,914,890	2,675,818	7,590,708
Investments	4	8,278	-	8,278	13,488	-	13,488
Total income		1,879,465	3,880,653	5,760,118	4,928,378	2,675,818	7,604,196
Expenditure on:							
Raising funds							
Costs of raising funds	6	1,274,623	-	1,274,623	740,896	-	740,896
Charitable activities	5	1,817,563	4,001,322	5,818,885	1,631,159	3,851,695	5,482,854
Total resources expended		3,092,186	4,001,322	7,093,508	2,372,055	3,851,695	6,223,750
Net (outgoing)/incoming resources before transfers		(1,212,721)	(120,669)	(1,333,390)	2,556,323	(1,175,877)	1,380,446
Gross transfers between funds		91,580	(91,580)	-	-	-	-
Net (expenditure)/income for the year/							
Net movement in funds		(1,121,141)	(212,249)	(1,333,390)	2,556,323	(1,175,877)	1,380,446
Fund balances at 1 January 2020		5,001,595	1,863,213	6,864,808	2,445,273	3,039,090	5,484,363
Fund balances at 31 December 2020		3,880,454	1,650,964	5,531,418	5,001,596	1,863,213	6,864,809

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	11		36,977		50,827
Current assets					
Debtors falling due after one year	12	1,080,907		1,375,484	
Debtors falling due within one year	12	2,414,950		3,867,687	
Cash at bank and in hand		3,676,981		2,349,974	
		<u>7,172,838</u>		<u>7,593,145</u>	
Creditors: amounts falling due within one year	13	<u>(1,678,397)</u>		<u>(779,163)</u>	
Net current assets			5,494,441		6,813,982
Total assets less current liabilities			<u>5,531,418</u>		<u>6,864,809</u>
Income funds					
Restricted funds	15		1,650,964		1,863,213
<u>Unrestricted funds</u>					
Designated funds	17	282,011		2,380,000	
General unrestricted funds		<u>3,598,443</u>		<u>2,621,596</u>	
			3,880,454		5,001,596
			<u>5,531,418</u>		<u>6,864,809</u>

The financial statements were approved by the Directors on 28 October 2021



M. Franks
Director

Company Registration No. 05718138

MAGEN DAVID ADOM UK

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20		1,318,729		(764,943)
Investing activities					
Purchase of tangible fixed assets		-		(47,252)	
Investment income received		8,278		13,488	
Net cash generated from/(used in) investing activities			8,278		(33,764)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			1,327,007		(798,707)
Cash and cash equivalents at beginning of year			2,349,974		3,148,681
Cash and cash equivalents at end of year			3,676,981		2,349,974

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 financial statements 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) (effective 1 January 2019)". 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 2020

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 2020

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 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	1,714,504	2,095,072	3,809,576	2,413,827
Legacies receivable	(43,925)	845,500	801,575	4,581,130
Grant receivable	3,026	-	3,026	-
Gifts in kind	-	940,081	940,081	426,473
Gift Aid claimed	197,582	-	197,582	169,278
	<u>1,871,187</u>	<u>3,880,653</u>	<u>5,751,840</u>	<u>7,590,708</u>
For the year ended 31 December 2019	<u>4,914,890</u>	<u>2,675,818</u>		<u>7,590,708</u>
Grants receivable for core activities				
Coronavirus job retention scheme	3,026	-	3,026	-
	<u>3,026</u>	<u>-</u>	<u>3,026</u>	<u>-</u>

Gifts in kind

Gifts in kind relating to medical supplies have been included at £940,081 (2019: £426,473) 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
	2020	2019
	£	£
Interest receivable	<u>8,278</u>	<u>13,488</u>

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Charitable activities

	Assistance to MDA Israel £	Gift in Kind £	Other charitable activities £	Admin and premises cost £	Total 2020 £	Total 2019 £
Staff costs	20,597	-	-	139,037	159,634	164,578
Depreciation	-	-	-	13,850	13,850	5,233
Medical Equipment	532,773	-	-	-	532,773	634,479
Casualty stations refurbishment costs	2,433,537	-	-	-	2,433,537	1,897,278
Ambulances and other vehicles associated costs	1,009,205	-	-	-	1,009,205	1,510,309
Command and Control	278,439	-	-	-	278,439	282,043
Donated goods and associated costs	-	946,670	-	-	946,670	438,973
UK First Aid training and defibrillator supplies	-	-	6,166	-	6,166	2,687
Holocaust campaign	-	-	34,853	-	34,853	25,000
IMDAC	-	-	74	-	74	14,992
Computerisation	-	-	-	-	-	56,588
Miscellaneous project costs	-	-	69,556	-	69,556	165,401
Israel training costs	153,242	-	-	-	153,242	160,061
Premises costs	-	-	-	40,889	40,889	44,202
Legal and professional fees	-	-	-	5,488	5,488	10,425
Office expenses	-	-	-	42,065	42,065	53,195
Other administrative costs	-	-	-	18,339	18,339	(28,116)
	<u>4,427,793</u>	<u>946,670</u>	<u>110,649</u>	<u>259,668</u>	<u>5,744,780</u>	<u>5,437,328</u>
Share of governance costs (see note 7)	-	-	-	74,105	74,105	45,526
	<u>4,427,793</u>	<u>946,670</u>	<u>110,649</u>	<u>333,773</u>	<u>5,818,885</u>	<u>5,482,854</u>
Analysis by fund						
Unrestricted funds	1,402,704	6,589	75,197	333,073	1,817,563	
Restricted funds	3,025,089	940,081	35,452	700	4,001,322	
	<u>4,427,793</u>	<u>946,670</u>	<u>110,649</u>	<u>333,773</u>	<u>5,818,885</u>	

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Charitable activities (Continued)

For the year ended 31 December 2019

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>

6 Raising funds

	2020	2019
	£	£
<u>Costs of raising funds</u>		
Costs for obtaining restituted artwork	746,753	-
Advertising	173,695	188,698
Other fundraising costs	107,034	277,951
Staff costs	247,141	274,247
Costs of raising funds	<u>1,274,623</u>	<u>740,896</u>

7 Support and Governance costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Charitable activities	-	74,105	74,105	45,526

Governance costs includes payments to the auditors of £6,770 (2019- £6,600) for audit fees.

