
FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

FEDERATION OF SYNAGOGUES

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FEDERATION OF SYNAGOGUES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2018

Trustees

D. Black, Vice President (retired 30 June 2019)
A. S. Cohen, President
G. Douek, Vice President (elected 30 June 2019)
S. Gertner, Burial Society Treasurer
M. Itzinger, Treasurer (elected 30 June 2019)
A. Jacobs, Treasurer (retired 30 June 2019)
L. Newmark, Treasurer
J. Weg, Vice President
M. Winegarten, Burial Society Treasurer

Charity registered number 254951

Principal office 65 Watford Way
London
NW4 3AQ

Chief executive officer Rabbi A. Lazarus

Independent auditors Landau Morley LLP
325-327 Oldfield Lane North
Greenford
Middlesex
UB6 0FX

Bankers HSBC
165 Fleet Street
London
EC4A 2DY

Solicitors Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Fladgate LLP
25 North Row
London
W1K 6DJ

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2018. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016).

LEGAL AND ADMINISTRATIVE DETAILS

Legal and administrative details as set out on the information page form part of this Report.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Federation of Synagogues (FOS) is an unincorporated association governed by its Constitution, which is updated from time to time.

Under the framework set out in the 2013 Laws, the organisational structure is headed by seven Trustees. The Trustees are elected by the Federation Council for a three year term.

The Council consists of delegates elected by Constituent and Affiliated synagogues. In addition, up to six Elders can be appointed. The number of delegates allowed for Constituent synagogues depends on the size of membership in that for every 25 male members one delegate is allowed with a maximum of 7 elected delegates per synagogue. In addition, the President, two Wardens and a Financial Representative of each Constituent synagogue are also members of Council ex officio. Similarly, up to 7 women for each constituent synagogue can be appointed to serve on Council. Affiliated synagogues are represented by their President and by up to 3 male and 3 female representatives.

Trustees can also co-opt not more than 10 other Federation members to the Council with a view to broadening the pool of skills and expertise available to them.

The distinction between a Constituent and an Affiliated synagogue is set out in the Constitution. Normally, a Constituent synagogue is fully owned by the Federation, its employees are paid through the Head Office payroll, its budgets have to be approved by Head Office and all items of income and expenditure pass through the Head Office accounts department. An Affiliated synagogue is where either all or some of its members are members of the Federation Burial Society. The premises are not necessarily owned by the Federation and the only financial transactions are the payment by the Affiliated synagogue to the Federation Head Office of Federation dues. All other items of income and expenditure are the responsibility of the Affiliated synagogue.

Further to the Council meeting on 30th June 2019 the Trustee body for the next triennial is:

President: Andrew S Cohen
Vice President: Jacob Weg
Vice President: Geoffrey Douek (elected 30th June 2019)
Treasurer: Leon Newmark
Treasurer: Meir Itzinger (elected 30th June 2019)
Burial Society Treasurer: Steven Gertner
Burial Society Treasurer: Moshe Winegarten

Dov Black and Adam Jacobs retired as Trustees on 30th June 2019.

When new Trustees are elected, they are generally already familiar with the Federation's practices. As a means of induction, they visit Head Office to meet with the Chief Executive and key staff members as well as visiting other significant sites such as the synagogues and burial grounds.

There are four Council meetings each year and, under the new Laws, the Council of the Federation acts as a

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

consultative body. The Trustees have an obligation to seek the views of Council on matters of special business, defined as:

- (a) the level of Federation dues payable;
- (b) the admission of new synagogues to and the disaffiliation of existing synagogues from the Federation;
- (c) the expenditure of a sum in excess of £250,000 (except in a situation which, in the reasonable opinion of the Trustees, is an emergency);
- (d) the appointment or dismissal of Federation Beth Din Dayanim
- (e) the continuing operations of the Beth Din;
- (f) the continuing operations of any trading subsidiary of the Federation.

The Council has the following core powers:

- 1) To elect and remove the Trustees
- 2) To propose and vote on amendments to the Constitution

On the operational side, the Trustees delegate the day to day responsibility for organising the charity's activities to a Chief Executive and Head Office staff. Rabbi Avi Lazarus has occupied the position of Chief Executive since September 2014.

The charity has two trading subsidiaries, Kosher Foods Supervisory Services Limited and Watford Way Investments Limited.

Kosher Foods Supervisory Services Limited (KFSS) provides supervised Kosher food production in the UK and overseas. It had a turnover of £1,435,085 (£1,316,303 in 2017) with a loss for the year of £158,279 (2017: £58,344), as shown at note 28 of the Financial Statements. Trading conditions remained difficult throughout the year but the Directors believe that the performance of this subsidiary can be improved. Watford Way Investments Limited holds property for investment purposes which was financed out of the proceeds from the sale of West Hackney synagogue. The subsidiary commenced trading on the 21st December 2006. The company owns a commercial property in Coventry which includes two office suites, both of which remained occupied for the whole of 2018. Watford Way's profit for the year was £849 before re-valuation. The Trustees believe that the property in Coventry remains a good medium to long term investment.

Risk management

The Trustees have identified the major risks to which the charity is exposed and are satisfied that systems are in place to manage those risks. Normally, Federation constituent Synagogues are given the flexibility to manage their own affairs, provided that they achieve a neutral budget or a surplus at the end of each year.

