

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2006**

COMPANY REGISTRATION NUMBER 05660874

Charity Number 1112844

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**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

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**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	The Paradox Foundation Ltd
Charity number	1112844
Company registration number	05660874
Principal office	The White House, Waterside, Shenley Hill Radlett, Herts WD7 7DY
Registered office	273, Roding Lane North Woodford Green Essex IG8 8LL
Trustees	Mr L L Cohen Mrs M H Cohen Mr S H Cohen
Secretary	Mrs M H Cohen
Auditor	Mitchell Rodrigues and Co Ltd Chartered Accountants & Registered Auditors Suite 14, Zeal House, 8, Deer Park Road, London SW19 3GY
Bankers	HSBC Howardsgate, Welwyn Garden City, Hertfordshire AL8 6BH
Solicitors	Bates Wells & Braithwaite 2 - 6 Cannon Street London EC4M 6YH

THE PARADOX FOUNDATION LTD COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the period from 21 December 2005 to 31 December 2006

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements

THE TRUSTEES

The trustees who served the company during the period were as follows

Mr L L Cohen
Mrs M H Cohen
Mr S H Cohen

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION, OBJECTS AND POLICIES

The company, which is incorporated in Great Britain was formed for charitable purposes and has the registered charity number 1112844. The liability of its members is limited to a guarantee of £1 each. The company's governing documents are its Memorandum and Articles of Association. The company is established to further those purposes, both in the United Kingdom and abroad, which are recognised as charitable by English Law. The charity received income from a gift aid donation which is utilised in the provision and distribution of grants and donations to other charities and no change is envisaged in the immediate future.

ORGANISATION

The charity consists of three trustees from the same family who meet regularly to administer the charity. They are also directors of the company.

RELATED PARTIES

The charity has a close relationship with other companies administered by the trustees in their capacity as directors of those companies.

OBJECTIVES AND ACTIVITIES

The objectives as stated above are to provide grants and donations to other charities from income it derives. The trustees have assessed the major risks to which the trust is exposed, in particular those in regard to the operations and finances of the trust, and are satisfied that the systems are in place to mitigate its exposure to those risks.

THE PARADOX FOUNDATION LTD COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

ACHIEVEMENTS AND PERFORMANCE

RESULTS

The results of the company's activities are shown in the attached accounts

RESERVES POLICY

It is the policy of the trust to maintain unrestricted funds, which are free reserves of the trust, at a level which the trustees think appropriate after the considering the future commitments of the trust and the likely administrative costs of the trust for the next year

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

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

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

AUDITOR

A resolution to re-appoint Mitchell Rodrigues and Co Ltd as auditor for the ensuing year will be proposed at the Annual General Meeting

Registered office
273, Roding Lane North
Woodford Green
Essex
IG8 8LL

Signed by order of the trustees



MRS M H COHEN
Company Secretary

14/4/08

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
PARADOX FOUNDATION LTD**

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

We have audited the financial statements of the Paradox Foundation Ltd for the period from 21 December 2005 to 31 December 2006 on pages 7 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 9

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

The responsibilities of the trustees (who also act as directors of The Paradox Foundation Ltd for the purposes of company law) for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Trustees Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 remuneration of the trustees and other transactions is not disclosed.

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

BASIS OF AUDIT OPINION

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

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

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
PARADOX FOUNDATION LTD *(continued)***

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2006 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees Annual Report is consistent with the financial statements



MITCHELL RODRIGUES AND CO LTD
Chartered Accountants
& Registered Auditors

Suite 14, Zeal House,
8, Deer Park Road,
London
SW19 3GY

19/3/08

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

	Note	Total Funds Period from 21 Dec 05 to 31 Dec 06 £
INCOMING RESOURCES		
Incoming resources from generating funds		
Voluntary income	2	2,200,000
Investment income	3	49,081
TOTAL INCOMING RESOURCES		<u>2,249,081</u>
RESOURCES EXPENDED		
Governance costs	4	(3,647)
Other resources expended	5	(1,003,600)
TOTAL RESOURCES EXPENDED		<u>(1,007,247)</u>
NET INCOMING RESOURCES FOR THE PERIOD/NET INCOME FOR THE PERIOD	6	1,241,834
RECONCILIATION OF FUNDS		
Total funds brought forward		—
TOTAL FUNDS CARRIED FORWARD		<u>1,241,834</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore
a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 9 to 10 form part of these financial statements

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

AS AT 31 DECEMBER 2006

	Note	£	31 Dec 06 £
CURRENT ASSETS			
Cash at bank		1,242,598	
CREDITORS: Amounts falling due within one year	8	<u>(764)</u>	
NET CURRENT ASSETS			1,241,834
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,241,834</u>
NET ASSETS			<u>1,241,834</u>
 FUNDS			
Unrestricted income funds	9		1,241,834
TOTAL FUNDS			<u>1,241,834</u>

These financial statements were approved by the members of the committee on the 15th April 2008 and are signed on their behalf by



MR L L COHEN
Director

The notes on pages 9 to 10 form part of these financial statements

THE PARADOX FOUNDATION LTD COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small

Fixed assets

All fixed assets are initially recorded at cost

2. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2006 £
Donations		
Donations	<u>2,200,000</u>	<u>2,200,000</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2006 £
Bank interest receivable	<u>49,081</u>	<u>49,081</u>

4. GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2006 £
Audit fees	764	764
Professional Fees	<u>2,883</u>	<u>2,883</u>
	<u>3,647</u>	<u>3,647</u>

5. OTHER RESOURCES EXPENDED

	Unrestricted Funds £	Total Funds 2006 £
Donations	<u>1,003,600</u>	<u>1,003,600</u>

**THE PARADOX FOUNDATION LTD
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 21 DECEMBER 2005 TO 31 DECEMBER 2006

6. NET INCOMING RESOURCES FOR THE PERIOD

This is stated after charging

	Period from 21 Dec 05 to 31 Dec 06 £
Auditors' remuneration	
- audit of the financial statements	<u>764</u>

7. STAFF COSTS AND EMOLUMENTS

No salaries or wages have been paid to employees, including the members of the committee, during the period

8. CREDITORS: Amounts falling due within one year

	31 Dec 06 £
Accruals	<u>764</u>

9. UNRESTRICTED INCOME FUNDS

	Incoming resources £	Balance at 31 December 20 06 £
General Funds	<u>1,241,834</u>	<u>1,241,834</u>