

Charity number: 1133190

WESTMINSTER SYNAGOGUE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

WESTMINSTER SYNAGOGUE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2016

Executive Committee and Trustees

Jeffrey Ohrenstein, Chairman
Valery Rees, Vice-Chairman
David Goldberg, Senior Warden
Nick Stalbow, Second Warden
Michael Cohen, Joint Treasurer (resigned as trustee 25 April 2016)
Edward Glover, Joint Treasurer
Chris Rees, Hon. Secretary
Ann Fischer, Trustee

Charity registered number

1133190

Principal office

Kent House
Rutland Gardens
London
SW7 1BX

Independent auditors

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

Bankers

National Westminster Bank plc
P.O. Box 6037
186 Brompton Road
London
SW3 1XJ

CAF Bank Limited
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

WESTMINSTER SYNAGOGUE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees present their annual report together with the audited financial statements of Westminster Synagogue (the charity) for the year ended 31 December 2016. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES

The objects of the congregation are to provide a centre for Jewish worship and study and to further religious and charitable undertakings appropriate to such a centre.

The following statement of principles and policy was formally adopted by the Synagogue at its third Annual General Meeting on 19 January 1961 to reflect the ideals to which its first Minister, the Rev Dr Harold Reinhart had dedicated his life and to which the Synagogue was and is deeply committed:

PRINCIPLES AND POLICY

Principles

'Our aim is to create a synagogue which will be an instrument for the pursuit of religious truth. We would seek for knowledge and charity and piety. We want a congregation that will be a source of encouragement to human progress and of comfort and inspiration to individual men and women. We would be a congregation of interested active members, personally committed to our Synagogue, accepting the responsibility of membership as a challenge to the best in each of us. We regard our membership as a high privilege, and we will not be content with a synagogue which is less than a vehicle of truth.'

Policy

'For the realisation of our aims we deem it essential that our Synagogue should be the centre of a Holy Congregation of men and women, believing in Judaism as a relevant motivating power in their lives. Through the Synagogue we should participate in the life of Jewry as a whole, and in human endeavour in the wider community.

'We believe that such a synagogue should be a democratic society in which practice and procedure are determined by the members themselves, and we are conscious of a sense of congregational responsibility to interpret courageously our heritage, and to adventure in our religious expression. In our services we strive to give voice to the authentic Jewish tradition expressed in a manner suitable to our times.

'Our membership subscription is set at a figure which we consider realistic in the contemporary world, and appropriate for a seriously interested person of moderate means. Members are asked to bear a proper share of the necessary expense of maintaining the Synagogue. Some will be able to pay more, others less. The amount itself is not important – significance lies in the token of seriousness of commitment.

'We would avoid commercialisation in our congregational management. While we appreciate the need to direct our affairs in a business-like manner, we are determined that our congregation shall not be conducted as a business, that no services or privileges shall be bought or paid for, and that all members shall have precisely the same rights, duties and responsibilities.

'We offer our services to all who wish for them, in the belief that the more we give, the more we shall ourselves possess. It may then be asked: if our services are available to all people, why become a member? Our answer is that membership signifies personal participation in a dedicated effort to safeguard our Jewish tradition and serve our Jewish ideal.

'We know that a true synagogue is one in which the members participate in congregational prayer and study, and

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maintain a humane administration. We attest our need for such a synagogue and our will to achieve it.'

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Synagogue was established on 29 October 1957 as an unincorporated, excepted charity. It is governed by its laws contained in the constitution adopted 18 March 2004 as amended 21 May 2009, 25 May 2010 and 19 May 2016. The Synagogue registered with the Charity Commission on 8 December 2009.

The management of the Synagogue is undertaken by its Executive and Council.

Method of Appointment or Election of The Executive

The constitution provides that the Executive is empowered with taking all day to day decisions in Westminster Synagogue's affairs and its voting members constitute the Synagogue's Charity Trustees. The Executive is elected by the Council subject to confirmation by members in General Meeting. The members of the Executive, who may not exceed eleven in number, are the Chairman, Vice-Chairman, Treasurer, Hon. Secretary, Senior Warden and Second Warden, (the offices of Treasurer and Hon. Secretary may each be held jointly by two people) and up to three other members elected as Trustees. The Executive is accountable to the Council which could, in a proper case, dismiss the entire Executive. The Executive is obliged, where practicable, to consult with and take note of the Council's opinions in connection with religious and a number of other specified matters.

