Trustees Report & Statutory Accounts

for the period 1 January to 31 December 2018

Alyth

To pray. To learn. To live. Together.

Alyth

North Western Reform Synagogue (known as Alyth)

Trustees Report and Statutory Accounts for the year ended 31 December 2018

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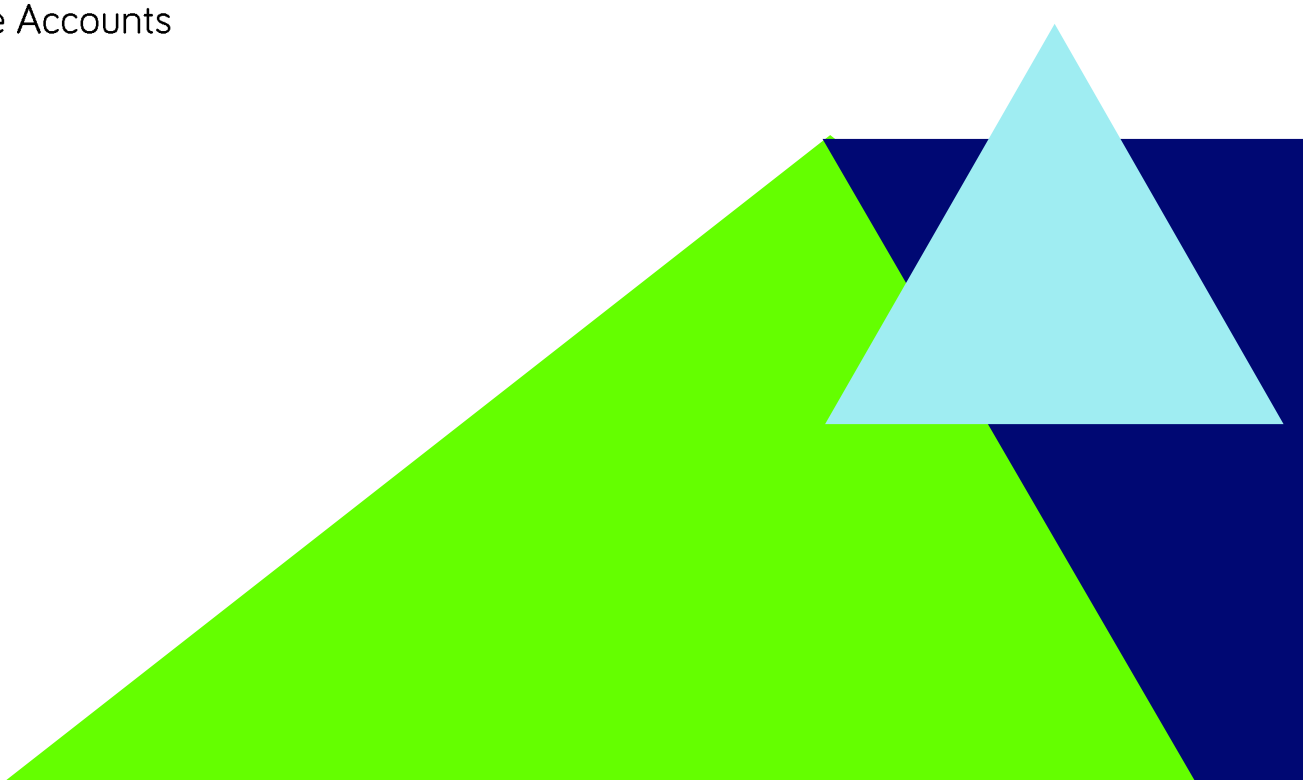


North Western Reform Synagogue (known as Alyth)

Legal and Administrative Information for the year ended 31 December 2018

Members of Council		
Noeleen Cohen*	Chair	Retired as Chair May 2018
Russell Baum*	Chair	Appointed Chair May 2018
David Brown*	Vice Chair	Appointed Vice Chair May 2018
Peter Backman	President	
Rolfe Roseman	Vice President	Retired May 2018
Margaret Harris	Vice President	
Andrew Gellert	Vice President	
Robbie Jackman	Vice President	Appointed May 2018
Elected Members of Council		
Catherine Becker		Retired May 2018
Howard Bogod		
Cheryl Brodie		
Irit Burkeman		Retired October 2018
Nicola Feuchtwang*		
David Finlay		
Richard Fraiman		
Jackie Goymer		Retired May 2018
Caronne Graham*	Honorary Secretary	
Sue Haskell		
Gary Lipman		
Clare Lubin		Retired May 2018
Arieh Miller*		
Nicky Minter-Green*		
Nick Morris		Retired October 2018
Fran Moscow		
Michael Overlander*		
Lanny Silverstone		Retired May 2018
Michael Simon*	Honorary Treasurer	Appointed February 2018
Honor Small		Retired May 2018
Ruth Smilg		Retired May 2018

*Trustee of the Charity and member of the Executive Committee .

The title of the synagogue building in Alyth Gardens is held by the Trustees of North Western Reform Synagogue.

North Western Reform Synagogue (known as Alyth)

Legal and Administrative Information for the year ended 31 December 2018

Address: Alyth Gardens. London. NW11 7EN

Auditors
Nyman Libson Paul
Regina House
124 Finchley Road
London
NW3 5JS

Bankers
NatWest Bank
45 Tottenham Court Road
London
W1T 2EA

Honorary Solicitor
Lawrence Radley LLB
Reed Smith LLP
Broadgate Tower
EC2A 2RS

Investment Advisors
Investec Wealth Management
30 Gresham Street
London
EC2V 7QW

Clergy

Rabbi Josh Levy	Rabbinic Partner
Rabbi Mark Goldsmith	Rabbinic Partner
Rabbi Hannah Kingston	Rabbi
Rabbi Colin Eimer	Rabbi

Senior Staff

Adam Martin	Community Director
Lynette Sunderland	Head of Community Care and Lifecycle
Samantha Heller	Head of Programming
Tor Alter	Head of Kindergarten
Katie Hainbach	Head of Music and Arts
Sarah Langsford	Fundraising & Development Coordinator

Representatives to the Board of Deputies of British Jews

Annabelle Daiches	
Michael Daiches	Retired May 2018
John Fulcher	Retired May 2018
Jackie Naftalin	Retired May 2018
Noam Tamir	Retired May 2018
Joseph Grabiner	Appointed May 2018
Brenda Freedman	Appointed May 2018
Philip Freedman	Appointed May 2018
Angela Wilson	Appointed May 2018

Representative to Reform Judaism (RJ)
Paul Langsford

Representatives to the Jewish Joint Burial Society
Hilary Roer
Steve Miller (Alternate)

Organisations with which Alyth is affiliated:

EUPJ – European Union for Progressive Judaism	Board of Deputies of British Jews
WUPJ – World Union for Progressive Judaism	Pro Zion (Progressive Judaism Israel) /Arzenu UK
IMPJ – Israel Movement for Reform & Progressive Judaism	Zionist Federation of Great Britain

