

Charity Registration No. 1117590

Company Registration No. 05890261 (England and Wales)

MASORTI JUDAISM
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

MASORTI JUDAISM

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	James Burns	
	Tony De Swarte	
	Ilana Fenster	
	Shirley Fenster	
	Nicholas Gendler	
	Paul Harris	
	Edward Kafka	
	Joanne Kosmin	
	Darren Marks	
	Bruce Rigal	
	Simon Samuels	(Appointed 1 September 2016)
	Nicholas Schlagman	
	Sam Schryer	(Appointed 1 September 2016)
	Daniel Stander	
	Richard Wolfe	
Secretary	Matthew Plen	
Charity number	1117590	
Company number	05890261	
Auditor	H W Fisher & Company	
	Acre House	
	11-15 William Road	
	London	
	NW1 3ER	
	United Kingdom	
Bankers	CAF Bank Limited	
	25 Kings Hill Avenue	
	Kings Hill	
	West Malling	
	Kent	
	ME19 4JQ	
	Barclays Bank PLC	
	126 Station Road	
	Edgware	
	Middlesex	
	HA8 7RY	

MASORTI JUDAISM

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**MASORTI JUDAISM
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES REPORT
FOR THE PERIOD ENDED DATE 31 AUGUST 2016**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Masorti Judaism (the company) for the year ended 31 August 2016.

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document, the Charities Act 2011 and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

1. Objectives and activities

The Trustees review the principal aims, objectives and activities of Masorti Judaism each year to ensure that Masorti Judaism remains focused for the foreseeable future on its stated purpose and objects. The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the objectives and aims of Masorti Judaism in planning future activities, and in particular how the planned activities will further the public benefit.

a. Purpose and core values

The object of Masorti Judaism is to promote the practice and teaching of non-fundamentalist traditional Judaism. Our purpose as stated in our strategic plan is to develop flourishing communities and promote a Judaism committed to traditional practice and modern values. We aim for every Masorti community and the movement as a whole to be:

- Committed to Jewish learning.
- Faithful to traditional, halachic practice.
- Welcoming, inclusive and pluralistic.
- Participative and empowering.

Other values which are important to us include the centrality of Israel, democracy, equality, prioritising achievement and impact, and commitment to leadership development.

b. Aims and strategy

We have set three aims:

- To provide professional services to all Masorti communities to enable them to continuously improve their work, achieve their goals and flourish.
- To grow the movement in terms of membership, attendance/involvement and number of communities.
- To raise our profile, making Masorti a well-defined, universally known concept across the Jewish community.

While outreach, profile-raising and membership growth depends to a great extent on the success of individual synagogues, we have identified several interlinked drivers of growth which the movement, rather than individual communities, has the capacity to push forward:

- **Community development:** providing professional advice and training to our member communities as well as opportunities to network and share resources will enable them to flourish and, where appropriate, grow. Working to establish new Masorti communities will expand the movement's capacity for outreach and expansion.
- **Leadership development:** ensuring the provision of rabbis, chazanim, educators and lay-leaders with the skills to inspire and lead our communities, to reach out to new members, and to communicate our message in the public sphere.
- **Young people – Noam and Marom:** developing motivated leaders with a high level of Jewish literacy, reaching out to students, young adults and families as potential new members, and communicating the value of Masorti Judaism to wider sections of the Jewish community.
- **Communications:** strengthening our identity as a movement, creating and deepening awareness and understanding of Masorti Judaism among our members and the wider community, communicating the value of our work, and improving our communities' capacity to do effective outreach and marketing.
- **Organisation and funding:** ensuring we have the resources and systems to deliver these results.

c. Achievements 2015-16

Over the past year, Masorti Judaism has successfully realized the following goals:

