

Charity Registration No. 306056

Company Registration No. 0680248 (England and Wales)

**THE MACCABI FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2002**



# THE MACCABI FOUNDATION

## LEGAL AND ADMINISTRATIVE INFORMATION

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|--------------------------|---|
| <b>Trustees</b>          | F S Worms<br>R Glatter<br>E Rayman<br>M L Phillips<br>A P Ohrenstein<br>J Barnett |
| <b>Charity number</b>    | 306056  |
| <b>Company number</b>    | 0680248   |
| <b>Registered office</b> | Regina House<br>124 Finchley Road<br>London<br>NW3 5JS                            |
| <b>Auditors</b>          | Nyman Libson Paul<br>Regina House<br>124 Finchley Road<br>London<br>NW3 5JS       |
| <b>Bankers</b>           | Bank Leumi (UK) Plc<br>4-7 Woodstock Street<br>London<br>W1A 2AF                  |
| <b>Solicitors</b>        | Paisner & Co<br>Bouverie House<br>154 Fleet Street<br>London<br>EC4A 2DQ          |

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# THE MACCABI FOUNDATION

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# **THE MACCABI FOUNDATION**

## **REPORT OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2002**

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The Trustees present their report and accounts for the year ended 30 June 2002.

### **Objects of the charity**

The foundation is a company limited by guarantee and is registered as a charity with the Charity Commission. The foundation's affairs are governed by its Memorandum and Articles of Association which allow for any activities covered by the charity's objectives with no specific restrictions.

The foundation promotes the educational, religious and social welfare of youth.

### **Governance**

The charity is administered by the Board of Trustees through the Council of Management. The council meets regularly to discuss and formulate policy which it then implements. Trustees are appointed to the Board in accordance with the Memorandum and Articles of Association.

### **Review of activities**

During the year the company continued to promote its objects through grants to the Maccabi Union, an affiliated body pursuing similar objectives. In the opinion of the Council of Management, the foundation has adequate resources available on a fund by fund basis to meet its foreseeable requirements.

### **Trustees**

The Trustees, who are also the directors for the purpose of company law, who served during the period were:

F S Worms

R Glatter

E Rayman

K J Gradon

(Deceased 24 May 2002)

M L Phillips

A P Ohrenstein

J Barnett

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and in the event of a winding up the maximum amount which each member is likely to contribute is £0.50.

# THE MACCABI FOUNDATION

## REPORT OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT FOR THE YEAR ENDED 30 JUNE 2002

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### Review of financial position

The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in October 2000.

The excess of expenditure over income for the year was £117,757 (2001: £66,088) and this has been charged against unrestricted reserves.

### Reserves policy

The assets held in the unrestricted fund are sufficient to meet the charity's obligations for the foreseeable future although unrestricted or free reserves available for current and future planned activities were slightly reduced during the year.

The Trustees consider that the freehold properties have a market value in excess of the amount shown in the financial statements. However, the Council of Management consider the cost of professional valuation would be greater than any benefit to the charity.

### Risk factors

The Board of Trustees is responsible for the management of the risks faced by the charity.

All major risks to which the charity is exposed have been identified, assessed and controls established as appropriate.

Consequently the Trustees are satisfied that the major risks identified have been mitigated.

### Investment policy

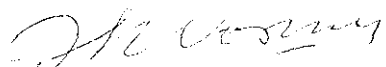
The Trustees' investment powers are governed by the Memorandum and Articles of Association which permit the Trust's funds to be invested in a wide range of securities and assets.

The Charity's investment policy is to aim for safety commensurate with immediate and planned spending requirements and the Council will continue to manage the investments in conformity with this policy.

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nyman Libson Paul be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the board of Trustees



F S Worms

Member of the council of management

Dated: 19 December 2002

# **THE MACCABI FOUNDATION**

## **STATEMENT OF RESPONSIBILITIES OF THE MEMBERS OF THE COUNCIL OF MANAGEMENT**

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Company and Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities SORP. 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.