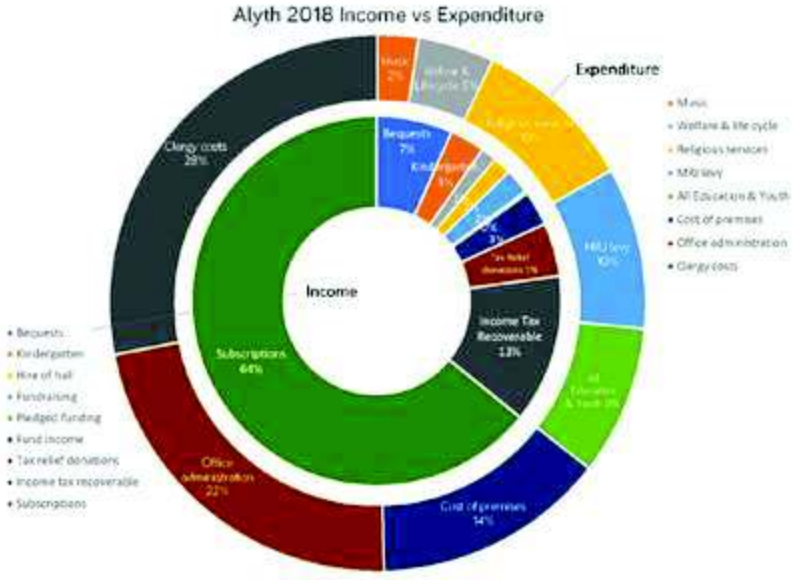
Basis of Preparation of Financial Statements

The Trustees present their annual report together with the audited financial statements of North Western Reform Synagogue (the charity) for the year ended 31 December 2018. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS 102) (effective 1 January 2015).

Alyth

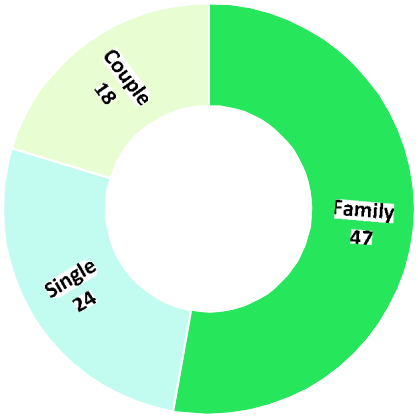
2018 · Numbers

Alyth is a vibrant and welcoming community with Judaism and Jewish practice at its heart. At Alyth we embrace prayer (Tefillah) and learning and practice a shared Judaism that is innovative and inclusive and that engages with the world around us



Almost 1,000 people come into our building every week

89 NEW Households joined Alyth in 2018

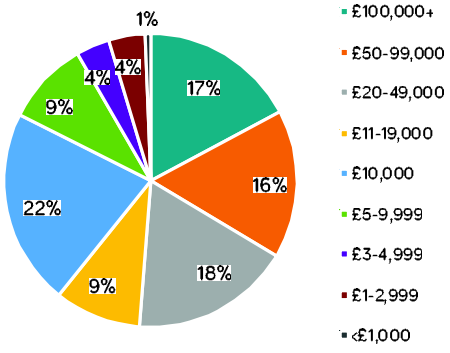


Our focus on young families has seen an increase in family membership, especially those with very young children.

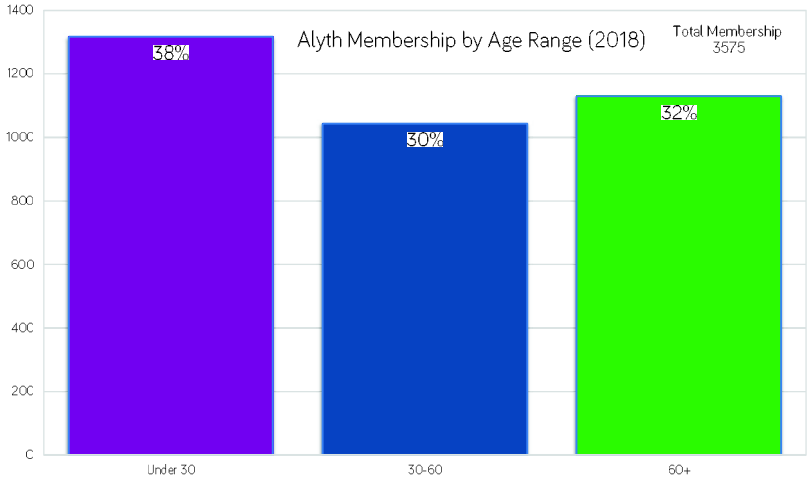
Did you know?
1 in 7 of our members is a volunteer at Alyth

The development of our building was a big focus in 2018. At the year end we had £1.8m in pledges from 210 Alyth households.

Donations by Value [December 2018]



Total Value of Pledges: £1,8million



At Alyth everything we do is built together from a shared set of values.

From the Trustees

On Shabbat, the Alyth building is filled with people who have come to pray and learn together, who have come along to share a celebration with family and friends or to commemorate a yahrzeit. Everyone who comes into our building is welcomed by our Rabbis, lay leaders, staff team and by the wonderful team of welcomers who are a so much a part of our welcome and our warmth.

It's not only on Shabbat that the building is teeming with people of all ages and stages. Our Kindergarten and caretaking staff open the building on weekdays and are soon joined by the professionals and staff team. And then the day starts. Clubs for seniors and those with special needs, mother and baby groups, learning and study, meditation and pilates, and sometimes a visit from a local dignitary or school who have come to see inside a synagogue for the first time.

This is the story of our community and our building, reflected in the diversity of all that we are able to offer our members and the wider community around us. As Trustees of a community as dynamic, engaging and welcoming as Alyth we understand the importance of using our resources wisely to enable our Rabbis and staff team to deliver the huge amount that we do. Sustaining weekly programming and engaging with our community means that our team regularly go that extra mile and that they are as budget conscious as we are.

Working in a collaborative partnership with our committed and capable Rabbinic and Professional team, the Trustees continue to support and guide the strategic direction of the community. In 2020 we will start the work on developing our building to enable us to continue our story, the story of being a home away from home. A spiritual home, a place where we celebrate together, where we are supported and cared for, where we thrive and where we will always come home to.

In 2018 we set the wheels in motion for a review of our governance and continued to work on the funding and project development aspects of the building redevelopment. As a community, we embraced the many opportunities to pray, to learn and to live together. As the Trustees, look forward to working with our Professional team to continue to deliver a range of services and programmes for all of our members, to operate efficiently and together to build on the firm foundations, that are in place to enable Alyth to continue to innovate, thrive and grow.

We believe that nothing is more important in the life of a Jewish community than the relationships that we build and the welcome that we give to one another.

Alyth has a proud tradition of equality and inclusion in our services and in all that we do. Learning through the lens of Jewish texts and values, enables us to have new, inspiring and sometimes difficult conversations. A commitment to equality and inclusiveness enables us to meet the diverse needs of our vibrant and committed members.

We believe in equality and inclusion as religious principles. We include everyone equally irrespective of gender, ability, race, wealth, age and sexual orientation.