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- We supported two **emerging communities** for young adults in London – Ohel Moed and the Havurah – and provided ongoing support for other small communities across the UK. In total we now have 16 communities meeting regularly around the country.
- We helped two Masorti communities recruit their **first rabbis** – Oliver Joseph in Elstree & Borehamwood, and Roni Tabick in Stoke Newington. Both rabbis returned to the UK after being ordained last summer and are also working with Noam, Marom and New North London Synagogue.
- We provided financial and professional support to one full-time **rabbinical student** at Leo Baeck College, agreed to begin supporting an additional student at Ziegler rabbinical school in 2016, and worked with LBC to craft a suitable curriculum for training Masorti rabbis.
- **Noam – Masorti Youth** – welcomed 450 young people to its summer camps in the UK and over 50 young people to its Israel experience summer programme. We trained over 60 *madrichim* (leaders) at Merkaz Noam, our weekly teenage centre, implemented a powerful Pre-Camp educational programme for 150 young leaders and recruited six young people for Drachim, our Israel gap year programme. Noam also wrote and published a new *siddur* (prayerbook), held successful summer and half-term *kaylanot* (day camps), a winter camp and conference (Veida) and ran regular youth activities in various Masorti communities.
- **Marom – Masorti young adults** launched the Marom Collective, a new innovative communal platform for young people in London, and continued to work with 200 students in Marom groups across nine campuses. Marom also organised a weekly Talmud class for young adults, an educational trip to Madrid and Kelim, an intensive month of Jewish learning at the Conservative Yeshiva in Jerusalem.
- We continued to produce regular, well-managed **communications output**, in particular our weekly Torah-study sheet and e-letter, Reflections. We have significantly expanded our social media presence, bringing our message to new audiences. Senior rabbi Jonathan Wittenberg, our rabbis, professionals and lay leaders have also worked to raise the movement's profile, representing us in the press and at cross-communal, interfaith and other public forums.
- **Events and courses:** we brought together 250 members from across our communities at Yom Masorti and ran a four-day Jewish Community Organising training course for volunteer leaders. We also continued to run the weekly Masorti Kollel for high level Talmud study, and held a successful Masorti Women's Forum study day, an extremely well-attended Noam supper quiz and an Annual Dinner for 230 guests.
- We launched an **Innovations Group** to develop a group of twenty emerging lay-leaders and draw on their strategic and professional expertise.
- We began to develop a new **membership database and legacy fundraising scheme** in partnership with our communities.
- We led on a **'new Kindertransport'** campaign which raised £200,000 to admit over 100 child refugees to the UK, in partnership with Citizens UK's Safe Passage initiative.

d. **Future plans**

In 2016-17, we plan to build on this year's successes by working to the following strategic goals:

Community development and support

- Increase Masorti numbers at Noam camps.
- Develop teams of community leaders by running a listening campaign.
- Evaluate the impact of our work and report on this to the communities.
- Develop a research-based training programme on membership growth for our communities.

New communities

- Develop the Havurah into a sustainable Masorti community. The Havurah is an emerging community for young adults and families in the north London area.
- Deepen our relationships with non-Masorti communities who are aligned with our ethos.
- Support the growth of New Stoke Newington Synagogue.

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Rabbinical training and leadership development

- Establish a rabbinical training fund.
- Develop required curriculum units and contracts for student rabbis.
- Develop a group of committed, potential senior movement lay leaders.
- Analyse and consider implementing the recommendations of the governance review which is due to report in January 2017.

Funding and organisation

- Expand our major donor base and increase donor income.
- Develop and implement a systematic donor cultivation plan.
- Launch an income generating trading arm.
- Develop an audience-driven communications plan.
- Implement a new CRM/database system.
- Find new office space.

2. Structure, Governance and Management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 July 2006. The company is constituted under a Memorandum of Association dated 28 July 2006 and is a registered charity number 1117590.

b. Organisational structure and decision making

i. Governing Document

Masorti Judaism (formerly The Assembly of Masorti Synagogues) is a registered company limited by guarantee, number 05890261, and a registered charity, number 1117590, and is governed by its Memorandum and Articles of Association.

The directors are the Charity Trustees and appointed members of the Board of Trustees. The Board is responsible for managing and carrying out the objectives of Masorti Judaism in accordance with its Memorandum and Articles of Association.

The company has no share capital, but under the terms of its Memorandum and Articles of Association every member is liable to contribute a sum not exceeding £1 in the event that the company is wound up whilst they are a member or for one year thereafter.

ii. Recruitment and Appointment of Trustees

Masorti Judaism has an open recruitment procedure for new Trustees. Each Constituent Synagogue is eligible to appoint one individual to serve as a Trustee. There is no minimum or maximum number of Trustees. There are currently 15 members of the Board of Trustees.

iii. Trustee Induction and Training

Masorti Judaism continues to review its policies and procedures for the induction and training of both new and existing Trustees.