**Nyman Libson Paul**  
CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

## **THE MACCABI FOUNDATION**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MACCABI FOUNDATION**

We have audited the accounts of The Maccabi Foundation for the period ended 30 June 2002 set out on pages 6 to 13. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

#### **Respective responsibilities of Trustees and auditors**

As described in the statement of directors' responsibilities on page 5 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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



## **Nyman Libson Paul**

CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

### **THE MACCABI FOUNDATION**

#### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE MACCABI FOUNDATION**

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##### **Qualified Opinion Arising From Disagreement In Accounting Treatment**

As disclosed in note 1, freehold buildings have not been depreciated. This is not in accordance with current accounting requirements relating to depreciation. There were no practicable means by which we could quantify the effect of this departure on the financial statements.

Except for the absence to provide depreciation on the freehold buildings, in our opinion the financial statements give a true and fair view of the company's affairs at 30 June 2002 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

*Nyman Libson Paul*

**Nyman Libson Paul**  
Chartered Accountants  
Registered Auditor

Dated: 19 December 2002



# THE MACCABI FOUNDATION

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2002

|  | Notes | Unrestricted<br>funds<br>£ | Designated<br>funds<br>£ | Total<br>2002<br>£ | Total<br>2001<br>£ |
|--|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>                      |       |                            |                          |                    |                    |
| Donations and gifts                            |       | 200                        | -                        | 200                | 300                |
| Investment income                              | 2     | 67,919                     | -                        | 67,919             | 69,567             |
| Interest receivable                            |       | 5,814                      | -                        | 5,814              | 13,004             |
| <b>Total incoming resources</b>                |       | <b>73,933</b>              | <b>-</b>                 | <b>73,933</b>      | <b>82,871</b>      |
| <b>Resources expended</b>                      |       |                            |                          |                    |                    |
| Direct charitable expenditure:                 |       |                            |                          |                    |                    |
| Grants payable                                 | 3     | 89,669                     | 44,000                   | 133,669            | 106,000            |
|  |       | -                          | -                        | -                  | -                  |
| Other expenditure:                             |       |                            |                          |                    |                    |
| Management and administration                  |       | 13,303                     | -                        | 13,303             | 7,138              |
| <b>Total resources expended</b>                | 4     | <b>102,972</b>             | <b>44,000</b>            | <b>146,972</b>     | <b>113,138</b>     |
| <b>Net outgoing resources before transfers</b> |       | <b>(29,039)</b>            | <b>(44,000)</b>          | <b>(73,039)</b>    | <b>(30,267)</b>    |
| Transfers between funds                        | 11    | 673,000                    | (673,000)                | -                  | -                  |
| <b>Net incoming/(outgoing) resources</b>       |       | <b>643,961</b>             | <b>(717,000)</b>         | <b>(73,039)</b>    | <b>(30,267)</b>    |
| Losses on investment assets                    |       | (51,669)                   | -                        | (51,669)           | (31,911)           |
| <b>Net movement in funds</b>                   |       | <b>592,292</b>             | <b>(717,000)</b>         | <b>(124,708)</b>   | <b>(62,178)</b>    |
| Fund balances at 1 July 2001                   |       | 1,299,940                  | 790,000                  | 2,089,940          | 2,152,118          |
| Fund balances at 30 June 2002                  |       | 1,892,232                  | 73,000                   | 1,965,232          | 2,089,940          |

All profits and losses recognised in the year are reflected in the Statement of Financial Activities and arise from continuing activities.

The notes on pages 8 to 11 form part of these financial statements

# THE MACCABI FOUNDATION

## SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

|   | Year<br>ended<br>30 June<br>2002<br>£ | ended<br>30 June<br>2001<br>£ |
|---|---------------------------------------|-------------------------------|
| Gross income from charitable operations   | 73,933                                | 82,871                        |
| Non charitable trading activities   | -                                     | -                             |
| Total income  | 73,933                                | 82,871                        |
| Total expenditure   | 146,972                               | 113,138                       |
| Net expenditure for the period before transfers and investment<br>asset disposals | (73,039)                              | (30,267)                      |
| Transfer to endowment funds   | -                                     | -                             |
| Net expenditure before investment asset disposals                                 | (73,039)                              | (30,267)                      |
| Loss on disposal of fixed asset investments                                       | -                                     | -                             |
| <b>Net expenditure for the period</b>   | <b>(73,039)</b>                       | <b>(30,267)</b>               |

The summary income and expenditure account is derived from the statement of financial activities on page 6 which, together with the notes on pages 9 to 13, provides full information on the movements during the period on all funds of the charity.