Method of Appointment or Election of Council

Members of the Council are elected by members of the Synagogue in General Meeting. The Council consists of not less than three and no more than twelve elected members of the congregation. Each member of the Council must be nominated in writing by two other members of the congregation. In addition it also has a President (elected by members at a General Meeting), and up to seven Vice-Presidents, nominated by the Executive and elected by members of the congregation in General Meeting, and the members of the Executive.

Organisational Structure and Decision Making

The Council and Executive meet at regular intervals during the year.

Sub-committees are appointed from time to time. They report back to the Executive with their findings.

Paid members of staff have been appointed by the Executive to manage the day-to-day operations of the Synagogue.

Systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss. They include:

- An annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, budget variances and non-performance indicators;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

Risk Management

The Trustees have identified and actively review the major risks to which the Synagogue is exposed as follows:

- Significant loss of membership and the consequential effect on subscription and donation income;
- Health and safety;
- Security;
- Normal employment and public liability risks;
- Reputational risks arising from incidents in the above categories.

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The Trustees are satisfied that systems and procedures are in place to mitigate the synagogue's exposure to the major risks where possible.

The general well-being of a religious community is heavily reliant on the quality of its spiritual leadership and may therefore encounter risk when a change of such leadership is required. Since 1997 the synagogue has been led with notable success by Rabbi Dr Thomas Salamon. The community has also benefitted greatly from a range of work undertaken on a consultancy basis by Mrs Renée Salamon. It is currently expected that Rabbi Salamon will retire from full time duties in 2018. In accordance with the constitution of the Synagogue, a Rabbi Selection Committee has been established whose recommendation for a successor will be submitted to a General Meeting of the Synagogue in 2017 for adoption. A 'Rabbi Transition Fund' has also been set up to cover the additional costs expected to be incurred in the periods leading up to and immediately following Rabbi Salamon's retirement.

Policies Adopted for the Identification, Induction and Training of New Trustees

The synagogue has established a Nominations and Mentoring Committee to identify, encourage and support prospective future trustees and leaders of the community. On appointment, new trustees are provided with a briefing pack and an induction session with an existing trustee and will continue to have access to previous post holders for guidance.

ACTIVITIES AND PERFORMANCE

Activities

The Synagogue seeks to attain its objectives through the provision of the following:

- Regular services for the Jewish Sabbath and religious festivals. Some services may be adapted to the needs of the children of members both up to and beyond the age of Barmitzvh or make particular provision for the participation of children and parents together.
- Education in the beliefs and practices of the Jewish faith for children, young people and adults including those not of the Jewish faith but who wish to adopt it.
- A vibrant cultural and social programme with an emphasis on the pastoral care of members.
- A well-stocked library of books of Jewish interest. The books range from those of a religious and philosophical nature, through those covering Jewish history and novels. It includes a children's library of over 500 books.
- Engagement with the broader community including a commitment to inter-faith activities and the promotion of mutual understanding between people of different faiths and none.

Public Benefit Provision

The Synagogue has adhered to its stated policy to ensure that while setting standard levels of subscription, these are tailored according to means where necessary. Fund raising for its own funds often includes some provision for another charity in accordance with the general religious obligation for Jews to give to charity.

In addition to its services to its members, the Synagogue has provided the following to the wider public:

- The Synagogue has provided a meeting place for other Jewish organisations, generally open to the wider public.
- Members of the public are welcome at all the Sabbath and festival services conducted at the synagogue.
- They are also invited to and welcome at cultural and social events held at the synagogue.
- The Synagogue reaches out to other faith organisations and organises events with them to foster inter-faith understanding.

The take-up by non-members of all the above activities has been strong throughout the year.