Remuneration

During the Federation's restructure at the end of 2015, the Chief Executive and Trustees considered the remuneration of all staff by comparing to remuneration levels of similar charities. They will continue to monitor changes in market forces and other factors that may affect this.

OBJECTIVES AND ACTIVITIES

A summary of the objects of the charity as set out in the governing document:

The FOS is a Synagogal body that seeks to serve, represent and lead members of the Orthodox Jewish community. As such, it provides places of worship, facilities for education and orthodox burial for its members. It maintains a Beth Din and provides Rabbis and Ministers. Through its subsidiary, the charity is involved in the supervision and provision of food, serving the Jewish public by facilitating the provision of Kosher food for retail outlets and restaurants.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

The vast majority of the activity of the Federation is at local community level. Federation synagogues provide a highly valued and quality service to their members. Federation synagogues are friendly, warm and welcoming to both members and guests. The structure and atmosphere in a Federation synagogue is designed to enable members to achieve their religious potential. The small size of membership of a Federation synagogue enables the Rabbi to know most of the congregants and to be able to have a personal influence on their religious growth. Federation synagogues arrange a large number of education and social programmes and members are given every opportunity not only to participate but also volunteer in the organisation of synagogal activities. Each synagogue reports on its own activities to its members on an annual basis at its Annual General Meeting as well as through websites, newsletters and magazines. The Federation of Synagogues recognises the importance of sharing the responsibility for the organisation with Head Office and a level of commitment by local boards of management is extremely high. The Federation's success can be largely measured by its ability to attract new members to its synagogues and new synagogues to join the organisation.

ACHIEVEMENTS AND PERFORMANCE

In 2018 a number of key events took place at the Federation. For the purpose of this report, these have been grouped under the headings of Communities, Burial Society, Kashrus & Beis Din, Finance & Head Office, and Projects.

COMMUNITIES

A significant proportion of the Federation's assets are vested in its property portfolio, the synagogues, cemeteries, residential properties and investment properties. The programme of repairs and refurbishments which began a few years ago has continued.

Over the past year, the following communities have either joined the Federation or undergone significant change:

Chabad of Islington

Under the leadership of Rabbi Mendy Korner, Chabad of Islington joined the Federation as an Affiliate community following their presentation at the September Council meeting. They currently have weekly Friday night services and monthly Shabbat morning services and will be looking to grow their membership with the offering of the key life-cycle services that affiliation to the Federation offers its members.

Beis Gavriel

This community in Hendon joined the Federation as a Constituent Shul at the June 2017 Council meeting. In September, a property in Sunningfields Road, Hendon was purchased with support from the Federation. It was redeveloped magnificently in 2018 and opened for use in time for the Yomim Noroim services.

Ilford

Rabbi David Singer took up the position as the Shul's new Rabbi in May and his inauguration was celebrated in October.

Shomrei Hadath

Rabbi Shmuli Sagal, previously of Sutton Synagogue, was welcomed as the Shul's new Rabbi in the summer of 2018.

Machzike Hadath

Following the retirement of Rabbi Chaim Pearlman, Rabbi Ilan Halberstadt joined the Machzike Hadath kehillah in Golders Green, having previously served as the Rov of Nefesh HaTorah in Edgware.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

BURIAL SOCIETY

In August, the Federation employed a new Head of Burial Services, Rabbi Lawrence Littlestone who brought with him a wealth of communal experience, including having at one point served as the Federation Beis Din's Registrar. Lawrence is based out of Head Office but also officiates at many levayas and stone-settings at our cemeteries.

Rainham Cemetery

As a result of the sale of land in 2017 which included the exit route from the cemetery, the main entrance to the cemetery was remodelled to allow for two way traffic and functionality as both the entrance and exit for the cemetery.

New Edgware Cemetery

In the summer of 2018, an application was made and successfully granted that allowed for changes to be made to the proposed cemetery's layout and suite of buildings. It is hoped that the development will begin towards the end of 2019.

Chevra Kadisha

The Federation remains extremely grateful to its Chevra Kadisha – team of volunteers who undertake the holy work of burial preparation.

BEIS DIN & KASHRUS

Following the appointment of Dayan Y D Hool as a dayan and Dayan Y Y Posen as Head of Beis Din Operations in 2017, the Beis Din's arbitration, kashrus and shechita activities increased greatly as a result in 2018. We look forward to further building on this growth in years to come.

PROJECTS

The Federation now has a number of projects in constant or regular use that both provide service to the community and enhance its public profile and relevance.

Fed Talks

Oneg Shabbos parsha sheets ceased publication in 2018 and as a replacement, the Federation launched a weekly 'parsha-byte' video, sent out to subscribers by WhatsApp. Originally fronted by Rabbi Roberts, currently, different Rabbonim guest feature on FedTalks each week and the subscriber list continues to grow.

FedTech

This project, headed by Rabbi Y M Guttentag, has continued to expand. Under the FedTech auspices, the Federation has succeeded in giving certification to a UK-made Shabbos Hotplate, Made Safer, which carries the KF logo.

FedTech has also been in talks with manufacturers Fisher & Paykel and Miele, to provide them with consultancy on the issue of Shabbos and Yom Tov compliance.

