

**ACCOUNTS
FOR
FINCHLEY REFORM SYNAGOGUE
COMPANY LIMITED BY GUARANTEE
COMPANY NUMBER 7321494
CHARITY NUMBER 1137557**

**DIRECTORS REPORT
AND FINANCIAL STATEMENTS
31 AUGUST 2016**

**NYMAN LIBSON PAUL
CHARTERED ACCOUNTANTS AND STATUTORY AUDITORS
REGINA HOUSE
124 FINCHLEY ROAD
LONDON
NW3 5JS**

Finchley Reform Synagogue

LEGAL AND ADMINISTRATIVE DETAILS

DATE OF INCORPORATION 21 JULY 2010
COMPANY NUMBER 7321494
CHARITY NUMBER 1137557

Directors

As Director

Senior Warden	Roger Barden		
	Sara Bensusan		
	Debra Brunner	Resigned	8-Feb-16
	Mark Claydon	Resigned	8-Feb-16
	Paul Demby	Resigned	8-Feb-16
	Helen Dropkin		
	Manya Eversley	Resigned	8-Feb-16
	Lisa Gayer		
	Hannah Jacobs		
	Catherine Levy	Appointed	11-Jul-16
	Avi Marco	Appointed	8-Feb-16
	Abigail Morris	Resigned	11-Jul-16
	Graham Moss		
	Ben Noah	Appointed	8-Feb-16
Vice Chair	Suzi Philip		
Chair	Michael Salida		
	Roni Schwarts		
Treasurer	Robert Stitcher	Appointed	8-Feb-16
	Matthew Stratton		
	Gill Yentis	Appointed	4-Mar-16

Company Secretary

Matthew Stratton

PRINCIPAL ADDRESS

101 Fallow Court Avenue
London N12 OBE

BANKERS

NatWest Bank
North West London Commercial Office
30 Clarendon Road
Watford
Hertfordshire
WD17 1GQ

AUDITORS

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

Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

The Directors have pleasure in presenting their report together with the audited financial statements of the Charity for the 12 months to 31 August 2016. The financial statements are in accordance with current statutory requirements, the Memorandum and Articles of Association of the Charity and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2015) and the Companies Act 2006.

INCORPORATION, MEMORANDUM AND ARTICLES

The Synagogue was registered as a charitable company limited by guarantee on 1 October 2010 when new Memorandum and Articles of Association were implemented and accordingly the then existing unincorporated charity became inactive from that date.

Finchley Reform Synagogue, known in Hebrew as Kehillah Kodosha Etz Chaim, was constituted under a deed of trust established in 1960 and is a registered charity No. 1137557. The principal objects of the Synagogue remain the promoting of Judaism in the spheres of public worship, religious, educational, social, cultural and charitable activities.

AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Nyman Libson Paul as auditors.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Synagogue's governing document is its Memorandum and Articles of Association, which are reviewed periodically. The Directors of the Synagogue are its Council Members - including the Honorary Officers - who are elected by the membership in open meeting. The Directors are also Trustees of the Charity.

There is also provision for up to five members to be co-opted to serve on Council until the subsequent Annual General Meeting. No person may serve as just an ordinary Member of Council for more than six consecutive years. No Honorary Officer may serve in the same office for more than four consecutive years and no person (other than a retiring chairperson) may be a member of Council in any capacity for more than twelve consecutive years. Council will normally seek nominations for new Directors from those members who have specific relevant skills (for example financial, educational or spiritual), who are already active in the community or who represent particular interest groups from within the membership.

The Directors normally meet eleven times a year (a minimum of eight meetings is specified by the Memorandum and Articles of Association) and there are Sub-committees and Groups that report to the Council, which then approves their activities. The main Sub-committees and Groups are:

Ritual: this committee deals with all aspects of the provision of Synagogue services including those at festivals. The clergy team have continued with their work of inspiring and leading changes within the religious services.

Youth and Education: this committee deals with the provision of religion schooling and youth activities for children of members, through to B'nei Mitzvah age and beyond.

Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

Kindergarten Management Committee: oversees the operational and strategic development of the kindergarten.

Chesed (Community Services): this encompasses other community-based activities including co-ordinating the community's response to members in need.