We have recently adopted a formal code of conduct for Trustees and have initiated a series of training sessions aimed at Trustees. New Trustees are inducted through a meeting with one of the co-chairs and are provided with important information about the organisation such as the strategic development plan and the organisational budget.

iv. Organisation Structure

The Trustees meet regularly to manage the affairs of Masorti Judaism, review its strategic plan and decide on its overall direction. Full meetings of the Board of Trustees are held quarterly. The day to day running of the organisation is delegated to the Chief Executive and the senior management team and is supervised by the Executive Committee.

v. Senior management team

The senior management team comprises:

- Matt Plen – Chief Executive
- Rachel Sidan – Noam and Marom Director
- Michelle Jones – Operations Director

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c. Board of Trustees

The Trustees who served during the year and up to the date of the signing of this Report are listed below.

Mr James Burns – Appointed 21/01/15
Mr Tony De Swarte
Ms Ilana Fenster
Mrs Shirley Fenster – Appointed 01/09/15
Mr Nicholas Gendler
Mr Nicholas Grant – Resigned 21/01/15
Mr Paul Harris – Appointed 16/06/15
Mrs Tamara Isaacs – Resigned 16/06/15
Mr Edward Kafka
Ms Joanne Kosmin
Mr Adrian Marks – Resigned – 07/07/15
Mr Darren Marks – Appointed 25/03/15
Mr Bruce Rigal
Mr Simon Samuels – Appointed 01/09/16
Mr Nicholas Schlagman
Mr Sam Schryer – Appointed 01/09/16
Mr Clive Sheldon – Resigned 08/07/15
Mr Daniel Stander – Appointed 02/03/15
Mr Richard Wolfe

d. Risk Management

The Board of Trustees have been actively assessing the major risks that Masorti Judaism faces on an ongoing basis and are of the opinion that maintaining reserves at reasonable levels, combined with regular reviews of the controls over key financial systems, has provided sufficient resources in the event of adverse conditions to enable Masorti Judaism to continue its operations. The Trustees have also regularly considered other business risks faced by Masorti Judaism and have endeavored to improve its operating systems in order to reduce these risks.

Among the risks identified are the possibility of loss of income due to fluctuating levels of voluntary donations and unanticipated changes in participant numbers at programmes and events, and the possibility of failing to achieve strategic aims due to lack of cooperation from key partners and stakeholders.

The key controls used by Masorti Judaism include:

- Regular review of risks to the organisation at Board level using a formal risk register.
- Formal agendas and minutes for all Council meetings and operational activities.
- Budgetary presentation for all major operational activities.
- Established organisational structure and lines of reporting.
- Formal written reports to the Board.
- Clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.
- Engagement of professional advisers as and when necessary.

In order to mitigate the major risk of falling Noam summer programme numbers and the associated financial impact, the charity has developed enhanced participant recruitment strategies and has adopted more robust financial reporting and planning systems to ensure that planned expenditure more closely matches projected income. These measures have enabled us to substantially improve our financial position and run a significant surplus this year.

e. Volunteers

Masorti Judaism works with over 200 volunteers as youth leaders on residential camps and local activities, campus representatives and young adult leaders, steering group members and volunteers for fundraising and educational events, and members of various committees. As a community organisation, we work with volunteers as a matter of principle rather than financial necessity and so have not calculated the financial value of the work carried out by these volunteers.

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3. Membership

The Board of Trustees may at its discretion and by a two-thirds majority vote admit as a member any congregation of Jews which has satisfied the Board that it is properly constituted as a charity and is willing to be bound by the Memorandum and Articles of Association of Masorti Judaism. Following any such admission as a member, the congregation of Jews so admitted shall be counted as a Constituent Synagogue for all purposes of the Memorandum and Articles of Association of Masorti Judaism. Each constituent synagogue will pay a subscription to Masorti Judaism as determined by the Board of Trustees.