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Performance Measurement

The nature of a religious community is such that its successes and achievements cannot be measured satisfactorily by standard charity metrics. The size of its membership or numbers attending services do not in themselves indicate the importance of the congregation in the lives of its members or the spiritual guidance and comfort it may provide.

Nevertheless if the above measures are the only available proxy for assessing success, then the Synagogue may consider itself successful. During the course of the year under review,

- Membership was broadly stable in 2016, falling from 691 to 684 adults. At the year end there were 108 (2015: 100) non-Jewish friends of the synagogue.
- Service attendance increased, particularly on Sabbath evenings and the festivals of New Year and the Day of Atonement, through the provision of children- and family-orientated services.
- In 2016 there were six weddings and marriage blessings; 23 B'nei Mitzvot and nine baby/infant blessings took place under the auspices of the Synagogue and seven people were admitted to the Jewish faith, following instruction in its education programme.
- A significant number of cultural events took place, some within the framework of an outreach programme for young Jewish people not committed to synagogue membership (Westminster Young Professionals), as well as a mentoring programme.

FINANCIAL REVIEW

Results for the Financial Year Ended 31 December 2016

For 2016 the Synagogue generated a surplus of £59,691 in respect of its Unrestricted funds, which are those related to its general activities and not subject to donor limitations. Although this is a very satisfactory result, it should be viewed with the substantial qualification that the Synagogue may be considered to operate to a two year financial cycle – those years in which there is a major fundraising event and those without one. In 2016, our results benefited from a very successful Appeal Dinner which generated £59,387 after costs – almost exactly the reported surplus. The budget for 2017 shows a material deficit. In addition, the 'headline' number for 2016 does not reflect a transfer of £40,000 for future repairs from general to designated reserves.

During 2016, the Synagogue was also the beneficiary of an initial legacy of £380,839 from the estate of Mrs Sheila Ottensooser. To be known as the Ottensooser Bequest, the legacy forms part of our Restricted funds as it is only to be used for capital or exceptional items of expenditure. It has already proved of immense benefit as the costs of the restoration of the front garden and of certain internal improvements, totalling £103,824 have been charged against it in the year. Nevertheless, our Restricted Funds grew by £284,299 during 2016 leaving the Synagogue in a strong cash positive position at year end.

Financial Outlook

The Synagogue is funded by a combination of members' subscriptions, rental from leasing areas of its building when such leasing does not conflict with the Synagogue's activities, and donations and legacies from members and others. In some years income may benefit from specific fundraising initiatives such as a fundraising dinner.

Although, the Trustees have no reason to believe that this combination of income will undergo material change in the foreseeable future, in common with many charitable organisations the net income from events such as fundraising dinners has been coming under pressure. To offset the impact of this, a Patrons' Programme was launched in 2016 and the generosity of its members has made a significant contribution to the results for the year. We received £75,500 from Patrons and were able to claim a further £7,625 in Gift Aid.

Overall, therefore the trustees consider the financial outlook of the Synagogue to be sound. In addition to the initial receipt from the Ottensooser Bequest, the trustees are aware that a second instalment will also be received. However as the source of the funds represents a share in a property outside the United Kingdom and its monetary value is subject to realisation of the asset (in unhelpful market conditions), payment of local taxes and currency

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fluctuations, the trustees do not consider it appropriate to create a debtor for it in the 2016 accounts.

Material Investments and Reserves Policy

Notwithstanding the comments above, the Trustees are conscious that recurring income provided by members subscriptions and predictable other sources such as rent, does not meet annual outgoings. As a consequence, the Synagogue is therefore reliant on the generosity of members to meet such shortfalls through donations. The Trustees therefore seek to ensure that there are unrestricted reserves in cash and short term deposits at a level that would permit an orderly reduction of services provided to members together with associated staff redundancies, should there be a significant decline in donations. These reserves also include a designated provision for periodic repairs to the building to ensure that it is fit for purpose and its value is maintained. Restricted reserves may be established to meet identified current or future exceptional expenditure requirements; examples of this include the Rabbi Transition Fund referred to under 'Risk Management' above.