We began a conversation about our governance in 2018, and voted at the AGM to incorporate and become a company limited by guarantee

The development of our building is a priority. In 2018, over 300 of our members came to a building walk-around and shared the vision for the building for the whole community Pledges of £1.8m were received by 31 December 2018.

We are committed to innovation in the sacred task of creating an engaging Judaism. Reflection and learning enables us to be the very best that we can.

New in 2018

Over 50 babies experience Shabbat at
Sensory Shabbat & Baby Den

More members are regularly taking part in our
Mindfulness Meditation Services

Every alternative week there is
Kollot II: with guitar

We believe that judaism is best shared with a diverse group of people. Ours is an accessible, grown up Judaism and one that nurtures and challenges our young people, both a Judaism for families and one that responds to the individual

To Pray. To Learn. To Live. Together

We prayed together in our multigenerational Friday Night services and on Shabbat mornings. 'Sensory Shabbat' has created a beautiful space for our very youngest members. Baby Den on Friday morning is the perfect introduction to Shabbat for toddlers.

We learned from our Rabbis and from one another. We learned together in weekly shiurim, in regular sessions on 'Progressive Jewish Decision Making', and 'Monthly Midrash in the Morning' and in the Talmud class.

.The Monday Club continued in 2018, run by amazing volunteers who support those with special needs. Our partnership with JAMI continues through our regular programming and hosting regular Shalom Suppers on Friday nights.

Music is at the heart of Alyth. Our choirs continue to bring a beautiful repertoire of music to our weekly services and festivals and on the High Holy Days. The Alyth Youth Singers performed at Holocaust Memorial Day. For the adults who come regularly, "Singing for Pleasure" was just that - a pleasure.

Our Youth & Education Hub continues to thrive. Alongside the regular programming, our new Day Camps for Little Ones: "Awesome April" and "Jolly July" welcomed in 2-4 year olds. Residential camps for Year 7 and a trip to Budapest for our Year 8's were great opportunities to build friendships.

In 2018 Alyth joined in celebrating Israel's 70th Birthday on Yom Ha'atzmaut and with the Zionist Federation at their 70th Birthday cross-community celebration. Our Shabbat Babayit Friday Night dinners in the home of Israeli members has brought Israeli families and friends together to experience a taste of "home" with Alyth.

Alyth Academy of Performing Arts put on a brilliant rendition of "Guys & Dolls" and the Alyth Children's Theatre (ACT) group had a "Showcase" of scenes from well known plays and musicals. Our drama provision continues to be a place to build confidence and most importantly, to have fun.

Our beautiful new Omer Calendar, made by many dedicated members, was ready for the countdown to Shavuot. The "Beauty and the Feast" Purim Spiel went ahead despite the March snow. "Saturday Night Fever Shavout" was another festival, greatest hit in 2018.

Jewish Mindfulness & Meditation and Yoga, have found a home at Alyth. Mindfulness was introduced into our Shabbat Services alongside the weekly sessions.

Eco Shuls was launched in January 2018. Together with other synagogues in the area, we are working together to improve our buildings and make us better environmental citizens.

The Leo Baeck Education Centre in Haifa celebrated their 80th Birthday in 2018. To mark this special milestone, we welcomed the Leo Baeck Haifa-Mar Elias Peace Drums Group to Alyth. Over Sukkot they held a concert for friends and supporters.

We believe that prayer and Jewish learning are central to a meaningful Jewish life. We aim to create opportunities for worship and study that are intellectually rich, grounded in Jewish tradition and inspiring for all.

Alyth is a vibrant and welcoming community with Judaism and Jewish practise at its heart and where we offer many different opportunities for our community to engage in prayer together.

Friday nights start with **Baby Den** and **Shabbat Den**, services for young families. Our Kabbalat Shabbat service brings the busy week to a peaceful end as members of every age come together to pray and sing and often eat together.

On Shabbat mornings, the building is filled with prayer and learning. **Classical, Kollot, Big Bang, Sensory Shabbat and Tefillah Laboratory** services run weekly, monthly and bi-monthly, enabling members of the community to find a space that enables them to be together with family and friends to experience Shabbat in the way that works best for them.

Alyth is built on a foundation of mutual care in which we share one another's joys and sorrows and accompany one another on life's journeys.

Happenings in 2018

- Reform Chevrah Kadishah Dinner held at Alyth in November 2018.
- Young At Heart Days for older members of the community.
- Retirement Planning Seminar in partnership with New North London Synagogue.
- Lynette Sunderland is central to the Movement's "Care in the Community" initiative.
- Let's talk about... Death. A one-day conference hosted by the joint Alyth-Finchley Reform Chevrah Kadishah

As a community we are there for one another, sharing our joys and sorrows. On **Shabbat** we come together to pray, sing and be with one another. Every weekday morning we welcome our little ones and their parents and carers to our **Kindergarten** and on Shabbat, many of them join friends and family for **Baby Den, Shabbat Den, Sensory Shabbat** and our monthly family **Seudah.**

Nothing is more special than sharing one another's happiness; and challenges too. We're there to help face the tough times, and to celebrate weddings, births, b'nai mitzvah and also the little joys of our day to day lives.

We work as a respectful, collaborative partnership of professionals and lay leaders, working together for the good of the community and individuals within it.

We delivered Purim and Sukkot gifts to house-bound members, visited the sick, supported the bereaved and brought members to and from shul on Shabbat in our own minibus.

In 2018 we celebrated with 44 young people and 2 adults who became bar and bat mitzvah at Alyth. We are immensely proud of our b'nei mitzvah programme and the warm embrace that we give to all the families who celebrate with us.

We celebrated with 9 couples as they came together to get married; some in our sanctuary and others at venues around London.

There are many opportunities for learning, on Shabbat and throughout the week. Our Talmud Class, studying through text in our 'Progressive Jewish Decision Making' and 'Monthly Midrash in the Morning' sessions and the weekly 'Jewish Essentials' class all offer different ways to learn and share knowledge.

Seniors from our community and beyond come to Alyth every week for **"Senior Club", "News, views & Schmooze"** and to spend time with our Kindergarten children at **JOY**. We enjoy one another's company, sharing a meal and talking together at our **Shabbat B'yachad, New Member, Empty Nester** and **Bayit Cham** lunches and dinners.

Throughout the week many of our under 20's are in the building at Sunday morning **Galim** or **Ruach**, our pre-b'nei mitzvah programme on Friday evenings. They are also in the building for **Hadracha Training, Kef Zone** or one of our **drama and creative arts** programmes

Our **Rabbis, Professional and Staff Team** are always on hand to welcome members, friends and visitors into our building, making them feel at home, every time.

To be Jewish is to care about the world around us and to take responsibility for it. The strong sense of social justice and social activism that Judaism demands is woven into the fabric of all that we do at Alyth.

We believe in a Judaism that is utterly engaged with the world around us, both within the Jewish people and in the wider community.

- This year our **Drop-In for Recent Refugees** celebrated its 10th Birthday. Every month, around 80 guests are welcomed to the Drop-In. Things that our guests lovingly share at the Drop-In: food, socialising, singing, outings, computer skills, entertainment, friends and support.