ShailaText and MaaserText

These projects continue to be extremely well-used. Over 13,000 shailos were sent to ShailaText in the year covered by this report. The service has had over 5000 unique users since it launched in 2015. MaaserText averages 700 users per month.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

Rabbis' and Rebbetzins' Training

In June 2018 the Federation Rebbetzins were treated to a two-day retreat in Oxford, funded by the lottery grant secured by Rebbetzin Landau last year. At the end of 2018, the Rabbonim and Rebbetzins of the Federation separately attended mandatory safeguarding training. There have also been one-off events under our Shoroshim (Rabbinic programming) and Sharsheres (Rebbetzin programming) banners respectively.

FINANCE & HEAD OFFICE

Property

The Trustees have actively looked for ways to maximise the value of key assets, notably with the following:

Nelson Street

The Federation received planning permission to develop four flats on land adjacent to East London Central Synagogue. A decision is still to be made as to the value of building these flats versus the value of selling the land with the current permission.

Joel Street Farm

After receiving an unsolicited offer of £1.5m in 2018, this land will be marketed for sale in 2019.

65a Watford Way

After replacing a long term single tenant with multiple smaller tenants towards the end of 2018, the benefit of this change will be reflected in the 2019 accounts.

7 Norton Close

This flat in London's East End had previously been used to house a Rabbi working for the Federation in the locale. After extending its lease to 125 years, it was decided to renovate and rent it out at approximately £25,000 per annum.

Finance

Towards the end of 2018, Toby Hill, who was already working for the Federation as Kashrus Secretary, took on an additional role in the accounts' office, assisting our Chief Accountant Jeya Thava with her work.

Compliance

All Federation staff and volunteers were asked to undertake a GDPR training programme to complement the Federation's GDPR policy. Anna Mileberg and Judy Silkoff have worked with our IT providers to develop a remote desktop environment that will be rolled out to Shul administrators and other select volunteers in 2019, to ensure full compliance in working practices.

Head Office Investment

Over the last year, the Trustees have invested in improving and modernising many aspects of the Federation's infrastructure to ensure that it can function optimally and attract new communities to join in the future. The Trustees remain focused on ensuring that a balanced operating budget will be attainable in the short to midterm future. Significant investments in the Federation's Burial Society and Kashrus division have also been undertaken this year which are intended to bear fruit with each department's future profitability.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

Public Benefit

The trustees confirm that they have had due regard to the guidance published by the Charity Commission. The benefit to the public is manifestly demonstrated by the achievements contained in this report.

FINANCIAL REVIEW

The financial position of the charity and its subsidiaries was strong during the year. Assets available were sufficient to fulfil its obligations and permit the charity to continue in operation in the medium term, given the continued support of the Constituent synagogues.

The group shared net assets of £27,262,926 from £27,309,450 in 2017. The Federation had an operating deficit of £46,524 during the year (2017: deficit of £55,740).

Policy on reserves

At the year end free reserves were £3,326,672. This includes creditors due in more than one year which relate to mortgages secured on tangible fixed assets. It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level which provides sufficient resources to fund the charitable commitments and the cost of management and administration.

There are no restrictions on the power of the charity to invest. The trust deed authorises the trustees to make and hold investments using the general funds of the charity.

PLANS FOR FUTURE PERIODS

Moving forward the Trustees of the Federation plan to further their aims of repositioning the Federation as the powerhouse of Orthodoxy in the United Kingdom. Their long-term goals include:

- Increasing the income and profit from KFSS. There are now many products in UK supermarkets that carry the KF logo and plans are to expand on this in the months to come.
- The bringing to fruition of the new Edgware Cemetery project. The aim is for work to begin on the cemetery in 2019.
- Investment in new communities both in London and Manchester.

These Financial Statements show that the organisation has strength in depth and, throughout the year under review, the Trustees together with the Chief Executive, have continued to exercise due diligence in order to reduce overheads and counter the negative effects of the difficult economic conditions.

TRUSTEES' RESPONSIBILITIES 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;
- observe the methods and principles in the Charities SORP;

FEDERATION OF SYNAGOGUES

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2018**

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 26 September 2019 and signed on their behalf by:

A. S. Cohen, President

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

OPINION

We have audited the financial statements of Federation of Synagogues (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2018 set out on pages 12 to 35. 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 group's and of the parent charity's affairs as at 31 December 2018 and of the group's 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 group 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 group's or the parent 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.

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

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
- the parent charity has not kept sufficient accounting records; or
- the parent charity 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 group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

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.