Taking all these matters into account, the Trustees are of the opinion that, as at the balance sheet date, assets and reserves are sufficient to meet the Synagogue's foreseeable obligations. The current investment policy of the Synagogue is to restrict investments to deposits with banks with external credit ratings of not worse than A-. This policy is intended to provide minimal risk of capital losses, albeit returns are limited in the light of prevailing low interest rates.

The Synagogue does not hold any funds as custodian.

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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

.....
Edward Glover, Treasurer

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WESTMINSTER SYNAGOGUE

We have audited the financial statements of Westminster Synagogue for the year ended 31 December 2016 set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 charity's affairs as at 31 December 2016 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WESTMINSTER SYNAGOGUE

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Nyman Libson Paul

Chartered Accountants
Registered Auditors

Regina House
124 Finchley Road
London
NW3 5JS
Date:

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

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**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations and legacies	2	641,629	413,881	1,055,510	559,138
Other trading activities	3	298,121	-	298,121	176,937
Investments	4	<u>3,312</u>	<u>839</u>	<u>4,151</u>	<u>2,249</u>
TOTAL INCOME		<u>943,062</u>	<u>414,720</u>	<u>1,357,782</u>	<u>738,324</u>
EXPENDITURE ON:					
Raising funds	5	198,849	-	198,849	154,724
Charitable activities	6,7,8	<u>684,522</u>	<u>130,421</u>	<u>814,943</u>	<u>590,604</u>
TOTAL EXPENDITURE	9	<u>883,371</u>	<u>130,421</u>	<u>1,013,792</u>	<u>745,328</u>
NET MOVEMENT IN FUNDS		59,691	284,299	343,990	(7,004)
RECONCILIATION OF FUNDS:					
Total funds brought forward		<u>1,034,419</u>	<u>486,217</u>	<u>1,520,636</u>	<u>1,527,640</u>
TOTAL FUNDS CARRIED FORWARD		<u>1,094,110</u>	<u>770,516</u>	<u>1,864,626</u>	<u>1,520,636</u>

The notes on pages 12 to 24 form part of these financial statements.

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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		1,154,159		1,146,045
CURRENT ASSETS					
Debtors	15	86,644		75,552	
Cash at bank and in hand		<u>820,905</u>		<u>475,178</u>	
		907,549		550,730	
CREDITORS: amounts falling due within one year	16	<u>(161,332)</u>		<u>(133,246)</u>	
NET CURRENT ASSETS			<u>746,217</u>		<u>417,484</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,900,376		1,563,529
CREDITORS: amounts falling due after more than one year	17		<u>(35,750)</u>		<u>(42,893)</u>
NET ASSETS			<u>1,864,626</u>		<u>1,520,636</u>
CHARITY FUNDS					
Restricted funds	18		770,516		486,217
Unrestricted funds	18		<u>1,094,110</u>		<u>1,034,419</u>
TOTAL FUNDS			<u>1,864,626</u>		<u>1,520,636</u>

The notes on pages 12 to 24 form part of these financial statements.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>354,194</u>	<u>41,240</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,151	2,249
Purchase of tangible fixed assets		(12,618)	(10,549)
Proceeds from sale of investments		<u>-</u>	<u>40,000</u>
Net cash (used in)/provided by investing activities		<u>(8,467)</u>	<u>31,700</u>
Change in cash and cash equivalents in the year		345,727	72,940
Cash and cash equivalents brought forward		<u>475,178</u>	<u>402,238</u>
Cash and cash equivalents carried forward	21	<u><u>820,905</u></u>	<u><u>475,178</u></u>

The notes on pages 12 to 24 form part of these financial statements.

The financial statements were approved by the Trustees on 6th April 2017 and signed on their behalf by:

.....
Edward Glover,
Treasurer

.....
Jeffrey Ohrenstein,
Chairman of the Executive

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Westminster Synagogue constitutes a public benefit entity as defined by FRS 102.

1.2 Preparation of accounts on a going concern basis

The trustees 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 trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

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 aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.4 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 recognised over the membership year (May to April), starting from the date of receipt.

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

Education income is recognised on receipt.

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

1.5 Expenditure

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

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

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £3,000 are capitalised.