Finance: this meets to review the financial affairs of the Synagogue

In addition to these committees, the Synagogue employs administrative staff who, under the direction of the Synagogue's Executive Director, Jon Freedman, are responsible for the day to day management of the building, financial control and recordkeeping, the co-ordination of activities between the various groups and the management and administration on behalf of the clergy team. The Executive Director and the office staff are available to respond to queries which are often of a sensitive nature, including life cycle events and bereavements. Council, taking appropriate external advice where necessary, makes all significant operational decisions. We welcome Catherine Levy who has been appointed as Head of the FRS Kindergarten after being the acting head for the last year, and we take this opportunity to wish Sharon Lee, who served FRS with fantastic dedication as our Kindergarten Head for many years, all the very best for her future as head of Shofar.

The Memorandum and Articles of Association of the synagogue require certain key decisions to be approved by the membership in open meeting, including the appointment and/or termination of the employment of the Principal Rabbi, the purchase or sale of freehold property and the taking out of large loans.

EXTERNAL AFFILIATIONS

The Memorandum and Articles of Association provide that the Synagogue shall be a member of the Movement for Reform Judaism, for which membership affiliation fees are payable at a percentage of the previous year's subscription income. The Movement is currently carrying out a review of the way in which affiliation fees from its member synagogues are calculated and FRS is actively involved in the work of this review board.

One of the benefits of membership of a synagogue is the availability of a burial plan, and a proportion of members' subscriptions are specifically levied in this respect: these amounts are paid by the Synagogue to the Jewish Joint Burial Society, which in most cases is then solely responsible for the provision of such burial services.

Finally, the Synagogue is also entitled to representation at the Board of Deputies of British Jews, for which a charge is levied based on the number of members.

ACHIEVEMENT OF OBJECTIVES AND REVIEW OF ACTIVITIES

A full review of Synagogue activities is contained in the Synagogue's latest Annual Review. This is circulated to all members prior to the Annual General Meeting.

The key achievements during the year referred to in the Annual Review were:

Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

Ritual: Our principal rabbi, Rabbi Miriam Berger and the clergy team continued to develop and lead religious services for the whole community, ensuring that they inspired every age group with content that covered prayer, study, and music and included children's activities.

The B'Yachad service continues to grow offering a wonderful space for adults with learning disabilities to enjoy a Shabbat morning service in an inclusive and accessible way. This year the offer was extended to a High Holy Days B'Yachad service.

New wardens joined the team this year with others retiring. The delegation of tasks previously carried out by just one or two people has continued with a separate team now dealing with scroll setting on a weekly basis. Some ex-wardens have also been invited back to assist with services leaving wardens more available to deal with the increasing numbers of B'nei Mitzvah being celebrated.

Allianz Park was hired for the Rosh Hashanah and Yom Kippur services in September 2015 and hired again for the second year running for services in 2016, allowing all our members and their guests, as well as visiting members of other Reform communities, to pray together as a community in one location and which enabled us to provide services for all ages and needs of our members.

Youth and Education: FRS Youth & Education provision continues to flourish as the number of pupils enrolled in youth programmes continues to increase.

Kochavim has over 100 children on the roll with the new reception class full. The goal for Kochavim is to develop a unique curriculum, develop learning, create an environment where children feel secure and make friends.

TAP saw the beginnings of a new multidiscipline Tuesday afternoon programme for the 3 years leading up to Bar and Bat Mitzvah to support and create FRS values of community, mutual respect and for making active Jewish choices.

Friday Group, our unique B'nei Mitzvah programme, continued to grow with 27 young people attending and numbers likely to increase into 2017.

Hebrew classes were expanded and a consistent approach to teaching across all ages has been implemented.

Youth leadership has been stepped up with a number of successful activities undertaken in the year. Our youth leadership programme has been completely revised and is launching in 2017.

Kindergarten: The Kindergarten has had a more difficult year than in previous years, partially due to a particularly large year group leaving and partially due to a poor interim Ofsted report (given in June 2016) which was upgraded to "Outstanding" in September, restoring its previous excellent rating. The high standards of care and education are however as strong as ever, as evidenced by the "Outstanding" Ofsted classification.

Shofar, the new full-day nursery joint venture between FRS, Alyth and the MRJ has successfully completed its first year. Sharon Lee, who for many years was Head of the FRS Kindergarten has left to oversee Shofar permanently and we are delighted to have appointed Catherine Levy, the previous deputy head, as the new permanent head of the FRS Kindergarten.

Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

Community: FRS continued its participation in the Together in Barnet Shelter programme, providing dinner, bed and breakfast in a homely atmosphere, once a week, for 15 homeless men and women. In December 2015 FRS hosted its second Christmas Shelter, providing 3 nights of accommodation, kosher turkey Christmas dinner and Christmas decorations. For the third consecutive year, the synagogue was able to host the Somali Bravanese community for their Ramadan prayers as they are still without a replacement for their premises destroyed in an arson attack in 2013. In conjunction with the Somali Bravanese community, we hosted an Iftar (fast-breaking meal) which representatives of many faiths and local politicians attended, including the new Mayor of London, Sadiq Khan.