- In February, Alyth was part of the Government consultation on the law around **Organ Donation**. Health Minister Jackie Doyle-Price MP and Sally Johnson, Director of Organ Donation and Transplantation for the NHSBT heard from members of the Progressive Jewish community and shared their thoughts and hopes for the direction of the policy.

- Once again, Alyth hosted Muslim friends and colleagues at an **Iftar**. Now in its fifth year, Jews and Muslims came together for evening prayers followed by a meal to sustain our guests at the end of the daily fast during Ramadan.

- Honoured guests in 2018 included **The Right Rev Sarah Mullally, the Bishop of London** in conversation with Rabbi Hannah before our Friday night service. Rev. Sarah Mullally presented our Year 9 Hadracha Group with their certificates of achievement.

- Israeli Ambassador Mark Regev was another of our honoured guests. He joined us for a Shabbat morning service and spoke passionately about being a strong voice for Israel in Britain today. Jonathan Goldstein, Chair of the Jewish Leadership Council shared this sentiment when he joined us at a Shabbat service in April 2018.

- Once again in 2018, Alyth took part in **Mitzvah Day**, hosting the Aleppo Kitchen Cooking Project, gardening at Kisharon and making sweet parcels to be distributed at Christmas time. We also took part in **Sadaqah Day** with the Cricklewood Mosque, and **Sewa Day** with our Hindu neighbours.

Our Finances

At Alyth we budget to a vision.

The salaries of our rabbis and staff team accounts for 70% of our expenditure; an investment in our biggest asset.

Our professionals and staff team work efficiently within the limitations of our budget, continuing to deliver an extensive range of outstanding services and programming for our community. We are prudent with our funds and generous with our commitment.

Our resources are used to ensure that Judaism and our Jewish community thrive.

The numbers

The Executive Committee are the Trustees of the Synagogue and are responsible for the management of risk faced by the Synagogue. Having reviewed the principal risks and uncertainties facing the Synagogue, the Trustees are satisfied that the major risks identified have been adequately mitigated where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately identified. The task of monitoring the charity's financial control systems is delegated to the Financial Advisory Committee (FAC).

The total funds at 31 December 2018 were £3.57m (2017: £3.15m). Of these, the restricted funds were £2.97m (2017: £2.47m). The funds were primarily boosted by fundraising for the new building.

The income during 2018 comprised subscriptions of £622k (2017: £601k) and donations & legacies of £992k (2017: £938k). Of the latter, £575k (2017: £436k) was taken to restricted funds and legacies were £87k (2017: £96k). There was also income tax recoverable of £289k (2017: £157k) of which £87k is in respect of building fund donations and this amount is reflected in debtors. Overall, there was a surplus arising on the net movement of funds in 2018 of £425k (2017: £217k).

The surplus comprised two elements: an increase in restricted funds of £491k (2017: £190k) and a deficit of £66k (2017: surplus £26k) on unrestricted funds. Within the latter, there was a net unrealised loss on unrestricted investment funds of £49k by valuation at the year end, which had reversed by 31st March 2019 as explained in the investment performance report below.

Cash balances increased to £1,014k (2017: £519k) mainly as a result of collections pledged towards the Building Fund.

In terms of provisions, the defined contribution pension set aside reduced by £7k to £75k at the year end reflecting one year's worth of payments towards the actuarially calculated technical deficit and the contingent liability remains fully covered.

Fundraising for the development of the building continues in 2019 and for the foreseeable future. This focus allied to finite time resources means less emphasis can be applied to fundraising for general activities. The Trustees continue to be vigilant in monitoring expenditure and prudent in managing costs. They are constantly looking for additional sources of funds (i.e. grants and trusts) to support the ongoing programming needs of the community and wish to thank our sponsors.

As noted above, bequests are an important source of funding and whilst it cannot rely on them the synagogue is always extremely grateful for the generosity of members to remember us in this fashion It is pleasing to note that subscription income rose by £21k this year despite falling slightly by £2k last year, although this is mainly via an inflation linked rise in the standard rates. The Trustees rely on our members paying their requested voluntary contributions given that we aim for a balanced budget on our day to day activities and are ever grateful to those who pay a little bit more.

The Synagogue is a member of the Jewish Joint Burial Society (JJBS). It is a requirement that every member of the Synagogue contributes to the JJBS. The annual payment of £50 per annum (2017: £49) entitles every full member and Associates to a burial at Cheshunt Cemetery or a cremation, normally held at Golders Green Crematorium. During 2018, £104k (2017 £103k) was collected from the members and £112k (2017: £104k) including arrears was transferred to the JJBS. The Trustees wish to draw attention to a designated funeral assistance fund, which is set aside to help with any shortfall required to pay for a funeral for any member who is not fully covered under the scheme.

Finally, the Trustees wish to thank all those who assist in managing and planning the finances of the Synagogue, particularly our diligent and hard-working staff, members of the FAC and especially all those volunteers who assist us in our charitable fundraising activities.

Reserves Policy

The Trustees aim to maintain sufficient general and contingency reserves so as to be able to meet unexpected operating costs of the Synagogue and to contribute to such contingencies as the maintenance of the building. The free reserves at 31 December 2018 amounted to £606k (2017: £673k) after accounting for the valuation loss.

This compares to a rise of 3.9% in the annual cost of staff remuneration including pension provisions to £1,017k (2017: £979k), yet the total unrestricted expenditure on charitable activities excluding JJBS contributions, inclusive of staff costs, fell back slightly to £1,845k (2017 £1,861k).

The free reserves include £208k (2017 273k) that has been allocated to various projects and worthy causes which are regarded as part of normal charitable activities and these allocations are internal and can be amended by the Trustees if required.

Free reserves therefore represent just under 4 months' cover over normal charitable activity expenditure and this is slightly lower compared to last year. The Trustees and the FAC monitor this KPI keenly and it is currently operating within its target range. Particular attention is given to monitor its likely trend over the foreseeable future in order to set an appropriate budget strategy especially whilst we are concentrating efforts on fundraising for the new building.

The restricted funds of £2.96m (2017: £2.47m) predominantly comprise the value of the land on which the building sits. No formal valuation has been carried out. There are additional reserves of £1.28m (2017: £738k) the use of which is mandated by trust deeds, the largest fund of which being £943k (2017: £405k) set aside for the building project.

Investments

Policy: The investment policy was reviewed last year when Investec were appointed the new discretionary investment managers. The Synagogue invests funds so as to generate reasonable long term capital and income growth commensurate with the need to finance its long term expenditure requirements and to protect the Synagogue's capital against the risk of inflation. The overall objective is a balanced investment strategy, agreed with the investment manager, to invest so as to generate long term capital appreciation over the full investment cycle, typically five years, with a spread of asset classes to ensure adequate diversification on a medium risk profile. The portfolio is invested directly in bonds and UK equities except for specialist areas whilst all other asset classes are invested in collectives. The asset allocation at the year-end was: 20% (benchmark 23%) in fixed interest bonds, 60% (62%) in UK & overseas equities and 20% (15%) held in property, alternative assets and cash. The benchmark is set using a selection of internationally recognized stocks and shares indices and the BoE base rate.