Landau Morley LLP

325-327 Oldfield Lane North
Greenford
Middlesex
UB6 0FX
26 September 2019

Landau Morley LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

FEDERATION OF SYNAGOGUES

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:					
Donations and legacies	2	987,213	96,804	1,084,017	1,159,081
Charitable activities	5	572,612	-	572,612	688,983
Other trading activities	3	1,435,085	-	1,435,085	1,316,303
Investments	4	259,532	-	259,532	241,330
Other income	6	-	-	-	111,366
TOTAL INCOME		3,254,442	96,804	3,351,246	3,517,063
EXPENDITURE ON:					
Raising funds	7	1,668,417	-	1,668,417	1,474,549
Charitable activities	8	2,152,010	83,401	2,235,411	2,180,176
TOTAL EXPENDITURE	11	3,820,427	83,401	3,903,828	3,654,725
Net income / (expenditure) before taxation		(565,985)	13,403	(552,582)	(137,662)
Taxation		46,755	-	46,755	71,922
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS		(519,230)	13,403	(505,827)	(65,740)
Net gains on investments	18	459,303	-	459,303	10,000
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(59,927)	13,403	(46,524)	(55,740)
Transfers between Funds	22	184,336	(184,336)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		124,409	(170,933)	(46,524)	(55,740)
NET MOVEMENT IN FUNDS		124,409	(170,933)	(46,524)	(55,740)
RECONCILIATION OF FUNDS:					
Total funds brought forward		25,163,058	2,146,392	27,309,450	27,365,190
TOTAL FUNDS CARRIED FORWARD		25,287,467	1,975,459	27,262,926	27,309,450

The notes on pages 16 to 35 form part of these financial statements.

FEDERATION OF SYNAGOGUES

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	16		263,479		231,706
Tangible assets	17	21,337,012		20,154,199	
Investment property	18	1,980,000		1,420,000	
			<u>23,317,012</u>		<u>21,574,199</u>
Total tangible assets			23,580,491		21,805,905
CURRENT ASSETS					
Debtors	19	684,269		4,963,608	
Cash at bank and in hand		6,711,827		4,291,019	
			<u>7,396,096</u>		<u>9,254,627</u>
CREDITORS: amounts falling due within one year	20	(1,002,829)		(972,768)	
NET CURRENT ASSETS			<u>6,393,267</u>		<u>8,281,859</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,973,758</u>		<u>30,087,764</u>
CREDITORS: amounts falling due after more than one year	21		(2,710,832)		(2,778,314)
NET ASSETS			<u><u>27,262,926</u></u>		<u><u>27,309,450</u></u>
CHARITY FUNDS					
Restricted funds	22		1,975,459		2,146,392
Unrestricted funds (including revaluation reserve of £226,351 (2017: (£232,952)))	22		25,287,467		25,163,058
TOTAL FUNDS			<u><u>27,262,926</u></u>		<u><u>27,309,450</u></u>

The financial statements were approved by the Trustees on 26 September 2019 and signed on their behalf, by:

A. S. Cohen, President

L. Newmark, Treasurer

The notes on pages 16 to 35 form part of these financial statements.

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**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	16		24,291		49,055
Tangible assets	17	21,323,117		20,135,087	
Investment property	18	500,000		-	
			<u>21,823,117</u>		<u>20,135,087</u>
Total tangible assets			<u>21,847,408</u>		<u>20,184,142</u>
CURRENT ASSETS					
Debtors	19	2,767,657		6,937,943	
Cash at bank		6,626,319		4,111,328	
		<u>9,393,976</u>		<u>11,049,271</u>	
CREDITORS: amounts falling due within one year	20	<u>(801,792)</u>		<u>(777,248)</u>	
NET CURRENT ASSETS			<u>8,592,184</u>		<u>10,272,023</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,439,592</u>		<u>30,456,165</u>
CREDITORS: amounts falling due after more than one year	21		<u>(2,883,784)</u>		<u>(3,011,266)</u>
NET ASSETS			<u><u>27,555,808</u></u>		<u><u>27,444,899</u></u>
CHARITY FUNDS					
Restricted funds			1,975,459		2,146,392
Unrestricted funds (including revaluation reserve of £399,303 (2017: £nil))			<u>25,580,349</u>		<u>25,298,507</u>
TOTAL FUNDS			<u><u>27,555,808</u></u>		<u><u>27,444,899</u></u>

The financial statements were approved by the Trustees on 26 September 2019 and signed on their behalf, by:

A. S. Cohen, President

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

**CONSOLIDATED 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	24	<u>3,992,826</u>	<u>324,920</u>
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		-	7,000
Purchase of tangible fixed assets		(1,337,874)	(2,597,075)
Purchase of intangible fixed assets		(170,183)	(172,836)
Net cash used in investing activities		<u>(1,508,057)</u>	<u>(2,762,911)</u>
Cash flows from financing activities:			
Repayments of borrowings		(63,961)	(62,961)
Cash inflows from new borrowing		-	684,833
Net cash (used in)/provided by financing activities		<u>(63,961)</u>	<u>621,872</u>
Change in cash and cash equivalents in the year		2,420,808	(1,816,119)
Cash and cash equivalents brought forward		<u>4,291,019</u>	<u>6,107,138</u>
Cash and cash equivalents carried forward	25	<u><u>6,711,827</u></u>	<u><u>4,291,019</u></u>

The notes on pages 16 to 35 form part of these financial statements.

FEDERATION OF SYNAGOGUES

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 to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

Federation of Synagogues constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the charity alone as permitted by.

1.2 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.

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.

1.3 Designated Synagogue Funds

These represent locally raised and administered funds which are held for the benefit of the individual synagogues.

FEDERATION OF SYNAGOGUES

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

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.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the economic contribution of general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

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

1.5 Affiliated synagogues

The Charity does not exercise day to day control of Affiliated Synagogues and, therefore, the results of these entities, their assets and liabilities are not consolidated.

1.6 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

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

Charitable activities and Governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.7 Basis of consolidation

The financial statements consolidate the accounts of Federation of Synagogues and all of its subsidiary undertakings ('subsidiaries').