Chesed (Community Services): Chesed continues to provide care to our members when and where required. The group organises support at times of bereavement and Festivals, as well as throughout the year as and when needed, supporting the Principal Rabbi in her work as well as organising the telephoning of the entire membership in the run-up to Pesach. The group are focussing on training volunteers and responding to issues of ageing by running evenings on various issues of care and independence.

Grants: Grants awarded were £43,454 (comparative 2015 £55,915). Within the total above the amount of grants via the High Holy Day Appeal was £ 40,539 (comparative 2015 £39,142).

The High Holy Day Appeal main beneficiaries were those charities to which Council had previously agreed to give a three-year focus. This was the third year for: Langdon - Enabling Independent Living £6,777; The Bike Project £7,258; Charities supporting Be Free Israel £7,045 and £7,694 to Housing Action Barnet. Full details are in Note 14.

FINANCIAL REVIEW

The Statement of Financial Activities for the year ended 31 August 2016 is set out on page 4 of the accounts and shows a net operating surplus from operations of £1,116 (comparative 2015 deficit - £16,797).

If the professional fees incurred in the lengthy process of seeking planning permission for a new building were excluded, then there would be a surplus of some £34,845.

The Synagogue's unrestricted reserves now total £216,688 (comparative 2015 - £231,579).

The movements in the restricted funds comprise the following major elements: -

- The High Holy Day Appeal received £41,285. It disbursed £32,974 and made net transfers of £7,565.
- Belarus Twinning received £870 and a further £7,565 was transferred in. It spent £15,876 in the period.

A full summary of movements is detailed in note 11.

Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

PLANS FOR THE FUTURE

Within each of our main categories the following are the short / medium term goals:

Rebuilding Project: The rebuilding project is currently on hold awaiting a strategic review from a committee established for this purpose. The Building Review Group is expected to report its findings and recommendations to the Synagogue Council by May 2017 and, following that report, Council will make a decision as to how to proceed with the project. As such no funds have been allocated to be spent in the next financial year

Ritual: The recruitment of additional wardens and the succession of new leadership from the membership continues. In addition, we have recruited a new associate rabbi, Danny Newman, starting in August 2017. The clergy team will continue to explore and introduce innovative choices of prayer services alongside the main services.

Youth and Education: We continue to look for innovative ways to enrich and lead our young people through their unique FRS youth journey. In particular, there is a strong focus on developing our future youth leaders to ensure that we have appropriate capability and resources to serve as madrichim in future years

Kindergarten: To continue to provide an excellent standard of nursery care

Chesed (Community Services). Chesed are focussing on training volunteers, and holding evenings that respond to issues and needs arising within the community.

Financial: The latest budget for 2016/17 anticipates a small operating surplus which is considered acceptable taking account of existing reserves.

INVESTMENT POLICY

There are no restrictions on the Synagogue's powers to invest. The Trustees operate a low risk strategy with respect to investments, which necessarily results in low interest income. The unrestricted and restricted funds may be invested in any type of investment.

RESERVES POLICY

It is the policy of the Synagogue to maintain our unrestricted funds, which are the free reserves of the Synagogue, at a level which is adequate to keep the Synagogue solvent. In conjunction with the subscriptions and other incoming resources, this provides sufficient funds to cover the administrative and support costs of the Synagogue.

As identified in note 13, the unrestricted funds are £216,688, a decrease of £14,891. This includes £158,009 in the Designated Fund – Fixed Assets. The unrestricted funds level is more than sufficient to cover payroll costs for several months and provides for asset depreciation and repairs as identified in note 12.

The restricted funds are funds donated to the Synagogue for expenditure of a specific purpose or nature and are described in detail in note 11 of the accounts. Sufficient funds are held in an appropriate form to enable the funds to be applied for the purpose for which they were established.

Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

GRANT MAKING POLICY

The Synagogue pursues its charitable giving through a number of programmes but mainly through the High Holy Day Appeal and the Charity Committee, which disburses the net income generated by a number of fund-raising activities during the year. With the exception of minor disbursements in the case of need, our policy is to make grants only out of donations received and only to registered charities, whether in the UK or overseas.

The Synagogue has a policy to support a small number of charities over a three-year period, allowing FRS to build up a better understanding of each charity's needs than would otherwise be the case when one-off donations are made. Council agreed four charities which have been supported during the three-year period which ended on 31 August 2016. Council has agreed to support five different charities for the next three years.