8 Directors

Expenses paid to to the directors in the year totalled £3,620 (2019- £3,620). These expenses were made for 1 director's reimbursed travel expenses.

The director, D. Burger has received remuneration from employment with the charity. The salary paid to him amounted to £133,905 (2019- £125,000).

The charity contributed £7,943 (2019- £7,943) to the director's pension scheme.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	£	£
Audit of the annual accounts	6,770	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:

	2020 Number	2019 Number
Management and administration of charity	8	9
Directors	12	12
	20	21

Employment costs

	2020 £	2019 £
Wages and salaries	316,790	371,114
Social security costs	35,527	31,717
Other pension costs	14,976	12,972
	367,293	415,803

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

	2020 Number	2019 Number
60,001 - 70,000	1	1
130,001 - 140,000	-	1
140,001 -150,000	1	-

Contributions totalling £11,543 (2019: £10,760) 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 2020

11 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2020	14,080	76,057	90,137
At 31 December 2020	14,080	76,057	90,137
Depreciation and impairment			
At 1 January 2020	704	38,606	39,310
Depreciation charged in the year	2,816	11,034	13,850
At 31 December 2020	3,520	49,640	53,160
Carrying amount			
At 31 December 2020	10,560	26,417	36,977
At 31 December 2019	13,376	37,451	50,827

12 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,285,767	3,792,824
Other debtors	98,190	60,173
Prepayments and accrued income	30,993	14,690
	2,414,950	3,867,687
Amounts falling due after more than one year:		
Trade debtors	1,080,907	1,375,484
Total debtors	3,495,857	5,243,171

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 2020

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,618,248	717,568
Accruals and deferred income	60,149	61,595
	<u>1,678,397</u>	<u>779,163</u>

14 Retirement benefit schemes

The the company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the the company in an independently administered fund.

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 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:

	Movement in funds				Movement in funds				
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£	£	£	£
Ambulance stations refurbishment costs	502,588	389,197	(472,384)	(150,000)	269,401	97,423	(91,272)	(24,445)	251,107
National blood and logistic centre	1,281,154	426,353	(1,068,772)	152,094	790,829	1,490,808	(2,097,989)	20,121	203,869
Ambulances	521,698	755,431	(764,970)	(294,477)	217,682	364,058	(314,535)	(33,857)	233,348
Bikes	687,145	330,953	(574,694)	(208,420)	234,984	63,432	(166,472)	(64,399)	67,545
Bloodmobile	-	303,010	-	-	303,010	873,632	(351,766)	-	824,876
Medical Equipment	21,505	19,352	(1,600)	(17,000)	22,257	27,467	(3,005)	(1,500)	45,219
Holocaust survivors	25,000	25,000	(25,000)	-	25,000	34,852	(34,852)	-	25,000
First Aid	-	-	-	-	-	599	(599)	-	-
Gift in kind & associated costs	-	426,473	(426,473)	-	-	927,581	(940,081)	12,500	-
Milk bank	-	50	-	-	50	-	(50)	-	-
Office expenses	-	-	-	-	-	700	(700)	-	-
	<u>3,039,090</u>	<u>2,875,819</u>	<u>(3,333,893)</u>	<u>(517,803)</u>	<u>1,863,213</u>	<u>3,880,652</u>	<u>(4,001,321)</u>	<u>(91,580)</u>	<u>1,650,964</u>

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:						
Tangible assets	36,977	-	36,977	50,827	-	50,827
Current assets/ (liabilities)	3,843,477	1,650,964	5,469,441	4,950,769	1,863,213	6,813,982
	<u>3,880,454</u>	<u>1,650,964</u>	<u>5,506,418</u>	<u>5,001,596</u>	<u>1,863,213</u>	<u>6,864,809</u>

17 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:

	Balance at 1 January 2020 £	Resources expended £	Balance at 31 December 2020 £
National Blood and logistic centre	2,380,000	(2,097,989)	282,011
	<u>2,380,000</u>	<u>(2,097,989)</u>	<u>282,011</u>

18 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:

	2020 £	2019 £
Within one year	27,750	27,750
Between two and five years	75,156	102,906
	<u>102,906</u>	<u>130,656</u>

MAGEN DAVID ADOM UK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	159,743	150,839

The aggregate donations received from the trustees in the year was £38,790 (2019- £125,397).

20 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(1,333,390)	1,380,446
Adjustments for:		
Investment income recognised in statement of financial activities	(8,278)	(13,488)
Depreciation and impairment of tangible fixed assets	13,850	5,233
Movements in working capital:		
Decrease/(increase) in debtors	1,747,313	(2,788,002)
Increase in creditors	899,234	650,868
Cash generated from/(absorbed by) operations	1,318,729	(764,943)

21 Analysis of changes in net funds

The the company had no debt during the year.