1.8 Intangible fixed assets and amortisation

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Development expenditure	-	25% straight line
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1.9 Tangible fixed assets and depreciation

No amortisation has been provided on freehold land and buildings and long leaseholds as the assets are kept in good repair and their useful lives and estimated residential values are such that depreciation is not material. Assets are reviewed annually for any impairment. The trustees are of the opinion that the recoverable amount is in excess of the carrying amount.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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:

Motor vehicles	-	25% straight line
Equipment	-	25% straight line

1.10 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.

1.11 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.

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 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.

1.14 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.

1.15 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.

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.16 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

1.17 Value added tax

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

1.18 Funerals in advance

Funerals in advance represent amounts received to provide funerals in lieu of payment of annual membership fees. Income is recognised when the expenditure for the provision of the funeral is incurred.

1.19 Taxation

The Charity is a registered charity and is, therefore, exempt from taxation on its income to the extent that it is applied for charitable purposes.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Synagogue membership	381,003	-	381,003	369,892
Other synagogue income including donations	606,210	96,804	703,014	789,189
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	987,213	96,804	1,084,017	1,159,081
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2017</i>	<i>1,013,665</i>	<i>145,416</i>	<i>1,159,081</i>	
	<hr/>	<hr/>	<hr/>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Kashrus licensing	1,435,085	-	1,435,085	1,316,303
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2017</i>	<i>1,316,303</i>	<i>-</i>	<i>1,316,303</i>	
	<hr/>	<hr/>	<hr/>	

FEDERATION OF SYNAGOGUES

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

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Rental income	251,485	-	251,485	238,134
Interest receivable	8,047	-	8,047	3,196
	<u>259,532</u>	<u>-</u>	<u>259,532</u>	<u>241,330</u>
<i>Total 2017</i>	<u>241,330</u>	<u>-</u>	<u>241,330</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Burial Society	521,551	-	521,551	674,227
Beth Din	51,061	-	51,061	14,756
	<u>572,612</u>	<u>-</u>	<u>572,612</u>	<u>688,983</u>
<i>Total 2017</i>	<u>688,983</u>	<u>-</u>	<u>688,983</u>	

6. OTHER INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Gain on disposal of fixed assets	-	-	-	66,820
Other income	-	-	-	44,546
	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,366</u>
<i>Total 2017</i>	<u>111,366</u>	<u>-</u>	<u>111,366</u>	

FEDERATION OF SYNAGOGUES

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

7. RAISING FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Kashrus licensing	822,655	-	822,655	720,717
Investment management costs	10,211	-	10,211	8,659
Staff costs	713,734	-	713,734	666,050
Depreciation	121,817	-	121,817	79,123
	<u>1,668,417</u>	<u>-</u>	<u>1,668,417</u>	<u>1,474,549</u>
<i>Total 2017</i>	<u>1,474,548</u>	<u>-</u>	<u>1,474,548</u>	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Burial Society	451,730	-	451,730	524,250
Beth Din	335,437	-	335,437	336,611
Synagogues	1,364,843	83,401	1,448,244	1,319,315
	<u>2,152,010</u>	<u>83,401</u>	<u>2,235,411</u>	<u>2,180,176</u>
<i>Total 2017</i>	<u>2,048,291</u>	<u>131,887</u>	<u>2,180,178</u>	

9. DIRECT COSTS

	Burial Society £	Beth Din £	Synagogue s £	Total 2018 £	Total 2017 £
Other costs	191,300	35,125	444,852	671,277	624,291
Staff costs	205,560	243,484	409,501	858,545	845,729
Depreciation	6,331	8,290	56,336	70,957	59,902
	<u>403,191</u>	<u>286,899</u>	<u>910,689</u>	<u>1,600,779</u>	<u>1,529,922</u>
<i>Total 2017</i>	<u>464,386</u>	<u>276,746</u>	<u>788,790</u>	<u>1,529,922</u>	

FEDERATION OF SYNAGOGUES

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

10. SUPPORT COSTS

	Burial Society	Beth Din	Synagogue s	Total 2018	<i>Total 2017</i>
Other costs	12,366	12,365	316,049	340,780	379,954
Staff costs	36,173	36,173	221,506	293,852	270,301
	<u>48,539</u>	<u>48,538</u>	<u>537,555</u>	<u>634,632</u>	<u>650,255</u>
<i>Total 2017</i>	<u>59,865</u>	<u>59,864</u>	<u>530,526</u>	<u>650,255</u>	

Support costs include governance costs of £25,842 (2017: £79,379).

11. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Expenditure on raising funds	713,734	121,817	832,866	1,668,417	1,474,548
Costs of raising funds	<u>713,734</u>	<u>121,817</u>	<u>832,866</u>	<u>1,668,417</u>	<u>1,474,548</u>
Burial Society	241,733	6,331	203,666	451,730	524,251
Beth Din	279,657	8,290	47,490	335,437	336,610
Synagogues	631,007	56,336	760,901	1,448,244	1,319,316
Charitable activities	<u>1,152,397</u>	<u>70,957</u>	<u>1,012,057</u>	<u>2,235,411</u>	<u>2,180,177</u>
	<u>1,866,131</u>	<u>192,774</u>	<u>1,844,923</u>	<u>3,903,828</u>	<u>3,654,725</u>
<i>Total 2017</i>	<u>1,782,080</u>	<u>139,025</u>	<u>1,733,620</u>	<u>3,654,725</u>	

FEDERATION OF SYNAGOGUES

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

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Burial Society	403,191	48,539	451,730	524,251
Beth Din	286,899	48,538	335,437	336,610
Synagogues	910,689	537,555	1,448,244	1,319,316
	<u>1,600,779</u>	<u>634,632</u>	<u>2,235,411</u>	<u>2,180,177</u>
Total 2018	<u>1,600,779</u>	<u>634,632</u>	<u>2,235,411</u>	<u>2,180,177</u>
Total 2017	<u>1,529,922</u>	<u>650,255</u>	<u>2,180,177</u>	

13. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation and amortisation of fixed assets:		
- owned by the charitable group	54,364	44,775
Amortisation of intangible fixed assets	138,410	94,250
Auditors' remuneration - audit	20,225	20,322
Auditors' remuneration - other services	20,057	26,867
	<u>212,056</u>	<u>186,214</u>

During the year, no Trustees received any remuneration (2017 - £NIL).

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2017 - £NIL).

14. STAFF COSTS

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,692,436	1,611,169
National Insurance	133,447	138,205
Pension	40,248	32,707
	<u>1,866,131</u>	<u>1,782,081</u>

FEDERATION OF SYNAGOGUES

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

15. STAFF COSTS

Staff costs were as follows:

Wages and salaries	1,866,131	<i>1,782,081</i>
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The average number of persons employed by the charity during the year was as follows:

	No.	<i>No.</i>
Synagogues	28	<i>28</i>
Burial Society	8	<i>9</i>
Kashrus	21	<i>19</i>
Administration	23	<i>21</i>
	80	<i>77</i>

The number of higher paid employees was:

	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	0	<i>2</i>
In the band £80,001 - £90,000	2	<i>0</i>
In the band £90,001 - £100,000	0	<i>1</i>
In the band £100,001 - £110,000	1	<i>0</i>

The key management personnel of the charity comprise the Senior Dayan and the Chief Executive. The total employee benefits of the key management personnel of the Charity were £183,279 (2017: £174,432).

Of the employees whose emoluments exceed £60,000, four (2017: three) have retirement benefits accruing under defined contribution pension schemes, totalling £24,317 (2017: £22,050).

FEDERATION OF SYNAGOGUES

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

16. INTANGIBLE FIXED ASSETS

	Development costs £
Group	
Cost	
At 1 January 2018	376,996
Additions	170,183
	547,179
At 31 December 2018	547,179
Amortisation	
At 1 January 2018	145,290
Charge for the year	138,410
	283,700
At 31 December 2018	283,700
Carrying amount	
At 31 December 2018	263,479
	263,479
<i>At 31 December 2017</i>	<i>231,706</i>
	<i>231,706</i>
	Development costs £
Charity	
Cost	
At 1 January 2018 and 31 December 2018	92,597
	92,597
Amortisation	
At 1 January 2018	43,542
Charge for the year	24,764
	68,306
At 31 December 2018	68,306
Carrying amount	
At 31 December 2018	24,291
	24,291
<i>At 31 December 2017</i>	<i>49,055</i>
	<i>49,055</i>

FEDERATION OF SYNAGOGUES

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

17. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost				
At 1 January 2018	20,061,420	21,710	357,831	20,440,961
Additions	1,312,215	8,899	16,760	1,337,874
Transfer	(100,697)	-	-	(100,697)
At 31 December 2018	<u>21,272,938</u>	<u>30,609</u>	<u>374,591</u>	<u>21,678,138</u>
Depreciation				
At 1 January 2018	-	12,283	274,479	286,762
Charge for the year	-	5,115	49,249	54,364
At 31 December 2018	<u>-</u>	<u>17,398</u>	<u>323,728</u>	<u>341,126</u>
Net book value				
At 31 December 2018	<u>21,272,938</u>	<u>13,211</u>	<u>50,863</u>	<u>21,337,012</u>
<i>At 31 December 2017</i>	<u>20,061,420</u>	<u>9,427</u>	<u>83,352</u>	<u>20,154,199</u>

All the assets are used for charitable purposes.

Charity	Freehold property £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost or valuation				
At 1 January 2018	20,061,420	16,060	313,446	20,390,926
Additions	1,312,215	8,899	13,806	1,334,920
Transfer	(100,697)	-	-	(100,697)
At 31 December 2018	<u>21,272,938</u>	<u>24,959</u>	<u>327,252</u>	<u>21,625,149</u>
Depreciation				
At 1 January 2018	-	6,633	249,206	255,839
Charge for the year	-	5,115	41,078	46,193
At 31 December 2018	<u>-</u>	<u>11,748</u>	<u>290,284</u>	<u>302,032</u>
Net book value				
At 31 December 2018	<u>21,272,938</u>	<u>13,211</u>	<u>36,968</u>	<u>21,323,117</u>
<i>At 31 December 2017</i>	<u>20,061,420</u>	<u>9,427</u>	<u>64,240</u>	<u>20,135,087</u>

FEDERATION OF SYNAGOGUES

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

18. INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 January 2018	1,420,000
Transfer from freehold property	100,697
Revaluation	459,303
	<hr/>
At 31 December 2018	1,980,000
	<hr/> <hr/>
Charity	Freehold investment property £
Valuation	
At 1 January 2018	-
Transfer from freehold property	100,697
Revaluation	399,303
	<hr/>
At 31 December 2018	500,000
	<hr/> <hr/>

The investment property of the subsidiary was valued in 2018 at fair value by an independent valuer holding a recognised and relevant qualification with recent experience in the location and class of the property being valued. The investment property of the parent was revalued by the trustees on a fair value basis.