Additionally, the synagogue continues to support other charities with smaller donations managed by a dedicated group of members. During 2016 £2,665 was disbursed through the FRS Cares Fund.

Details of grants made are shown in note 14 of the accounts.

RISK MANAGEMENT

The directors have examined the major strategic, business and operational risks which the Synagogue faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to mitigate risks as appropriate.

POST BALANCE SHEET EVENTS

There are no post balance sheet events.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

The directors are responsible for preparing the Directors Report and financial statements in accordance with applicable laws and regulations. The law applicable in England & Wales requires the Board of Directors to prepare financial statements for each financial year in accordance with applicable Accounting Standards, which give a true and fair view of the company's financial activities during the year and of its financial position at the end of the financial year. In preparing those financial statements to give a true and fair view, the Board of Directors should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the accounts; and
- Prepare the accounts on a going concern basis, unless it is inappropriate to presume that the charity will continue to operate.

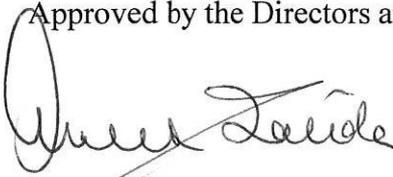
Finchley Reform Synagogue

Directors' Report for the year ended 31 August 2016

The Directors are also responsible for keeping proper accounting records, which disclose with reasonable accuracy the financial position of the company. These should enable them to ascertain the financial position of the company and to ensure that the financial statements comply with the requirements of applicable law and regulations. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as the Directors are aware, at the time this report is approved, there is no relevant audit information of which the company's auditor is unaware and the Directors have taken all steps that they ought reasonably to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Directors and signed on their behalf by:



Michael Salida, Chair



Robert Stitche, Treasurer

6 February 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FINCHLEY REFORM SYNAGOGUE

We have audited the financial statements of Finchley Reform Synagogue for the year ended 31 August 2016 set out on pages 1 to 11. 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).

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 opinion we have formed.

Respective responsibilities of Trustee and auditors

As explained more fully in the trustee's responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's report to identify material inconsistencies with the audited financial statements 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 financial statements

In our opinion the financial statements:

- 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 Trustee's report, incorporating the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustee was not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Jennifer Pope (senior statutory auditor)

for and on behalf of

Nyman Libson Paul
Chartered Accountants and Registered Auditors
Regina House
124 Finchley Road
London
NW3 5JS

Date: 7 February 2017

FINCHLEY REFORM SYNAGOGUE

BALANCE SHEET AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

FINCHLEY REFORM SYNAGOGUE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

INCOME AND EXPENDITURE	Notes	Unrestricted			Total	Unrestricted			Total
		Operations	Designated	Restricted	Funds 2016	Operations	Designated	Restricted	Funds 2015
		£	£	£	£	£	£	£	£
INCOME AND ENDOWMENTS FROM									
Donations and legacies	2a	760,108		61,568	821,676	716,171		95,811	811,982
Other Trading Activities	2b	11,344		-	11,344	12,219		-	12,219
Investments		1,537		7	1,544	1,557		33	1,590
Charitable Activities	2c	268,729		-	268,729	305,451		-	305,451
TOTAL		<u>1,041,718</u>	<u>-</u>	<u>61,575</u>	<u>1,103,293</u>	<u>1,035,398</u>	<u>-</u>	<u>95,844</u>	<u>1,131,242</u>
EXPENDITURE ON									
Charitable activities	3, 5, 6, 11	1,040,602	-	70,091	1,110,693	1,049,220	-	75,889	1,125,109
Other	8, 13	-	15,007	-	15,007	2,975	12,357	-	15,332
TOTAL		<u>1,040,602</u>	<u>15,007</u>	<u>70,091</u>	<u>1,125,700</u>	<u>1,052,195</u>	<u>12,357</u>	<u>75,889</u>	<u>1,140,441</u>
NET INCOME/(EXPENDITURE)		1,116	(15,007)	(8,516)	(22,407)	(16,797)	(12,357)	19,955	(9,199)
Transfer between funds	11, 13	(1,000)	-	1,000	-	4,000	0	(4,000)	-
NET MOVEMENT IN FUNDS		<u>116</u>	<u>(15,007)</u>	<u>(7,516)</u>	<u>(22,407)</u>	<u>(12,797)</u>	<u>(12,357)</u>	<u>15,955</u>	<u>(9,199)</u>
Balance brought forward at beginning of year		58,563	173,016	125,056	356,635	71,360	185,373	109,101	365,834
Balance carried forward at end of year		<u>58,679</u>	<u>158,009</u>	<u>117,540</u>	<u>334,228</u>	<u>58,563</u>	<u>173,016</u>	<u>125,056</u>	<u>356,635</u>