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

Freehold property	-	Nil
Fixtures and fittings and equipment	-	Straight line basis over 3 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The charity's freehold property comprises land and buildings including subsequent improvements to the property.

Depreciation is not charged on the land element, which is instead subject to impairment review.

No depreciation charge is made against the building and improvements as it is considered that the residual value of these is at least as great as the carrying value and not materially different to cost.

The charity operates a rolling repairs and maintenance programme to prolong the useful life of the property and to ensure that the above policy continues to be appropriate.

1.7 Interest receivable

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

1.8 Debtors

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

1.9 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.

1.10 Creditors and provisions

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.

1.11 Financial instruments

The synagogue 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.

1.12 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Subscriptions	344,068	-	344,068	325,835
Tax recovered on subscriptions and donations	71,952	-	71,952	65,686
Donations and sundries	177,747	413,881	591,628	151,372
Religion school	18,489	-	18,489	16,245
School security	29,373	-	29,373	-
	<u>641,629</u>	<u>413,881</u>	<u>1,055,510</u>	<u>559,138</u>

In 2015, of the total income from donations and legacies, £530,643 was to unrestricted funds and £28,495 was to restricted funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising	16,656	-	16,656	37,403
Rent, venue hire & events	148,645	-	148,645	109,809
Sundry income	5,840	-	5,840	9,521
Education	21,757	-	21,757	16,804
Appeal dinner	98,156	-	98,156	3,400
Columbarium	7,067	-	7,067	-
	<u>298,121</u>	<u>-</u>	<u>298,121</u>	<u>176,937</u>

In 2015, of the total income from other trading activities, £176,937 was to unrestricted funds and £NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest received	<u>3,312</u>	<u>839</u>	<u>4,151</u>	<u>2,249</u>

In 2015, of the total investment income, £2,249 was to unrestricted funds and £NIL was to restricted funds.

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. COSTS OF RAISING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Repairs and maintenance	2,674	-	2,674	758
Insurance	10,941	-	10,941	9,945
Printing and stationary	5,638	-	5,638	5,631
Telephone and postage	1,171	-	1,171	1,368
Consultancy and professional fees	53,004	-	53,004	52,336
Costs of Appeal Dinner	38,769	-	38,769	-
Accountancy and bookkeeping	11,492	-	11,492	11,875
Wages and salaries	75,160	-	75,160	72,811
	<u>198,849</u>	<u>-</u>	<u>198,849</u>	<u>154,724</u>

In 2015, of the total voluntary income, £154,724 was to unrestricted funds and £NIL was to restricted funds.

6. DIRECT COSTS

	Total 2016 £	Total 2015 £
Fundraising, venue & events costs	55,436	42,750
Water rates	4,095	735
Travel and subsistence	3,674	4,585
Organist and singers	9,770	11,100
Security	17,115	7,328
Religion school	26,057	22,788
Lighting and heating	15,944	11,504
Repairs and maintenance	65,789	33,810
Garden project - restricted	103,824	-
Insurance	10,941	9,945
Printing and stationery	6,108	6,101
Telephone and postage	5,321	8,100
Accounting and bookkeeping	11,493	11,725
Affiliation scheme	6,119	5,617
Consultancy, Recruitment and Miscellaneous expenses	24,501	24,676
Equipment	3,507	3,387
Prayer books	3,607	-
Board of Deputies fees	-	990
Restricted fund expenditure (note 18)	22,493	26,878
Wages and salaries	262,784	237,221
National insurance	22,270	22,536
Pension cost	18,000	18,000
Depreciation	4,504	6,327
	<u>703,352</u>	<u>516,103</u>

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Security	17,114	7,328
Telephone and postage	4,151	2,976
Accounting and bookkeeping	5,746	5,938
Computer running costs	9,008	7,794
Miscellaneous and other expenses	24,126	6,754
Bank charges and interest	2,614	2,221
Columbarium	2,288	-
Wages and salaries	34,320	33,157
National insurance	3,264	3,253
	102,631	69,421

8. GOVERNANCE COSTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Governance Auditors' remuneration	8,960	-	8,960	5,080

In 2015, of total governance costs, £5,080 was from unrestricted funds, £NIL from restricted funds.

9. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	75,160	-	123,689	198,849	154,724
Costs of generating funds	75,160	-	123,689	198,849	154,724
Direct costs	340,638	4,504	460,841	805,983	585,524
Expenditure on governance	-	-	8,960	8,960	5,080
	415,798	4,504	593,490	1,013,792	745,328

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Direct costs	<u>703,352</u>	<u>102,631</u>	<u>805,983</u>	<u>585,524</u>

11. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets owned by the charity	4,504	6,327
Auditors' remuneration	<u>8,960</u>	<u>5,080</u>

During the year, no Trustees received any remuneration or benefits in kind (2015 - £NIL).
Expenses reimbursed to Trustees in the year amounted to £73 (2015 - £NIL).

12. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £8,960 (2015 - £5,080).

This year's increase in expenditure results from additional costs in 2015 relating to changes in the accounting framework, for which there was an under-accrual.

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	365,736	339,076
Social security costs	32,062	29,902
Other pension costs	18,000	18,000
	<u>415,798</u>	<u>386,978</u>

The average monthly number of employees was: 11 (2015: 11) and the average monthly number of equivalent employees during the year was as follows (including casual and part-time staff):

	2016 No.	2015 No.
Education	3	3
Building Management	5	5
Synagogue Administration	<u>3</u>	<u>3</u>
	<u>11</u>	<u>11</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1

The charity considers its key management personnel to comprise one person. Total employment benefits including employer's pension contributions for key management personnel were £105,662 (2015: £100,622).

ALLOCATION OF STAFF COSTS

	2016 £	2015 £
Costs of generating income	75,160	72,811
Direct costs	303,054	277,757
Support costs	37,584	36,410
Total	<u>415,798</u>	<u>386,978</u>

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Columbarium £	Total £
Cost				
At 1 January 2016	2,470,771	36,445	17,813	2,525,029
Additions	<u>-</u>	<u>12,027</u>	<u>591</u>	<u>12,618</u>
At 31 December 2016	<u>2,470,771</u>	<u>48,472</u>	<u>18,404</u>	<u>2,537,647</u>
Depreciation				
At 1 January 2016	1,345,641	33,343	-	1,378,984
Charge for the year	<u>-</u>	<u>4,104</u>	<u>400</u>	<u>4,504</u>
At 31 December 2016	<u>1,345,641</u>	<u>37,447</u>	<u>400</u>	<u>1,383,488</u>
Net book value				
At 31 December 2016	<u>1,125,130</u>	<u>11,025</u>	<u>18,004</u>	<u>1,154,159</u>
At 31 December 2015	<u>1,125,130</u>	<u>3,102</u>	<u>17,813</u>	<u>1,146,045</u>

15. DEBTORS

	2016 £	2015 £
Income tax recoverable	23,836	25,554
Prepayments and accrued income	62,808	49,998
	<u>86,644</u>	<u>75,552</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	13,630	11,277
Memorial Scrolls deferred income	7,143	7,143
Other taxation and social security	10,207	11,143
Other creditors	11,525	11,441
Accruals and deferred income	118,827	92,242
	<u>161,332</u>	<u>133,246</u>

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

**17. CREDITORS:
Amounts falling due after more than one year**

	2016 £	2015 £
Memorial Scrolls deferred income	<u>35,750</u>	<u>42,893</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	<u>7,179</u>	<u>14,286</u>