The investment manager is responsible for asset allocation and for making investments through a carefully selected group of both internal and external fund managers. A number of restrictions have been given to Investec including those that avoid excessive portfolio concentration; alternative investments such as hedge funds are not permitted and foreign exchange transactions are only permitted for hedging currency risk and not for speculation. The Total Expense Ratio is set at less than 1.25%.

The investment performance is considered regularly by the FAC that meets about four times per year. The FAC and Executive consider social, environmental or ethical areas in which the Synagogue should not invest. However, as they have selected an investment manager that invests in a broad range of funds together with identifiable individual equities, only an immaterial percentage of the funds might be invested indirectly in a company which might conflict with the Synagogue's principles. It has therefore been agreed that imposing additional ethical restrictions is not necessary.

Performance As at 31 December 2018 the Synagogue held an investment portfolio of £905k (2017: £946k). The annual income before expenses for 2018 was £25,971. The fund value fell by 3.4% over the year (benchmark: -3.7%).

Since the year end, as at 31st March 2019, there has been a volte face and the portfolio rose in the quarter by +5.91% (net) compared to a +6.66% (gross) change in the benchmark. The portfolio value has been restored to £957k making up £51k and covering 2018's unrealised loss. Going forward, the investment managers will continue to review the Synagogue's circumstances to ensure their mandate remains suitable. They have reiterated that they are comfortable maintaining a medium-term investment horizon of up to 5 years and that the balanced investment objective suits our circumstances.

Our Governance

CONSTITUTION & PURPOSE:

Alyth is constituted by a Deed of Trust dated 23 February 1966 and registered with the Charity Commission under charity number 247081. The most recent major amendment to the constitution was in May 2008 with a minor update in May 2015.

The Synagogue is a Congregation of the Jewish Religion, whose purpose is the pursuance of Reform Judaism in the spheres of public worship, and religious, educational, cultural, social and charitable activities.

Alyth is a member of the Movement for Reform Judaism in the United Kingdom. Reform Judaism is an informed and questioning, compassionate and egalitarian expression of a unique faith and culture, rooted in the tradition of the Torah, yet in dialogue with modernity. Alyth is committed to the advancement of the tradition of Reform Judaism and to playing its part in the development of the Progressive teaching of Judaism as a constantly evolving tradition. Alyth exists in order to sustain and develop a Jewish centre for its members based on Progressive Jewish values and ethics, to meet its members' religious and communal needs, and to contribute to the wider Jewish and non-Jewish communities. The purpose of Alyth as set out in our constitution is the development of Reform Judaism in the spheres of public worship and religious education, cultural, social and charitable activities.

In April 2015 a framework was adopted to achieve a shared sense of values. This emphasises that nothing is more important in the life of a Jewish community than the relationships that are built and the welcome that is given to one another. It strives for equality, inclusion and mutual care. Prayer and Jewish learning are central and the aim is to create opportunities for worship and study.

STRUCTURE, GOVERNANCE & MANAGEMENT

The Synagogue Council is responsible for the overall policy and direction of the Synagogue and the overall religious and ritual direction of the Synagogue. Council consists of 26 members, 8 of whom are ex-officio. Members are elected annually in May for terms of 3 years (renewable). One of the Rabbinic Partners attends the meetings, as does the Community Director. There are normally 11 Council meetings held each year.

The Executive Committee, who are the trustees of the Synagogue, carry out the management of the affairs of the Synagogue. Members of Executive are responsible for implementing the policies and direction of the Synagogue. They have oversight of the management of the operations and the financial affairs of the Synagogue. They delegate much of the day to day management of the Synagogue to the staff but remain responsible for oversight of the work. All members of the Executive Committee are also members of Council. There are 11 members of the Executive Committee and they meet monthly, 11 times a year. As trustees, members of the Executive Committee are required to act in the best interests of the Synagogue and in line with the recommended guidelines of the Charity Commission.

There is an informal induction programme for those coming on to Council for the first time. New members of Council are taken through the key aspects of the constitution and governance structure by the Chair.

A review of the governance of the Synagogue is currently taking place. During 2018 Alyth will, with the agreement of the membership, move to become a company limited by guarantee (incorporated). This provides an opportunity to draw up new governing documents (Memorandum and Articles of Association) and for the membership to consider the recommendations of the Governance Group that has been convened to review the governance.

In shaping the objectives for the year and planning the activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. They aim to engage with the outside world, both within the Jewish people and in the wider community. To this end the Synagogue engages in a wide range of activities with other faith groups and community based organisations. These activities enable the congregation to develop relationships with and gain a better understanding of the local and wider community and to help those less fortunate than ourselves.

The two most senior employees are rabbis whose remuneration is set with reference to the Rabbinic Scales provided by Reform Judaism. Salaries in general are reviewed with reference to RPI and changes in average earnings.

Looking Ahead: 2019 and beyond

Our Building

In 2018 we focussed on fundraising to enable us to begin the much needed work of developing the building for our thriving community. In 2019 we will continue to raise the funds needed for the project and complete the planning and design work that is required to break ground in April 2020, building the foundations for an exciting future for the whole community.

Our Governance

At the AGM in May 2018, the community voted to incorporate, becoming a company limited by guarantee. In 2019 we will complete the registration process and look forward to building a visionary governance model that responds to the needs of a well run, multifaceted membership organisation like ours.

Our Leadership

The lay and professional leadership of Alyth will continue to work as a collaborative partnership. We are blessed to have an inspiring leader in Rabbi Josh Levy who will continue to lead the community with the vision and commitment to our members and our staff team that we have come to know and appreciate.

Our Team

Our dedicated Professional and Staff Team will continue the focus on delivering engaging prayer and learning and a range of activities that meet the diverse needs of the community. Under the leadership of an inspiring Core Leadership Team, our staff are committed to the ongoing delivering of care and quality in all that they do.

Our Community

The development and prosperity of our community is built on collaborative working and understanding. The lay and professional leadership are committed to a rich communal conversation with members, to seek their guidance and listen to their concerns and to providing excellent services and support for all our members.

FUNDRAISING COMPLIANCE STATEMENT:

The charity is committed to best practice, as outlined by the Fundraising Regulator, in its approach to fundraising and closely monitors its activities in this area, ensuring that vulnerable members are protected. No professional fundraisers are used by the charity. Fundraising for the new building continued in 2018 with our open door events.

TRUSTEE RESPONSIBILITY STATEMENT:

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements 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 period. In preparing these financial statements, the Trustees are required

- to select suitable accounting policies and then apply them consistently;
- to observe the methods and principles in the Charities SORP;
- to make judgments and accounting estimates that are reasonable and prudent;
- to 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 that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements 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.