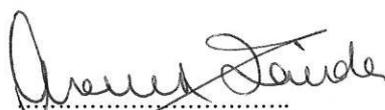
The notes on pages 7 to 11 form part of these financial statements

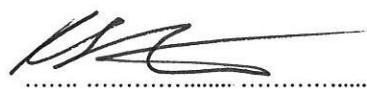
FINCHLEY REFORM SYNAGOGUE

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

	Notes	31 August 2016		31 August 2015	
		£	£	£	£
Fixed Assets					
Tangible fixed assets	8		137,282		152,289
Current Assets					
Debtors and prepayments	9	64,186		61,647	
Short term deposits		302,306		304,155	
Cash at bank and in hand		<u>4,278</u>		<u>6,443</u>	
		370,770		372,245	
Current Liabilities					
Amounts falling due within one year	10	<u>(173,824)</u>		<u>(167,899)</u>	
Net Current Assets			196,946		204,346
Net Assets			<u><u>334,228</u></u>		<u><u>356,635</u></u>
Funds					
Restricted	11		117,540		125,056
Unrestricted	13		<u>216,688</u>		<u>231,579</u>
			<u><u>334,228</u></u>		<u><u>356,635</u></u>

Approved by the Board of Directors (The Synagogue Council)
on 6 February 2017 and signed on its behalf by:


.....
Mike Salida Chair


.....
Rob Sticher Treasurer

The notes on pages 7 to 11 form part of these financial statements

**FINCHLEY REFORM SYNAGOGUE
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 20**

	2016	2015
	£	£
Cash flows from operating activities		
Net income for the year as per the statement of financial activities	(22,407)	(9,199)
Adjustment for:-		
Depreciation charges	15,007	15,332
(Increase)/decrease in debtors	(2,539)	17,785
Increase/(decrease) in creditors	5,925	38,000
Net cash used in operating activities	<u>(4,014)</u>	<u>61,918</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(5,940)
Net cash used in investing activities	<u>-</u>	<u>(5,940)</u>
Change in cash and cash equivalents in the year	(4,014)	55,978
Cash and cash equivalents brought forward	310,598	254,620
Cash and cash equivalents carried forward	<u>306,584</u>	<u>310,598</u>

FINCHLEY REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Finchley Reform Synagogue meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Preparation of the financial statements on a going concern basis

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

1.3 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Subscription income is included in the financial year to which it relates after making allowance for any amounts that are unlikely to be collected

Kindergarten and Education fees are recognised in the term to which they relate.

Gift Aid claimable in relation to qualifying donations received is recognised at the time of the donation.

Legacy income is recognised on written confirmation from executors that the amounts are receivable.

Other income, including rental of the Synagogue hall, is accounted for on an accruals basis.

1.4 Expenditure

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. The charity is not registered for VAT and accordingly expenditure includes any VAT which cannot be recovered and is included in the relevant costs in the statement of financial activities. Direct synagogue expenditure comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Certain costs, primarily the cost of the rabbinic team, are allocated on the basis of an estimate of the time spent on each activity.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity. These costs are allocated to the various activities based on the number of staff employed in each area.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Fund accounting

Unrestricted funds are those that can be applied at the discretion of the Trustees for any of the charitable purposes permitted by the Constitution.

Unrestricted funds include the designated fixed assets fund as described in the Trustees' Report and Note 13.

Restricted funds represent donations or income for which the respective donors have imposed restrictions as to their use.

1.6 Pensions

The Synagogue operates a defined contribution pension scheme and also contributes to the personal pension schemes of certain employees. The pension charge in the financial statements represents the total contributions payable in respect of both types of scheme made by the Synagogue in respect of the period.

1.7 Tangible fixed assets and depreciation

Fixed assets are included at cost less accumulated depreciation. Individual capital additions below £500 are written off in the year.