The historical cost of the properties above was £1,753,649 (2017: £1,652,952).

FEDERATION OF SYNAGOGUES

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

19. DEBTORS

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Due after more than one year				
Amounts owed by group undertakings	-	-	1,576,638	1,586,079
Due within one year				
Trade debtors	374,632	363,043	-	-
Amounts owed by group undertakings	-	-	1,082,191	847,987
Other debtors	201,255	4,576,541	108,828	4,503,877
Prepayments and accrued income	108,382	24,024	-	-
	<u>684,269</u>	<u>4,963,608</u>	<u>2,767,657</u>	<u>6,937,943</u>

The charity loaned the sum of £1,657,568 to Watford Way Investments Limited to purchase the investment property in 2006. The loan is secured by a fixed and floating charge over the assets of the company (including property). The loan facility is for a period of 25 years. Although there has been a fall in the value of the investment property the trustees consider that this fall is temporary and the full balance of the loan will be recoverable. This loan is included within long term debtors to reflect the fact that the loan is not considered to be recoverable within the 12 months following the year end.

In 2018 a provision of £172,952 (2017: £232,952) has been made against this loan in order to offset the reduction in value of the property. This is included in creditors due after more than one year.

20. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Charity</u>	
	2018 £	2017 £	2018 £	2017 £
Bank loans and overdrafts	78,436	74,915	78,436	74,915
Trade creditors	109,296	147,900	60,422	83,893
Other taxation and social security	104,417	95,254	33,535	32,769
Funerals in advance	404,811	404,047	404,047	404,047
Other creditors	196,633	133,288	164,483	112,337
Accruals and deferred income	109,236	117,364	60,869	69,287
	<u>1,002,829</u>	<u>972,768</u>	<u>801,792</u>	<u>777,248</u>
	<u>Group</u>		<u>Charity</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 January 2018	-	10,000	-	10,000

FEDERATION OF SYNAGOGUES

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

20. CREDITORS: Amounts falling due within one year (continued)

Creditors include deferred income relating to a donation received from the former Tottenham Synagogue to cover future costs of the burials of members of that synagogue. The sum is being released over fifteen years being the expected remaining life of former members.

21. CREDITORS: Amounts falling due after more than one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	2,710,832	2,778,314	2,710,832	2,778,314
Provision against group undertaking	-	-	172,952	232,952
	2,710,832	2,778,314	2,883,784	3,011,266

The loans are secured on the respective properties.

FEDERATION OF SYNAGOGUES

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

22. 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 £
Unrestricted funds						
General Funds	25,396,010	3,254,442	(3,773,672)	184,336	-	25,061,116
Revaluation reserve	(232,952)	-	-	-	459,303	226,351
	<u>25,163,058</u>	<u>3,254,442</u>	<u>(3,773,672)</u>	<u>184,336</u>	<u>459,303</u>	<u>25,287,467</u>
Restricted funds						
Proceeds from sale of synagogues (Federation of Synagogues formerly Amalgamated Fund)	1,100,006	-	-	-	-	1,100,006
Philpot Street Sphardish synagogue	562,843	-	-	-	-	562,843
Designated synagogue funds	483,543	77,414	(64,011)	(184,336)	-	312,610
Oneg Shabbos	-	19,390	(19,390)	-	-	-
	<u>2,146,392</u>	<u>96,804</u>	<u>(83,401)</u>	<u>(184,336)</u>	<u>-</u>	<u>1,975,459</u>
Total of funds	<u><u>27,309,450</u></u>	<u><u>3,351,246</u></u>	<u><u>(3,857,073)</u></u>	<u><u>-</u></u>	<u><u>459,303</u></u>	<u><u>27,262,926</u></u>

The restricted fund represents the proceeds from the sale of four synagogues (Alie Street, Vine Court, Canning Town and Philpot Street Sphardish).

The Federation of Synagogues (Former Synagogues and other sites amalgamated fund), charity number 1084833 is governed by a Scheme of the Commissioners dated 19 December 2000. The objects of the charity are the advancement of the religious and other charitable purposes of the Federation and the advancement of the general purposes of the Federation within the area of London falling within the London Orbital Motorway (M25).

The Philpot Street Sphardish Synagogue Fund, charity number 260871, is governed by a scheme dated 17 May 2006. The objects are the provision of a place of worship for the congregation of the East London Central Synagogue, its upkeep and maintenance of services. If insofar as the income is not required for those purposes it shall be applied for the general purposes of the Federation of Synagogues.

The Designated synagogues funds are collections of annual surpluses from the individual shuls for specific projects.

The Oneg Shabbos Fund relates to amounts received to fund the production of magazines. This fund has been fully expended this year.