This report was approved by the Trustees on 18 April 2019 and signed on their behalf by:

Russell Baum (Chair)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTH WESTERN REFORM SYNAGOGUE

Opinion

We have audited the financial statements of North Western Reform Synagogue (the 'charity') for the year ended 31 December 2018 set out on pages 17 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2018 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 Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTH WESTERN REFORM SYNAGOGUE

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustees 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 Trustees are responsible for assessing the charity'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 Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF NORTH WESTERN REFORM SYNAGOGUE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Nyman Libson Paul
Chartered Accountants
Statutory Auditors
Regina House
124 Finchley Road
London
NW3 5JS
18 April 2019

Nyman Libson Paul are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations and legacies	2	662,560	1,343,531	2,006,091	1,799,076
Charitable activities	3	45,838	469,819	515,657	520,171
Investments	4	3,696	22,112	25,808	21,749
Total income		712,094	1,835,462	2,547,556	2,340,996
Expenditure on:					
Raising funds	5	15,814	9,024	24,838	11,368
Charitable activities	6	194,774	1,845,508	2,040,282	2,161,124
Total expenditure		210,588	1,854,532	2,065,120	2,172,492
Net income / (expenditure) before investment gains/(losses)		501,506	(19,070)	482,436	168,504
Net gains/(losses) on investments	12	(8,525)	(49,101)	(57,626)	48,063
Net income / (expenditure) before transfers		492,981	(68,171)	424,810	216,567
Transfers between Funds	16	(1,677)	1,677	-	-
Net income / (expenditure) before other recognised gains and losses		491,304	(66,494)	424,810	216,567
Net movement in funds		491,304	(66,494)	424,810	216,567
Reconciliation of funds:					
Total funds brought forward		2,473,926	673,042	3,146,968	2,930,401
Total funds carried forward		2,965,230	606,548	3,571,778	3,146,968

The notes on pages 20 to 39 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	11		1,701,246		1,754,299
Investments	12		905,208		946,453
			2,606,454		2,700,752
Current assets					
Debtors	13	140,857		145,855	
Cash at bank and in hand		1,014,498		519,485	
		1,155,355		665,340	
Creditors: amounts falling due within one year	14	(114,549)		(136,723)	
Net current assets			1,040,806		528,617
Total assets less current liabilities			3,647,260		3,229,369
Provisions for Liabilities	15		(75,482)		(82,401)
Net assets			3,571,778		3,146,968
Charity Funds					
Restricted funds	16		2,965,230		2,473,926
Unrestricted funds	16		606,548		673,042
Total funds			3,571,778		3,146,968

The financial statements were approved by the Trustees on 18 April 2019 and signed on their behalf, by:

M Simon **R Baum**

The notes on pages 20 to 39 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	500,061	163,266
Cash flows from investing activities:			
Purchase of tangible fixed assets		(5,048)	(6,073)
Withdrawals from investment fund		-	150,000
Net cash (used in)/provided by investing activities		(5,048)	143,927
Change in cash and cash equivalents in the year		495,013	307,193
Cash and cash equivalents brought forward		519,485	212,292
Cash and cash equivalents carried forward	19	1,014,498	519,485

The notes on pages 20 to 39 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

North Western Reform Synagogue constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees have reviewed the circumstances of the charity and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Subscription income is recognised over the membership year, starting from the date of receipt.

Kindergarten fees and education income are deferred as necessary to recognise them over the period to which they relate.

Rental income is recognised over the period in which it is earned.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. They comprise central costs, including salaries and other expenses, related to the running of the synagogue. These costs have been allocated to charitable activities on a basis consistent with the use of resources.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Governance costs are costs relating to meeting the constitutional and statutory requirements of the charity.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	25% straight line
New Bimah	-	4% straight line

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1. Accounting Policies (continued)

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The charity pays contributions into certain employees' own personal private pension schemes. Contributions into these pension schemes are charged to the statement of financial activities for the year in which they are incurred.

1.14 Taxation

As a charity the synagogue is generally exempt from income tax and capital gains tax but not from VAT. Irrecoverable VAT is included in the cost of those items to which it relates.

1.15 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the use of judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Tangible assets
Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Accruals
An estimate of accruals at the year end are made based on invoices received after the after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Income from donations and legacies

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Subscriptions	-	622,268	622,268	600,926
Donations and Legacies	575,478	416,256	991,734	937,501
Income tax recoverable	87,082	201,500	288,582	157,445
Burial Society fees	-	103,507	103,507	103,204
	662,560	1,343,531	2,006,091	1,799,076
Total 2017	436,539	1,362,537	1,799,076	

3. Income from charitable activities

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Services and festivals	45,838	11,711	57,549	70,777
Education	-	32,883	32,883	21,545
Youth	-	48,065	48,065	61,886
Kindergarten	-	336,106	336,106	305,762
Lettings	-	29,485	29,485	30,747
Other income	-	11,569	11,569	29,454
	45,838	469,819	515,657	520,171
Total 2017	53,768	466,403	520,171	

4. Investment income

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dividends receivable	3,696	21,719	25,415	21,704
Interest receivable	-	393	393	45
	3,696	22,112	25,808	21,749
Total 2017	3,432	18,317	21,749	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

5. Costs of raising funds

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Fundraising costs	15,814	-	15,814	5,223
Investment management costs	-	9,024	9,024	6,145
	15,814	9,024	24,838	11,368
Total 2017	5,223	6,145	11,368	

6. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Services and festivals	543,055	252,245	795,300	785,170
Education department expenses	142,083	82,553	224,636	236,011
Youth department expenses	45,849	18,915	64,764	128,425
Kindergarten	295,897	81,411	377,308	362,773
Reform Movement Affiliation	122,723	-	122,723	125,800
Board of Deputies	10,875	-	10,875	10,875
Burial scheme	112,902	-	112,902	103,751
Music department expenses	31,045	29,039	60,084	62,952
Welfare expenses	139,014	14,543	153,557	133,473
Other charitable expenses	39,995	78,138	118,133	211,894
Total 2018	1,483,438	556,844	2,040,282	2,161,124
Total 2017	1,603,265	557,859	2,161,124	

7. Support costs

	Services and festivals £	Education £	Youth £	Kindergarten £	Music department £
Printing, Postage and Stationery	17,260	5,727	1,312	5,648	2,015
Cleaning Materials and Services	5,394	1,790	410	1,765	630
Lighting, Heating and Rates	14,967	4,966	1,138	4,898	1,747
Repairs and Maintenance	20,987	6,964	1,596	6,867	2,449
Insurances	10,183	3,378	774	3,332	1,188
Security	2,199	729	167	719	257
Computer and IT costs	14,833	4,922	1,128	4,854	1,731
Telephone	2,326	772	177	761	271
Depreciation - Fixtures and fittings	2,070	687	157	677	242
Amortisation land and buildings	-	-	-	-	-
Depreciation - Computer system	1,717	569	130	562	200
Bank charges	3,105	1,031	236	1,016	363
Equipment repairs	62	20	5	20	7
Audit	-	-	-	-	-
Legal and professional fees	-	-	-	-	-
Accountancy fees	-	-	-	-	-
Recruitment costs	393	130	30	128	46
Other Items	18,409	6,109	1,400	6,024	2,149
Wages and salaries	124,789	41,406	9,487	40,834	14,565
National insurance	10,104	3,353	768	3,306	1,179
Pension cost	3,447	-	-	-	-
	252,245	82,553	18,915	81,411	29,039
Total 2017	258,013	84,770	19,423	83,597	29,814