Masorti Judaism's constituent members in 2015 -16 comprised:

Name of Synagogue	Registered Charity No.	Number of Members	
		Jan 2015	Jan 2016
Edgware Masorti Synagogue	1117623	451	435
Hilstone and Horehamwood Masorti Community	1139041	103	113
Hatch End Masorti Synagogue	10809051	121	124
Kol Nefesh Masorti Synagogue	1081444	105	105
New Essex Masorti Synagogue (formerly Buckhurst Hill Masorti Synagogue)	297101	150	139
New London Synagogue	1133578	752	727
New North London Synagogue	1094668	2010	2045
New Stoke Newington Shul		26	45
St Albans Masorti Synagogue	1118649	276	294
TOTAL		3994	4027

Masorti Judaism's associate members in 2015 -16 comprised:

Name of Synagogue	Registered Charity No.	Number of Members	
Leeds Masorti Community		30	30
Liverpool Masorti			
Masorti Bournemouth		20	20
Masorti Jews in Bristol			12
New Whetstone Synagogue			10
Ohel Moed			16
Oxford Masorti Group		30	30
TOTAL			

4. Financial Review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Key financial performance indicators

The Statement of Financial Activities (SOFA) set out on page 6, shows that the charity received donations and income of £1,195,902

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(2015: £986,536) of which £1,160,320 (2015: £1,072,464) was paid out in expenses, leaving a surplus of £35,582 (2015: deficit of £85,928).

Masorti Judaism has relied upon subscriptions from member synagogues, as well as grants and donations as referred to in these accounts for both restricted and unrestricted activities. The support of the donors has been extremely valued by the Board.

c. Reserves policy

It has been the policy of Masorti Judaism to maintain the unrestricted funds at levels which are adequate to meet ongoing management, administration and support costs. A detailed reserves policy has been adopted by the Trustees. The level of free reserves is monitored and reviewed regularly by the Board. Last year, the trustees committed to increasing the charity's level of free reserves to £70,000 by year-end 2017. The surplus achieved this year means the charity has already accumulated £65,430 of free reserves and is forecasting £90,000 of free reserves for the end of 2017.

The policy of Masorti Judaism has been to maintain the restricted funds at a level to enable it to meet its full obligations under the terms of their establishment by the donors.

d. Material investments policy

The Board has taken a prudent view regarding the investment of short term surplus funds. Accordingly, these funds have been placed on easy access deposit with bankers.

e. Cooperation with other charitable organisations

Masorti Judaism has received donations and grants from other charitable organisation for the furtherance of its objects. The Board also has requested assistance and support from other charitable organisations when considered desirable and in accordance with its objectives.

f. Small Company Provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

5. Public Benefit Statement

The Trustees have complied with their duties set out in the Charities Act 2011 to have due regard to the guidance published by the Charity Commission. The benefit to the public is manifestly demonstrated by the achievements contained in this report.

6. Provision of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 41SA of the Companies Act 2006.

This report was approved by the Trustees on 13/13/17 and signed on their behalf by:


**Bruce Rigal
Trustee**

MASORTI JUDAISM

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year.

In preparing these accounts, the Trustees 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 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 charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MASORTI JUDAISM

We have audited the financial statements of Masorti Judaism for the year ended 31 August 2016 set out on pages 10 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the statement of Trustees' responsibilities set out on page 7, the Trustees, who are also the directors of Masorti Judaism for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MASORTI JUDAISM

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 accounts 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.

HW Fisher & Company

Andrew Rich (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

16/2/17

MASORTI JUDAISM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Income from:</u>					
Donations and legacies	3	357,323	96,538	453,861	395,973
Charitable activities	4	687,096	-	687,096	567,219
Other trading activities	5	54,878	-	54,878	23,000
Investments	6	67	-	67	344
Total income		1,099,364	96,538	1,195,902	986,536
<u>Expenditure on:</u>					
Raising funds	7	14,879	-	14,879	3,909
Charitable activities	8	1,048,347	97,094	1,145,441	1,068,555
Total resources expended		1,063,226	97,094	1,160,320	1,072,464
Net income/(expenditure) for the year/ Net movement in funds		36,138	(556)	35,582	(85,928)
Fund balances at 1 September 2015		29,292	7,600	36,892	122,820
Fund balances at 31 August 2016		65,430	7,044	72,474	36,892

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.

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BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	12		1,975		2,141
Current assets					
Debtors	14	97,024		19,805	
Cash at bank and in hand		88,357		94,097	
		185,381		113,902	
Creditors: amounts falling due within one year	15	(114,882)		(79,151)	
Net current assets			70,499		34,751
Total assets less current liabilities			72,474		36,892
Income funds					
Restricted funds	16		7,044		7,600
Unrestricted funds			65,430		29,292
			72,474		36,892

The accounts were approved by the Trustees on 8th March, 2017



Bruce Rigal
Trustee

Company Registration No. 05890261

MASORTI JUDAISM

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(3,437)		(62,184)
Investing activities					
Purchase of tangible fixed assets		(2,370)		(1,455)	
Interest received		67		344	
Net cash used in investing activities			(2,303)		(1,111)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(5,740)		(63,295)
Cash and cash equivalents at beginning of year			94,097		157,392
Cash and cash equivalents at end of year			<u>88,357</u>		<u>94,097</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Charity information

Masorti Judaism is a private company limited by guarantee incorporated in England and Wales. The registered office is 3 Shakespeare Road, Finchley, London, N3 1XE.