FEDERATION OF SYNAGOGUES

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

22. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 £</i>
General funds						
General Funds	25,475,279	3,371,647	(3,450,916)	-	-	25,396,010
Revaluation reserve	(242,952)	-	-	-	10,000	(232,952)
Restricted funds						
Proceeds from sale of synagogues (Federation of Synagogues formerly Amalgamated Fund)	1,100,006	-	-	-	-	1,100,006
Philpot Street Sphardish synagogue	562,843	-	-	-	-	562,843
Designated synagogue funds	470,014	117,416	(103,887)	-	-	483,543
Oneg Shabbos	-	28,000	(28,000)	-	-	-
	<u>2,132,863</u>	<u>145,416</u>	<u>(131,887)</u>	<u>-</u>	<u>-</u>	<u>2,146,392</u>
Total of funds	<u>27,365,190</u>	<u>3,517,063</u>	<u>(3,582,803)</u>	<u>-</u>	<u>10,000</u>	<u>27,309,450</u>

SUMMARY OF FUNDS - CURRENT YEAR

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
General funds	25,163,058	3,254,442	(3,773,672)	184,336	459,303	25,287,467
Restricted funds	2,146,392	96,804	(83,401)	(184,336)	-	1,975,459
	<u>27,309,450</u>	<u>3,351,246</u>	<u>(3,857,073)</u>	<u>-</u>	<u>459,303</u>	<u>27,262,926</u>

FEDERATION OF SYNAGOGUES

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

22. STATEMENT OF FUNDS (continued)

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2017 £</i>
General funds	25,232,327	3,371,647	(3,450,916)	10,000	25,163,058
Restricted funds	2,132,863	145,416	(131,887)	-	2,146,392
	<u>27,365,190</u>	<u>3,517,063</u>	<u>(3,582,803)</u>	<u>10,000</u>	<u>27,309,450</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Intangible fixed assets	263,479	-	263,479
Tangible fixed assets	19,717,316	1,619,696	21,337,012
Investment property	1,980,000	-	1,980,000
Current assets	7,040,329	355,763	7,396,092
Creditors due within one year	(1,002,825)	-	(1,002,825)
Creditors due in more than one year	(2,710,832)	-	(2,710,832)
	<u>25,287,467</u>	<u>1,975,459</u>	<u>27,262,926</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Intangible fixed assets	231,706	-	231,706
Tangible fixed assets	18,534,501	1,619,697	20,154,198
Investment property	1,420,000	-	1,420,000
Current assets	8,727,932	526,695	9,254,627
Creditors due within one year	(972,768)	-	(972,768)
Creditors due in more than one year	(2,778,313)	-	(2,778,313)
	<u>25,163,058</u>	<u>2,146,392</u>	<u>27,309,450</u>

FEDERATION OF SYNAGOGUES

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

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>2018</u>	<u>Group</u>
	£	2017
		£
Net expenditure for the year (as per Statement of Financial Activities)	(46,524)	(55,740)
Adjustment		
Depreciation charges	54,364	44,774
Amortisation charges	138,410	94,250
Gains on investments	(459,303)	(10,000)
Profit on the sale of fixed assets	-	(277)
Decrease in debtors	4,279,339	154,693
Increase in creditors	26,540	97,220
Net cash provided by operating activities	3,992,826	324,920

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<u>2018</u>	<u>Group</u>
	£	2017
		£
Cash in hand	6,711,827	4,291,019
Total	6,711,827	4,291,019

26. RELATED PARTY TRANSACTIONS

During the year £15,243 (inclusive of VAT) (2017: £18,113) was charged by BBS Law Limited on an arms length basis for legal services provided to the charity. Dov Black, a trustee of the charity, is a partner in that law firm.

27. CONTROLLING PARTY

The charity is under the control of the trustees.

FEDERATION OF SYNAGOGUES

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

28. PRINCIPAL SUBSIDIARIES

Kosher Foods Supervisory Services Limited

Subsidiary names	Kosher Foods Supervisory Services Limited
Company registration number	04138362
Basis of control	100% controlled by the charity
Total assets as at 31 December 2018	£ 869,869
Total liabilities as at 31 December 2018	£ (1,162,330)
Total equity as at 31 December 2018	£ (292,461)
Turnover for the year ended 31 December 2018	£ 1,435,085
Expenditure for the year ended 31 December 2018	£ (1,593,364)
Loss for the year ended 31 December 2018	£ (158,279)

Watford Way Investments Limited

Subsidiary name	Watford Way Investments Limited
Company registration number	05777108
Basis of control	100% controlled by the charity
Total assets as at 31 December 2018	£ 1,524,163
Total liabilities as at 31 December 2018	£ (1,697,534)
Total equity as at 31 December 2018	£ (173,371)
Turnover for the year ended 31 December 2018	£ 113,750
Expenditure for the year ended 31 December 2018	£ (52,901)
Profit for the year ended 31 December 2018	£ 60,849

The Federation of Synagogues Trust Corporation Limited (Company number 03327382) holds a number of the properties of the Federation of Synagogues as a nominee. This is to avoid the need to transfer title to the Federation's properties when there are changes in the trustees. This company was dormant in the year.

The relevant figures for the single entity charity Federation of Synagogues are:

Total income and gains	£2,286,318
Total expenditure	<u>(£2,235,411)</u>
	£50,907