7. Support costs (continued)

	Welfare	Other charitable expenses	Total 2018	Total 2017
	£	£	£	£
Printing, Postage and Stationery	1,009	-	32,971	30,546
Cleaning Materials and Services	315	-	10,304	10,194
Lighting, Heating and Rates	875	-	28,591	27,683
Repairs and Maintenance	1,227	-	40,090	113,236
Insurances	595	-	19,450	18,771
Security	128	-	4,199	5,736
Computer and IT costs	867	-	28,335	12,117
Telephone	136	-	4,443	5,450
Depreciation - Fixtures and fittings	121	-	3,954	2,951
Amortisation land and buildings	-	50,869	50,869	50,869
Depreciation - Computer system	100	-	3,278	2,804
Bank charges	182	-	5,933	6,175
Equipment repairs	4	-	118	19
Audit	-	7,200	7,200	5,400
Legal and professional fees	-	(209)	(209)	-
Accountancy fees	-	20,278	20,278	11,040
Recruitment costs	23	-	750	4,883
Other Items	1,076	-	35,167	32,394
Wages and salaries	7,294	-	238,375	199,941
National insurance	591	-	19,301	15,111
Pension cost	-	-	3,447	2,539
	14,543	78,138	556,844	557,859
Total 2017	14,933	67,309	557,859	

Basis of allocation of support costs

Printing, postage and stationery	Usage
Cleaning materials and services	Floor area
Lighting, heating and rates	Floor area
Repairs and maintenance	Floor area
Insurances	Per capita
Security	Per capita
Computer and IT costs	Usage
Telephone	Usage
Depreciation - fixtures and fittings	Usage
Depreciation - land and buildings	Usage
Depreciation - computer equipment	Usage
Bank charges	Transactions incurred
Equipment repairs	Usage
Audit fees	Governance
Functions	Usage
Recruitment costs	Time
Other expenses	Floor area
Wages and salaries	Time
National insurance	Time
Pension costs	Time

8. Direct costs

	Services and festivals £	Education £	Youth £	Kindergarten £	Reform Movement Affiliation £	Board of Deputies £
Direct costs	217,942	8,571	44,331	77,959	122,723	10,875
Transport costs	-	-	40	-	-	-
Wages and salaries	257,178	124,507	-	202,835	-	-
National insurance	32,444	9,005	-	11,871	-	-
Pension cost	35,491	-	1,478	3,232	-	-
	543,055	142,083	45,849	295,897	122,723	10,875
Total 2016	527,157	151,241	109,002	279,176	125,800	10,875

8. Direct costs (continued)

	Burial scheme £	Music department £	Welfare £	Other charitable expenses £	Total 2018 £	Total 2017 £
Direct costs	112,902	1,772	82,033	38,970	718,078	789,404
Transport costs	-	-	8,167	-	8,207	52,879
Wages and salaries	-	26,850	42,100	-	653,470	628,309
National insurance	-	2,021	4,656	-	59,997	54,450
Pension cost	-	402	2,058	-	42,661	78,223
	112,902	31,045	139,014	38,970	1,482,413	1,603,265
Total 2016	103,751	33,138	118,540	144,585	1,603,265	

Basis of allocation of direct costs

Direct costs	Usage
Transport costs	Usage
Wages and salaries	Per capita
National insurance	Per capita
Pension costs	Per capita

9. Auditors' remuneration

	2018 £	2017 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	8,000	7,800
Fees payable to the charity's auditor and its associates in respect of:		
Accountancy and payroll preparation	21,118	10,452
Legal and professional fees	600	600

10. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	891,845	828,250
Social security costs	79,298	69,561
Other pension costs	46,108	80,762
	1,017,251	978,573

The monthly average number of persons employed by the charity during the year was as follows:

	2018 No.	2017 No.
Clergy and religious services	4	4
Kindergarten	17	15
Music	2	2
Welfare	1	1
Administration	7	8
Education	3	4
	34	34

The number of higher paid employees was:

	2018 No.	2017 No.
In the band £80,001 - £100,000	0	1
In the band £100,001 - £150,000	2	1

Key management includes the core management team. The total amount payable to key management for employee services was £413,710 (2017: £386,771)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2018	2,402,902	89,143	28,560	2,520,605
Additions	-	3,863	1,185	5,048
At 31 December 2018	2,402,902	93,006	29,745	2,525,653
Depreciation				
At 1 January 2018	666,538	78,563	21,205	766,306
Charge for the year	50,869	3,954	3,278	58,101
At 31 December 2018	717,407	82,517	24,483	824,407
Net book value				
At 31 December 2018	1,685,495	10,489	5,262	1,701,246
At 31 December 2017	1,736,364	10,580	7,355	1,754,299

12. Fixed asset investments

	Listed securities £	Cash surplus £	Total £
Market value			
At 1 January 2018	929,974	16,479	946,453
Additions	16,123	(16,123)	-
Disposals	(47,016)	47,016	-
Unrealised losses	(58,611)	-	(58,611)
Dividends reinvested	-	25,405	25,405
Investment management charges	-	(9,024)	(9,024)
Realised gains	985	-	985
At 31 December 2018	841,455	63,753	905,208

13. Debtors

	2018 £	2017 £
Other debtors	-	1,500
Prepayments and accrued income	110,902	109,840
Tax recoverable	29,955	34,515
	140,857	145,855

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	33,767	60,779
Other creditors	29,310	23,344
Accruals and deferred income	51,472	52,600
	114,549	136,723

In the year, £28,070 (2017: £32,768) of Kindergarten and education income was deferred to future periods for which they relate.

15. Provisions

	Pension liability £
At 1 January 2018	82,401
Released in the year	(6,919)
At 31 December 2018	75,482

16. Statement of funds

Statement of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds						
Access fund	5,255	-	(915)	-	-	4,340
Community Welfare	47,853	15,178	(19,500)	-	-	43,531
Kerch	33,541	119	(13,139)	-	-	20,521
Jack Petchey	6,655	1,500	(2,942)	-	-	5,213
Social Action	10,864	806	(1,238)	-	-	10,432
Alyth Youth Schemes	1,287	31,408	(32,695)	-	-	-
Outreach	15,235	1,000	(4,800)	-	-	11,435
Education	66,070	-	(8,500)	-	-	57,570
Alyth Youth Singers	4,412	100	(534)	-	-	3,978
Alyth Academy of Performing Arts	3,179	4,507	(4,690)	-	-	2,996
Sefer Torah	577	-	-	-	-	577
Social Justice Fund	14,628	7,445	(1,050)	-	-	21,023
Refugee project	18,839	475	(9,525)	-	-	9,789
Alyth Centre for Jewish Music	(284)	555	(271)	-	-	-
Alyth Children Theatre	4,215	-	-	-	-	4,215
Alyth Ramblers	400	32,129	(32,129)	-	-	400
Contingency Fund	400,000	-	-	-	-	400,000
Talmud	2,057	-	(1,630)	-	-	427
Welfare Assistance	4,117	-	(4,117)	-	-	-
Burial Fund	5,526	4,377	-	-	-	9,903
Other	(3,991)	8,887	(2,983)	-	-	1,913
	640,435	108,486	(140,658)	-	-	608,263
General funds						
General Funds - all funds	32,607	1,726,976	(1,713,874)	1,677	(49,101)	(1,715)
Total Unrestricted funds	673,042	1,835,462	(1,854,532)	1,677	(49,101)	606,548