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds					
Building fund	<u>162,122</u>	-	-	<u>40,000</u>	<u>202,122</u>
General funds					
General Funds	<u>872,297</u>	<u>943,062</u>	<u>(883,371)</u>	<u>(40,000)</u>	<u>891,988</u>
Total Unrestricted funds	<u>1,034,419</u>	<u>943,062</u>	<u>(883,371)</u>	<u>-</u>	<u>1,094,110</u>
Restricted funds					
Ottensooser Bequest	-	380,839	(103,824)	-	277,015
Building fund	279,678	-	-	-	279,678
Library Fund	6,042	-	(58)	-	5,984
Rabbi's discretionary fund	11,597	23,131	(13,263)	-	21,465
Special project fund	18,310	10,000	(10,881)	-	17,429
Education Fund	61,250	-	-	-	61,250
Rabbi Transition Fund	104,340	-	-	-	104,340
Prayer Book Fund	5,000	750	(2,395)	-	3,355
	<u>486,217</u>	<u>414,720</u>	<u>(130,421)</u>	<u>-</u>	<u>770,516</u>
Total of funds	<u>1,520,636</u>	<u>1,357,782</u>	<u>(1,013,792)</u>	<u>-</u>	<u>1,864,626</u>

The building fund was established by the Executive to provide monies for the refurbishment and longer term development of the Synagogue building.

WESTMINSTER SYNAGOGUE

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

The Special Projects fund was set up to account for donations and fundraising income in respect of specific projects, usually on a one-off basis. Any surplus funds in hand after completion of the individual projects are transferred back to general funds.

The Education fund was set up to provide additional funding and resources to support education within the Synagogue.

The Rabbi Transition fund was set up to assist with funding the transitional period arising on the retirement of the Rabbi.

The Ottensooser Bequest was set up to provide funding for capital or exceptional expenditure at the Synagogue.

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds	162,122	-	-	40,000	202,122
General funds	872,297	943,062	(883,371)	(40,000)	891,988
	<u>1,034,419</u>	<u>943,062</u>	<u>(883,371)</u>	<u>-</u>	<u>1,094,110</u>
Restricted funds	486,217	414,720	(130,421)	-	770,516
	<u>1,520,636</u>	<u>1,357,782</u>	<u>(1,013,792)</u>	<u>-</u>	<u>1,864,626</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	1,154,159	-	1,154,159	1,146,045
Current assets	137,033	770,516	907,549	550,730
Creditors due within one year	(161,332)	-	(161,332)	(133,246)
Creditors due in more than one year	(35,750)	-	(35,750)	(42,893)
	<u>1,094,110</u>	<u>770,516</u>	<u>1,864,626</u>	<u>1,520,636</u>

WESTMINSTER SYNAGOGUE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	343,990	(7,004)
Adjustment for:		
Depreciation charges	4,504	6,327
Dividends, interest and rents from investments	(4,151)	(2,249)
(Increase)/decrease in debtors	(11,092)	31,752
Increase in creditors	<u>20,943</u>	<u>12,414</u>
Net cash provided by operating activities	<u><u>354,194</u></u>	<u><u>41,240</u></u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	<u>820,905</u>	<u>475,178</u>
Total	<u><u>820,905</u></u>	<u><u>475,178</u></u>

22. CAPITAL COMMITMENTS

As at the balance sheet date Westminster Synagogue had capital commitments of £17,632 (2015: £nil); these related to the project to restore the front garden.

23. PENSION COMMITMENTS

The charity made pension contributions of £18,000 (2015: £18,000). At the year-end £Nil (2015: £Nil) was included in creditors.

WESTMINSTER SYNAGOGUE

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

24. 10 YEAR SUMMARY

	Income £	Expenditure £	Deficit £	Donations & Fundraising £	Net Surplus or (Deficit) £
2007	427,954	641,712	(213,758)	462,561	248,803
2008	505,544	651,692	(146,148)	107,282	(38,866)
2009	481,276	630,210	(148,934)	224,408	75,474
2010	526,602	638,167	(111,565)	137,782	26,217
2011	523,541	724,528	(200,987)	183,633	(17,354)
2012	598,882	879,983	(281,101)	255,918	(25,183)
2013 (14 months)	655,834	1,028,444	(372,610)	130,520	(242,090)
2014	709,422	857,731	(148,309)	294,464	146,155
2015	523,224	745,328	(222,104)	215,100	(7,004)
2016	682,069	1,013,792	(331,723)	672,713	343,990

The figures in the above summary reflect the accounting policies in place for the financial period in question and have not been restated.

25. RELATED PARTY TRANSACTIONS

There are no related party transactions in the reporting period that require disclosure.