1.1 Accounting convention

The accounts have been prepared under the historical cost convention.

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

The accounts have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These accounts for the year ended 31 August 2016 are the first accounts of Masorti Judaism prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the new SORP. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

Based on current management accounts, projections and budgets the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis 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.

General funds are unrestricted funds which are available for use at the discretion of the Trustees.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted funds is set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity.

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.

Cash donations are recognised on receipt. Other donations are recognised once the Charity 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 Charity 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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expenses categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objectives of the company. Governance costs are those incurred in connections with administration of the company and compliance with constitutional and statutory requirements.

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:

Fixtures, fittings & equipment	3 year straight line
--------------------------------	----------------------

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 and intangible 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 Charity's 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 receipts 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 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.

1.11 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 4. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the Trustees 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.

There were no critical accounting estimates made in either year.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	59,154	96,538	155,692	154,387
Grant receivable	123,551	-	123,551	84,321
Membership fees	174,618	-	174,618	157,265
	<u>357,323</u>	<u>96,538</u>	<u>453,861</u>	<u>395,973</u>
For the year ended 31 August 2015	<u>327,842</u>	<u>68,131</u>		<u>395,973</u>

4 Charitable activities

	2016 £	2015 £
Sales within charitable activities	385,597	376,429
Other income	301,499	190,790
	<u>687,096</u>	<u>567,219</u>

5 Other trading activities

	2016 £	2015 £
Trading income	<u>54,878</u>	<u>23,000</u>

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

6 Investments

	2016	2015
	£	£
Interest receivable	67	344

7 Raising funds

	2016	2015
	£	£
Costs of generating donations and event income		
Staging fundraising events	14,879	3,909
	14,879	3,909
For the year ended 31 August 2015		
Costs of generating donations and event income		3,909

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

8 Charitable activities

	2016 £	2015 £
Staff costs	465,173	401,296
Depreciation and impairment	2,536	1,746
Direct costs	559,305	531,001
	<u>1,027,014</u>	<u>934,043</u>
Share of support costs (see note 9)	102,880	123,230
Share of governance costs (see note 9)	15,547	11,282
	<u>1,145,441</u>	<u>1,068,555</u>
Analysis by fund		
Unrestricted funds	1,048,347	
Restricted funds	97,094	
	<u>1,145,441</u>	
For the year ended 31 August 2015		
Unrestricted funds		958,284
Restricted funds		110,271
		<u>1,068,555</u>

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Support costs

	Support costs	Governance costs	2016	2015
	£	£	£	£
Accommodation and services	38,682	-	38,682	37,699
Telephone	4,619	-	4,619	6,857
PPS	6,525	-	6,525	6,440
Repairs and maintenance	21,176	-	21,176	26,442
Travelling expenses	1,892	-	1,892	2,021
Sundry expenses	23,512	-	23,512	42,292
Bank charges	1,974	-	1,974	1,479
Professional fees	4,500	-	4,500	-
Audit fees	-	10,000	10,000	8,481
Book keeping fees	-	3,958	3,958	2,522
Trustees' insurance	-	1,589	1,589	279
	<u>102,880</u>	<u>15,547</u>	<u>118,427</u>	<u>134,512</u>

10 Trustees

No trustees were reimbursed expenses during the year. (2015: two reimbursed a total of £2,092).

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

11 Employees

Number of employees

The average monthly number employees during the year was:

2016 Number	2015 Number
19	13

Employment costs

	2016 £	2015 £
Wages and salaries	427,199	373,784
Social security costs	35,105	25,134
Other pension costs	2,869	2,378
	465,173	401,296

The senior management team described in the trustee's report received total remuneration of £127,332 (2015: £121,831).