The following rates of depreciation are employed to depreciate those assets over their effective lives:

		Depreciation charged against
Freehold buildings (excluding synagogue vestments and furniture)	- None	See note below
Synagogue Improvements	- 10% on cost	Designated Fund - Fixed Assets
Kindergarten Extension	- 10% on cost	Designated Fund - Fixed Assets
Vestments, furniture & books	- 15% on cost	Designated Fund - Fixed Assets
Office and sound system equipment	- 20/25% on cost	Designated Fund - Fixed Assets
Computers	- 25% on cost	Designated Fund - Fixed Assets

The synagogue and the adjoining building were professionally valued in October 1998 at £520,000. The valuation was significantly in excess of the original cost and the Trustees consider that this continues to be the case. Accordingly depreciation has not been charged.

1.8 Taxation

The Synagogue is registered as a charity and is not liable to United Kingdom income or corporation tax on its income from charitable activities as they are applied wholly to charitable objectives.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

1.10 Cash at bank and in hand

Cash at bank and cash 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 Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Accruals

The company makes an estimate of accruals at the year end based on invoices received 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.

Tangible fixed assets

Building improvements, fixtures and fittings, office equipment and computer equipment 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 upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programs are taken into account.

1.14 Transition to FRS 102

The opening fund balances at the date of transition and subsequent restatement of items have not been required in making the transition to FRS 102.

FINCHLEY REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

2a DONATIONS AND LEGACIES

	2016	2015
	£	£
Unrestricted funds		
Subscriptions	621,726	585,830
Income Tax Recoverable	127,998	122,124
Donations	10,384	8,217
	<u>760,108</u>	<u>716,171</u>
Restricted funds		
Donations	61,568	95,811
	<u>821,676</u>	<u>811,982</u>

2b OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Hire of hall	7,299	8,772
Synagogue magazine advertising	4,045	3,447
	<u>11,344</u>	<u>12,219</u>

2c CHARITABLE ACTIVITIES

	2016	2015
	£	£
Sale of High Holy Day tickets	6,445	6,511
Second Seder night	1,282	2,502
Marriages	2,900	4,550
Education fees - Kindergarten	238,659	271,808
Income from holiday schemes	19,443	20,080
Winter shelter scheme	-	-
	<u>268,729</u>	<u>305,451</u>

3 CHARITABLE ACTIVITIES

	Staff Costs	Direct Costs	Support Costs	2016	2015
	£	£	£	£	£
Services & Festivals	163,505	63,960	68,079	295,544	262,098
Youth & education	129,122	24,341	61,261	214,724	163,211
Kindergarten	185,009	10,193	34,585	229,787	277,828
Community activity	10,823	67,190	40,268	118,281	139,916
Interest	-	-	-	-	-
	<u>488,459</u>	<u>165,684</u>	<u>204,193</u>	<u>858,336</u>	<u>843,053</u>

4 SUPPORT COSTS

	Services & Festivals	Youth & Education	Kindergarten	Community activities	Interest	Governance costs	Total 2016	Total 2015
	£	£	£	£	£	£	£	£
Premises costs								
Caretaking costs	10,479	10,479	10,479	1,746	-	1,746	34,929	34,333
Lighting, heating and rates	3,415	3,415	3,415	569	-	570	11,384	12,209
Repairs and maintenance	6,975	6,975	6,975	1,163	-	1,162	23,250	11,516
Cleaning costs	1,292	1,292	1,292	215	-	217	4,308	5,427
Office costs								
Administrative staff costs	24,163	24,163	4,833	24,163	-	19,329	96,651	77,412
Printing, postage & stationery	2,298	2,298	460	2,298	-	1,839	9,193	6,612
Telephone	962	962	-	962	-	322	3,208	4,522
Insurance	2,559	2,559	2,559	426	-	426	8,529	9,343
Interest paid	-	-	-	-	-	-	-	-
Bank charges	571	571	571	571	-	569	2,853	2,792
Equipment repairs and maintenance	2,657	2,657	2,657	443	-	442	8,856	7,252
Computer and website consultancy	540	540	540	90	-	90	1,800	1,775
Legal & professional fees: Building	-	-	-	-	-	33,729	33,729	67,872
Legal & professional fees: Other	-	-	-	-	-	2,571	2,571	2,241
Security	11,364	4,546	-	6,818	-	-	22,728	15,335
Other Items	804	804	804	804	-	-	3,216	2,653
	<u>68,079</u>	<u>61,261</u>	<u>34,585</u>	<u>40,268</u>	<u>-</u>	<u>63,012</u>	<u>267,205</u>	<u>261,294</u>

FINCHLEY REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

5. GOVERNANCE COSTS

	Unrestricted Funds	
	2016	2015
	£	£
Trustee Indemnity Insurance	574	901
Audit	5,300	4,800
Annual report	-	100
Allocated Support costs	63,012	92,016
	<u>68,886</u>	<u>97,817</u>