# THE MACCABI FOUNDATION

## BALANCE SHEET AS AT 30 JUNE 2002

|   | Notes | 2002<br>£        | £                | 2001<br>£        | £                |
|---|-------|------------------|------------------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |                  |                  |                  |                  |
| Tangible assets                                       | 7     | 565,398          |                  | 574,001          |                  |
| Investments   | 8     | 1,278,285        |                  | 1,329,954        |                  |
|   |       | <u>1,843,683</u> |                  | <u>1,903,955</u> |                  |
| <b>Current assets</b>                                 |       |                  |                  |                  |                  |
| Debtors   | 9     | 12,907           |                  | 17,561           |                  |
| Cash at bank and in hand                              |       | 111,692          |                  | 181,891          |                  |
|   |       | <u>124,599</u>   |                  | <u>199,452</u>   |                  |
| <b>Creditors: amounts falling due within one year</b> | 10    | (3,050)          |                  | (13,467)         |                  |
| <b>Net current assets</b>                             |       |                  | 121,549          |                  | 185,985          |
| <b>Total assets less current liabilities</b>          |       |                  | <u>1,965,232</u> |                  | <u>2,089,940</u> |
| <b>Income funds</b>                                   |       |                  |                  |                  |                  |
| Unrestricted funds                                    |       | 1,892,232        |                  | 1,299,940        |                  |
| Designated funds                                      |       | 73,000           |                  | 790,000          |                  |
|   |       | <u>1,965,232</u> |                  | <u>2,089,940</u> |                  |

Approved by the Council of Management and signed on its behalf by

  
R Glatter

  
F S Worms

Members of the Council of Management

19 December 2002

# THE MACCABI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with the provisions of the Companies Act 1985 and the Charities SORP (October 2000).

#### 1.2 Incoming resources

Income is received by way of donations, legacies and investment income from fixed asset investments. These are included in full in the income and expenditure account on a receivable basis.

#### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold buildings are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

|                  |             |
|------------------|-------------|
| Office equipment | 10% on cost |
|------------------|-------------|

No depreciation is provided in respect of freehold buildings. The freehold buildings are kept in a constant state of upkeep and repair and in the opinion of the Council of Management any depreciation charge would be immaterial.

#### 1.4 Investments

Fixed asset investments are stated at market value.

#### 1.5 Foreign currency translation

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 net incoming resources.

### 2 Investment income

|                                | 2002<br>£     | 2001<br>£     |
|--------------------------------|---------------|---------------|
| Income from listed investments | 67,919        | 69,567        |
|                                | <u>67,919</u> | <u>69,567</u> |

# THE MACCABI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

### 3 Grants payable

|  | Unrestricted<br>funds<br>£ | Designated<br>funds<br>£ | Total<br>2002<br>£ | Total<br>2001<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Grants to institutions:<br>Maccabi Union | 89,669                     | 44,000                   | 133,669            | 106,000            |

### 4 Total resources expended

|   | Depreciation<br>£ | Other<br>costs<br>£ | Total<br>2002<br>£ | Total<br>2001<br>£ |
|---|-------------------|---------------------|--------------------|--------------------|
| Direct charitable expenditure:<br>Grants payable    | -                 | 133,669             | 133,669            | 106,000            |
| Other expenditure:<br>Management and administration | 8,603             | 4,700               | 13,303             | 7,138              |
|   | 8,603             | 138,369             | 146,972            | 113,138            |

Management and administration costs includes payments to the auditors of £2,644 (2001 - £2,500) for audit fees.

### 5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the foundation during the period.

### 6 Taxation

The Foundation has charitable status for tax purposes and, consequently, there is no liability to UK Corporation Tax.