16. Statement of funds (continued)

Restricted funds

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Gladys Gebbie	109,337	2,213	(23,657)	-	(5,104)	82,789
Jubilee	73,293	1,483	-	-	(3,421)	71,355
Alyth Youth	62,434	-	(1,633)	-	-	60,801
Rabbi's Charitable	77,108	66,379	(34,816)	-	-	108,671
Alyth Football Clubs	1,620	60	(1,680)	-	-	-
Freehold land & buildings	1,736,364	-	(50,869)	-	-	1,685,495
High Holy Day fund	1,677	45,838	(45,838)	(1,677)	-	-
Tekiyah	404,550	590,246	(52,095)	-	-	942,701
NWRS Charitable Fund	-	5,875	-	-	-	5,875
Other restricted funds	7,543	-	-	-	-	7,543
	2,473,926	712,094	(210,588)	(1,677)	(8,525)	2,965,230
Total of funds	3,146,968	2,547,556	(2,065,120)	-	(57,626)	3,571,778

Gladys Gebbie fund represents investments of the late Gladys Gebbie and the outgoing amount is used to fund part of the Welfare Officer's salary and expenses.

Jubilee fund relates to a fund set up to provide grants out of capital for major work to the Synagogue and grants out of income to fund education activities. It originally had its own trustees and constitution.

Alyth Youth fund provides grants to the youth department and direct to individuals to assist with specific activities and purchases. It originally had its own trustees and constitution.

Rabbi's Charitable fund is an account set up by the Rabbi, which is now part of the Synagogues restricted funds. Income is obtained from donations from members and confidential payments are made to members of the Synagogue in extreme financial need at the discretion of the Rabbi and the President who are trustees of this account.

The High Holyday Appeal fund represents amounts collected by the High Holyday Appeal of the Synagogue and other collections which have been or will be paid to earmarked charities or to designated funds held by the synagogue used for specified charitable purposes.

The Tekiyah fund represents monies allocated to be spent in the future by the Synagogue in relation to improvements to its buildings.

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated funds						
Access fund	6,080	-	(825)	-	-	5,255
Community Welfare	7,118	68,161	(27,426)	-	-	47,853
Kerch	31,150	2,391	-	-	-	33,541
Jack Petchey	5,453	2,250	(1,048)	-	-	6,655
Social Action	12,306	-	(1,442)	-	-	10,864
Alyth Youth Schemes	901	19,299	(18,913)	-	-	1,287
Outreach	20,035	-	(4,800)	-	-	15,235
Education	74,470	-	(8,400)	-	-	66,070
Alyth Youth Singers	10,124	15,030	(20,742)	-	-	4,412
Alyth Academy of Performing Arts	2,503	4,817	(4,141)	-	-	3,179
Sefer Torah	577	-	-	-	-	577
Social Justice Fund	14,528	11,000	(10,900)	-	-	14,628
Refugee project	4,003	23,010	(8,174)	-	-	18,839
Alyth Centre for Jewish Music	-	720	(1,004)	-	-	(284)
Alyth Children Theatre	3,352	4,635	(3,772)	-	-	4,215
Alyth Ramblers	3,400	34,424	(37,424)	-	-	400
Contingency Fund	400,000	-	-	-	-	400,000
Talmud	2,057	-	-	-	-	2,057
Welfare Assistance	-	10,000	(5,883)	-	-	4,117
Burial Fund	-	-	-	5,526	-	5,526
Other	3,303	56,858	(64,152)	-	-	(3,991)
	601,360	252,595	(219,046)	5,526	-	640,435
General Funds - all funds	45,323	1,594,662	(1,647,857)	-	40,479	32,607

16. Statement of funds (continued)

Restricted funds

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Gladys Gebbie	126,720	2,218	(24,502)	-	4,901	109,337
Jubilee	69,396	1,214	-	-	2,683	73,293
Alyth Youth	62,434	-	-	-	-	62,434
Rabbi's Charitable	49,561	43,627	(16,080)	-	-	77,108
Alyth Football Clubs	24,104	26,555	(49,039)	-	-	1,620
Freehold land & buildings	1,787,233	-	(50,869)	-	-	1,736,364
Tekiyah	144,732	364,477	(104,659)	-	-	404,550
High Holy Day fund	8,349	53,768	(60,440)	-	-	1,677
Other restricted funds	11,189	1,880	-	(5,526)	-	7,543
	2,283,718	493,739	(305,589)	(5,526)	7,584	2,473,926
Total of funds	2,930,401	2,340,996	(2,172,492)	-	48,063	3,146,968

Summary of funds - current year

	Balance at 1 January 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2018 £
Designated funds	640,435	108,486	(140,658)	-	-	608,263
General funds	32,607	1,726,976	(1,713,874)	1,677	(49,101)	(1,715)
	673,042	1,835,462	(1,854,532)	1,677	(49,101)	606,548
Restricted funds	2,473,926	712,094	(210,588)	(1,677)	(8,525)	2,965,230
	3,146,968	2,547,556	(2,065,120)	-	(57,626)	3,571,778

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Statement of funds (continued)

Summary of funds - prior year

	Balance at 1 January 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2017 £
Designated funds	601,360	252,595	(219,046)	5,526	-	640,435
General funds	45,323	1,594,662	(1,647,857)	-	40,479	32,607
	646,683	1,847,257	(1,866,903)	5,526	40,479	673,042
Restricted funds	2,283,718	493,739	(305,589)	(5,526)	7,584	2,473,926
	2,930,401	2,340,996	(2,172,492)	-	48,063	3,146,968

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	1,685,495	15,751	1,701,246
Fixed asset investments	270,420	634,788	905,208
Current assets	1,009,315	146,040	1,155,355
Creditors due within one year	-	(114,549)	(114,549)
Provisions for liabilities and charges	-	(75,482)	(75,482)
	2,965,230	606,548	3,571,778

Analysis of net assets between funds - prior year

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	1,736,364	17,935	1,754,299
Fixed asset investments	350,300	236,089	946,453
Current assets	387,262	638,142	665,340
Creditors due within one year	-	(136,723)	(136,723)
Provisions for liabilities and charges	-	(82,401)	(82,401)
	2,473,926	673,042	3,146,968

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	424,810	216,567
Adjustment for:		
Depreciation charges	58,101	56,624
Losses/(gains) on investments	66,650	(39,590)
Dividends, interest and rents from investments	(25,405)	(21,461)
Decrease/(increase) in debtors	4,998	(62,944)
Decrease in creditors	(22,174)	(20,095)
(Decrease)/increase in provisions	(6,919)	34,165
Net cash provided by operating activities	500,061	163,266

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,014,498	519,485
Total	1,014,498	519,485

20. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £48,810 (2017 - £39,987).

21. Related party transactions

There were no transactions with related parties in the year (2017: None).