6. OTHER COSTS

	Unrestricted Funds	
	2016	2015
	£	£
Movement for Reform Judaism	99,556	94,436
Board of Deputies	13,824	13,914
	<u>113,380</u>	<u>108,350</u>

7. STAFF COSTS

	2016	2015
	£	£
Wages and Salaries	555,451	551,157
National Insurance	39,280	38,297
Pension Costs	22,809	23,450
	<u>617,540</u>	<u>612,904</u>

	2016	2015
	Full Time Equivalent	Full Time Equivalent
	Number of Employees	Number of Employees
Staff numbers (full time equivalents) were as follows:		
Spirituality	2.65	2.50
Education	3.00	2.20
Community	0.25	1.00
Youth	0.50	0.40
Kindergarten	7.40	8.20
Administrative	4.20	3.70
	<u>18.00</u>	<u>18.00</u>

	2016	2015
The number of higher paid employees in the band £60,001-£70,000	1	1
	<u>1</u>	<u>1</u>

	2016	2015
	£	£
Total employee benefits of key management personnel	98,012	64,029

No expenses were reimbursed to Trustees or persons connected with them.

8. TANGIBLE FIXED ASSETS

Cost	Freehold Land and Buildings	Synagogue, Youth Centre & Kindergarten Improvements	Synagogue vestments furniture & books	Office & Sound System Equipment	Computers	Total
	£	£	£	£	£	£
At 1 September 2015	109,615	339,529	34,084	37,210	40,786	561,224
Additions	-	-	-	-	-	-
Total cost at 31 August 2015	<u>109,615</u>	<u>339,529</u>	<u>34,084</u>	<u>37,210</u>	<u>40,786</u>	<u>561,224</u>
Accumulated depreciation						
At 1 September 2015	18,575	292,949	34,084	33,323	30,004	408,935
Charge for the period	-	7,807	-	1,809	5,391	15,007
Total cost at 31 August 2015	<u>18,575</u>	<u>300,756</u>	<u>34,084</u>	<u>35,132</u>	<u>35,395</u>	<u>423,942</u>
Net Book Values						
At 31 August 2016	<u>91,040</u>	<u>38,773</u>	<u>-</u>	<u>2,078</u>	<u>5,391</u>	<u>137,282</u>
At 31 August 2015	<u>91,040</u>	<u>46,580</u>	<u>-</u>	<u>3,887</u>	<u>10,782</u>	<u>152,289</u>

The outstanding capital commitment at 31 August 2016 was £Nil (2015 - NIL)

The Trustees consider that the residual value of the freehold property is not materially different to cost so no depreciation charged

FINCHLEY REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

9. DEBTORS AND PREPAYMENTS comprise

	2016 £	2015 £
Income tax recoverable	42	11
Sundry debtors and prepayments	64,144	61,636
	<u>64,186</u>	<u>61,647</u>

10. CURRENT LIABILITIES - Amounts falling due within one year:

	2016 £	2015 £
Board of Deputies levy	11,303	11,399
Kindergarten fees received in advance	19,537	27,885
Hall hire deposits	700	1,000
High Holydays ticket sales received in advance	420	943
PAYE and NIC for August	11,264	10,535
Audit Fee	5,000	4,500
Pension Contributions	1,985	1,968
Rabbinic Costs	13,280	8,607
JJBS Over-Age Payments	5,972	4,807
Trade Creditors	39,229	17,707
Other creditors and accruals	65,134	78,548
	<u>173,824</u>	<u>167,899</u>

11. RESTRICTED FUNDS

	Balance at 01.09.15 £	Interest accrued £	Donations received £	Transfers £	Disbursed during year £	Balance at 31.08.16 £
These are analysed as follows:						
Belarus Project Fund	8,382	-	870	7,565	(15,876)	941
Building Fund	71,450	-	3,688	-	-	75,138
Community Engagement Fund	6,639	-	-	-	-	6,639
Czech Scroll Trust Fund	-	-	816	-	(45)	771
FRS Cares Fund	16,080	-	2,365	1,000	(2,665)	16,780
FRS Charity Committee Fund	1,921	1	1,475	-	(250)	3,147
High Holyday Appeal Fund	18	6	41,285	(7,565)	(32,974)	770
Inter-Faith Fund	2,886	-	1,000	-	(1,314)	2,572
Jack Petchey Award Fund	3,177	-	1,500	-	(3,009)	1,668
James Harris Memorial Prize	612	-	-	-	(132)	480
Music and Ritual Fund	152	-	-	-	(152)	-
Musical Engagement Intern Fund	1,982	-	-	-	(1,607)	375
Summer Hype	5,003	-	8,350	-	(9,826)	3,527
Youth Group Fund	6,754	-	219	-	(2,241)	4,732
	<u>125,056</u>	<u>7</u>	<u>61,568</u>	<u>1,000</u>	<u>(70,091)</u>	<u>117,540</u>