# THE MACCABI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

### 7 Tangible fixed assets

|                                    | Land and<br>buildings<br>£ | Office<br>equipment<br>£ | Total<br>£ |
|------------------------------------|----------------------------|--------------------------|------------|
| <b>Cost</b>                        |                            |                          |            |
| At 1 July 2001 and at 30 June 2002 | 565,398                    | 21,515                   | 586,913    |
| <b>Depreciation</b>                |                            |                          |            |
| At 1 July 2001                     | -                          | 12,912                   | 12,912     |
| Charge for the period              | -                          | 8,603                    | 8,603      |
| At 30 June 2002                    | -                          | 21,515                   | 21,515     |
| <b>Net book value</b>              |                            |                          |            |
| At 30 June 2002                    | 565,398                    | -                        | 565,398    |
| At 30 June 2001                    | 565,398                    | 8,603                    | 574,001    |

All assets are used in the furtherance of the charity's objectives.

### 8 Fixed asset investments

|                               | Other<br>investments<br>other than<br>loans<br>£ | Investments<br>on a<br>recognised<br>stock<br>exchange<br>(UK)<br>£ | Total<br>£ |
|-------------------------------|--|---|------------|
| Market value at 1 July 2001   | 1  | 1,329,953   | 1,329,954  |
| Change in value in the period | -  | (51,669)  | (51,669)   |
| Market value at 30 June 2002  | 1  | 1,278,284   | 1,278,285  |
| Historical cost:              |  |   |            |
| At 30 June 2002               | 1  | 1,371,980   | 475,943    |
| At 30 June 2001               | 1  | 1,371,980   | 475,943    |

In 1993, the company's 1% holding in Kfar Hammacabiah, a company incorporated in Israel, was valued at £1 by the Members of the Council of Management. The historical cost of the holding is £54,650.

# THE MACCABI FOUNDATION

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002

| 9 Debtors                      | 2002<br>£     | 2001<br>£     |
|--------------------------------|---------------|---------------|
| Other debtors                  | -             | 500           |
| Prepayments and accrued income | 12,907        | 17,061        |
|                                | <u>12,907</u> | <u>17,561</u> |

| 10 Creditors: amounts falling due within one year | 2002<br>£    | 2001<br>£     |
|---|--------------|---------------|
| Accruals and deferred income                      | 3,050        | 13,467        |
|   | <u>3,050</u> | <u>13,467</u> |

### 11 Analysis of net assets between funds

|   | Unrestricted<br>general fund<br>£ | Designated<br>rebuilding<br>fund<br>£ | Total<br>£       |
|---|-----------------------------------|---------------------------------------|------------------|
| Fund balances at 30 June 2002 are represented by: |                                   |                                       |                  |
| Tangible fixed assets                             | 565,398                           | -                                     | 565,398          |
| Investments                                       | 1,205,285                         | 73,000                                | 1,278,285        |
| Current assets                                    | 124,599                           | -                                     | 124,599          |
| Creditors: amounts falling due within one year    | (3,050)                           | -                                     | (3,050)          |
|   | <u>1,892,232</u>                  | <u>73,000</u>                         | <u>1,965,232</u> |

The designated fund related to the possible building of new facilities for youth in co-operation with other charitable bodies. The project did not proceed and the Trustees have therefore transferred the funds to the unrestricted general fund.

The remaining designated fund is due to Maccabi Union as a contribution to their costs in connection with new premises.

### 12 Contingencies

The sum of approximately £450,000 was paid to Maccabi Association London (MAL) out of the proceeds of the sale of 73 Compayne Gardens, NW6. The new facilities referred to in Note 11 have not materialised and, in accordance with the agreement between MAL and the Foundation, the funds will be returned to the Foundation.

## **THE MACCABI FOUNDATION**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2002**

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#### **13 Related parties**

Grants of £133,669 (2001: £106,000) were paid to Maccabi Union in the year. Maccabi Union's address is Shield House, Harmony Way, Hendon, London NW4 2BZ.

There is no binding legal commitment to make this grant.

All the directors and members of the Council of Management apart from A P Ohrenstein are officers of Maccabi Union.