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

	2016 Number	2015 Number
£60,000-£69,999	1	1

12 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 September 2015	36,440
Additions	2,370
At 31 August 2016	38,810
Depreciation and impairment	
At 1 September 2015	34,299
Depreciation charged in the year	2,536
At 31 August 2016	36,835
Carrying amount	
At 31 August 2016	1,975
At 31 August 2015	2,141

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13	Financial instruments	2016	2015
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	77,559	7,677
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	68,104	38,819
		<u> </u>	<u> </u>
14	Debtors	2016	2015
		£	£
	Amounts falling due within one year:		
	Other debtors	77,559	7,677
	Prepayments and accrued income	19,465	12,128
		<u> </u>	<u> </u>
		97,024	19,805
		<u> </u>	<u> </u>
15	Creditors: amounts falling due within one year	2016	2015
		£	£
	Other taxation and social security	13,607	9,497
	Trade creditors	58,161	31,889
	Other creditors	9,943	6,930
	Accruals and deferred income	33,171	30,835
		<u> </u>	<u> </u>
		114,882	79,151
		<u> </u>	<u> </u>

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Restricted funds

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

	Balance at 1 September 2015	Movement in funds		Balance at 31 August 2016
	£	Incoming resources	Resources expended	£
Mercaz	4,642	6,450	(6,364)	4,728
Masorti Young Adults & Education	-	3,000	(3,000)	-
Noam Subsidy Fund	-	20,510	(20,510)	-
Bet Din Fund	-	22,996	(22,996)	-
Quest Journal	2,958	-	-	2,958
Pincus	-	31,032	(31,032)	-
Citizens UK	-	2,550	(3,000)	(450)
Shoreish	-	8,000	(8,000)	-
IJBS	-	2,000	(2,192)	(192)
	<u>7,600</u>	<u>96,538</u>	<u>(97,094)</u>	<u>7,044</u>

Mercaz fund represents payments by Masorti members to Mercaz, the Masorti Zionist organisation. It is used to pay membership dues to the Zionist Federation and to support Israel education programmes.

Masorti Young Adults fund represents projects carried out by Marom (Masorti students and young adults), funded entirely by a grant from the UJIA.

Noam Subsidy fund represents money raised from donations to financially assist people to attend Noam events and activities that they otherwise could not afford.

Bet Din fund represents monies received towards the operations of the Bet Din.

Quest Journal fund represents donations received to cover the cost of producing the journal.

Pincus fund represents educational and leadership training projects carried out by Noam, funded by a grant from the Pincus fund for Jewish Education in the Diaspora.

Citizens UK fund represents donations received to cover the costs of community and leadership development projects carried out for Masorti Judaism by Citizens UK.

Shoreish fund represents high level Jewish learning projects, funded by a grant from the Shoreish Trust.

IJBS fund represents a grant received from the Jewish Joint Burial Society to cover the production costs of a new Noam prayerbook.

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2016 are represented by:			
Tangible assets	1,975	-	1,975
Current assets/(liabilities)	63,455	7,044	70,499
	<u>65,430</u>	<u>7,044</u>	<u>72,474</u>

18 Operating lease commitments

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

	2016 £	2015 £
Within one year	26,173	25,211
Between two and five years	46,416	72,589
In over five years	-	97
	<u>72,589</u>	<u>97,897</u>

19 Related party transactions

Richard Wolfe, a former trustee of the charity, is a director of the Trace Group. The charity uses the Trace Group to receive income from Masorti Olami, a separate charity registered in Israel, to save money on currency conversion fees. The monetary value of the fees saved cannot be accurately calculated.

James Burns, a trustee of the charity has significant influence over Tamebyte Limited who supplied the charity with £nil (2015:£2,944) of computer equipment during the year.

Matthew Plen, the secretary of the charity has significant influence over The New Israel Fund, a charity which has purchased £600 of services from Masorti Judaism over the year.

Due to the nature of Masorti Judaism, a number of the Trustees are also Council Members of synagogues that the charity represents.

MASORTI JUDAISM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Cash generated from operations	2016 £	2015 £
Surplus/(deficit) for the year	35,582	(85,928)
Adjustments for:		
Investment income recognised in profit or loss	(67)	(344)
Depreciation and impairment of tangible fixed assets	2,536	1,746
Movements in working capital:		
(Increase)/decrease in debtors	(77,219)	7,767
Increase in creditors	35,731	14,575
Cash absorbed by operations	(3,437)	(62,184)