All the Disbursements totalling £70,091 were for Charitable Activities

Details relating to restricted funds expending or holding over £2,000

Details relating to restricted funds expending or holding over £2,000	Sources of funds	Restrictions of funds	Assets of funds
Belarus Project Fund	Events and donations	Preservation of Jewish heritage in Belarus	FRS bank account
Building Fund	Events and donations	Improvement of building	FRS bank account
Community Engagement Fund	Donations	Involving marginalised Jews and non Jews in communal life	FRS bank account
FRS Cares Fund	Donations	Grants and subsidies to members	FRS bank account
FRS Charity Committee Fund	Events and donations	Charitable donations	FRS Charity bank account
High Holyday Appeal Fund	High holyday appeal	Charitable donations	HHD Appeal bank account
Inter-Faith Fund	Grants and donations	Development of interfaith connections and understanding	FRS bank account
Jack Petchey Award Fund	Grants	Development of youth resources and facilities	FRS bank account
Summer Hype	Grants and donations	Summer Camp for disadvantaged children	FRS bank account
Youth Group Fund	Grants and donations	Facilitating Jewish life for FRS youth	FRS bank account

Details of transfers between unrestricted and restricted funds:

The Synagogue donated £1,000 to FRS Cares out of general reserves.

Analysis of assets and liabilities, by fund

The excess of the building carrying value over the value of these funds is utilised proportionately to offset the net liabilities of all those Funds where the assets of the funds are held in the FRS bank account and the Unrestricted Reserves shown in Note 13.

These net liabilities mainly comprise cash, amounts due from members, less accrued expenses.

The other reserves are funded by specific assets as shown on previous page.

FINCHLEY REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2016

12. DESIGNATED FUND - FIXED ASSETS

This was established in 2008. The purpose of this fund is to make proper provision for depreciation on existing fixed assets, for future repairs and renewals of the synagogue building and to provide funds for a possible major refurbishment and/or future building improvements.
No transfer was made to this Fund for the year ended 31 August 2016.

13. UNRESTRICTED FUNDS

	Balance at 01.09.15 £	Donations received £	Transfers £	Incoming/ Outgoing £	Balance at 31.08.16 £
General Reserves	58,563	-	(1,000)	1,116	58,679
Bequest and Legacy Fund	-	-	-	-	-
	58,563	-	(1,000)	1,116	58,679
Designated Fund - Fixed Assets	173,016	-	-	(15,007)	158,009
Total Unrestricted Funds	231,579	-	(1,000)	(13,891)	216,688

The amount disbursed from the Designated Fund - Fixed Assets of £15,007 relates to the years depreciation of £1,315 on the Photocopier and Sound System, £4,070 on the Synagogue Improvements, £3,737 on the Kindergarten Improvements, £5,391 on computer systems and £494 on office equipment.

14. GRANTS PAYABLE IN FURTHERANCE OF THE CHARITY'S OBJECTS

Fund	Recipients (all Institutional)	2016 £	2016 £
FRS Cares	15 amounts under £500, 1 of £700 and 1 of £752		2,665
FRS Charity Committee	Calais Kitchen		250
High Holyday Appeal	Langdon - Enabling Independent Living	6,777	
	Housing Action Barnet	7,694	
	The Bike Project	7,258	
	MRJ & NIF supporting Israel Hofsheet	7,045	
	1 amounts of £450	450	
	1 amounts of £250	250	
	3 amounts of £200	600	
	2 amounts of £150	300	
	26 amounts of £100	2,600	
		32,974	
	Transfer to FRS Belarus Twinning Fund	7,565	40,539
			43,454

15. RELATED PARTY TRANSACTIONS

Salary paid to son of a Director as a Youth Worker	9,375
Salary paid to a Director as Head of Kindergarten	5,567
Salary paid to a Director as Religion School teacher	900
Salary paid to son of a Director as a Religion School helper	613
	16,455

16. MEMBERS LIABILITY

The liability of every member is limited to an amount not exceeding £1

17. COMMITMENT

There is no commitment to expend any funds on the building project during the next financial year.

18. CONTINGENT LIABILITY

There are no Contingent Liabilities as at 31 August 2016