

Charity Registration No. 1171418

Company Registration No. 10514105 (England and Wales)

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	L Gold J Hesse A Kelmanson J Khedoory J Renton R Woolf D Kelmanson D Shoffren A Feldman S Kornhauser B Carmel D Goldblum S Kaufman A Laurence M Werblow	(Appointed 7 December 2016) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 19 April 2017) (Appointed 26 November 2017) (Appointed 26 November 2017) (Appointed 26 November 2017) (Appointed 26 November 2017) (Appointed 26 November 2017)
Secretary	D Shoffren	
Charity number	1171418	
Company number	10514105	
Principal address	120 Oakleigh Road North Whetstone London N20 9EZ	
Registered office	120 Oakleigh Road North Whetstone London N20 9EZ	
Auditor	FMCB 3rd Floor Hathaway House Popes Drive Finchley London N3 1QF	
Bankers	Barclays Bank plc Whetstone & Finchley Branch 1250 High Road London N20 0PB	

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

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SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2018

The trustees present their report and financial statements for the period ended 31 March 2018. The charity was incorporated on 7 December 2017. The activities, assets and liabilities of the unincorporated charity Sha'arei Tsedek (Charity Registration Number 1076670) were transferred to the charity on 1 April 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Articles of Association dated 9 December 2017, the Companies Act 2006 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)

Objectives and activities

The objects of the charity are as follows:

- The advancement of the Jewish religion through the provision of religious services in such form as shall from time to time be determined by the trustees, the provision and maintenance of a place of worship and the arrangements of marriages, burials and cremations for members.
- The advancement of education in particular through the provision of classes in Hebrew and religion.
- Such other charitable objects as the trustees may consider from time to time advisable.

The aims of the charity are to put in place and monitor the various policies and activities outlined in the Strategic and Operational Plan, which is currently being reviewed and updated.

In addition to ensuring the continuation of the charity's main activities of holding religious services for Jewish worship and the provision of Jewish education for both children and adults, the trustees have continued to promote and supervise a wide range of activities during the year under review within the human and financial resources of Sha'arei Tsedek.

The core activity of the charity is the provision of religious services by our rabbinic team with the help of lay members.

We continue to invest in Jewish education for school-age children through both Religion School and B'nei Mitzvah classes with Alonim Kindergarten providing outstanding provision for pre-school children. In addition a number of informal education programmes have continued to be developed, with emphasis on family education for families with children aged under twelve. Adult education programmes have continued to be developed with many courses available, the majority being offered at no charge.

In addition to the trustees Members' Report and Annual Report and Financial Accounts, a separate booklet is available to members detailing the specific activities of the sub-committees and functions of the charity.

Volunteers from the membership play a crucial role. Without their support and goodwill the charity would not be able to carry on its activities.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and performance

Charitable work was again undertaken with successful participation in the London Borough of Barnet winter shelter program and the continued development of inter communal relations with other religious groups. The shul building continues to be used for charitable events outside of the charities direct activities.

The Days of Awe appeal was strong again and the Gemach fund instituted this year is being well supported. The new principal rabbi has begun and has made a very good start to life at Sha'arei Tsedek.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2018

Financial review

The activities of the unincorporated charity Sha'arei Tsedek (Charity Registration Number 1076670) were transferred to the charitable company on 1 April 2017. The comparative information shown below relates to the unincorporated charity for the year to 31 March 2017.

Overview

The Statement of Financial Activities includes the transfer of reserves from the unincorporated charity. After taking these into account the charity incurred a deficit of £33,825 for the year (2017: £5,991 surplus). The deficit excludes net surpluses for restricted purposes of £11,121 (2017: £1,514). The deficit arose from income of £758,609 (2017: £699,766) less expenditure of £792,434 (2017: £693,775).

At 31 March 2018 the unrestricted funds of the charity were £916,886 (2017: £950,711) which is more than accounted for by the amount represented by land and buildings and fixtures and fittings.

Incoming resources

The two main components of unrestricted income were membership subscriptions of £341,372 (2017: £349,183) including related gift aid and Alonim income of £363,518 (2017: £295,695). Membership subscriptions were 2% lower than last year and Alonim income was 23% higher.

Resources expended

Total unrestricted expenditure of the charity was 14% higher than the previous year. The increase was mainly due to an increase in staff costs, which at £393,759 (2017: £314,365), were 18% higher than last year.

Reserve policy

The reserves are set out in the balance sheet and accompanying notes. The charity's principal asset is its building which has no loans outstanding on it. The present level of funding is generally sufficient to support the activities of the charity which depends on the level of membership fees and income from Alonim. The trustees have also secured bank facilities to secure the charity to ensure that reserves are maintained at levels to try and maintain positive cash flow and to meet any contingencies requiring immediate expenditure. The financial statements for the period are set out in the attached documents.

Building reserves to secure the long term future of the charity is a major challenge which the trustees acknowledge and appropriate measures will continue to be taken to achieve this.

The investment in education is predominantly paid for by Shul reserves and is getting more expensive every year. The trustees voted to increase membership fees this year for the first time in a number of years. Further increases in the near-term are unlikely to be approved.

The trustees have identified the need to increase income from other sources including fund raising and legacy marketing to build much needed reserves.

At 31 March 2018 the charity's reserves were £916,886 (2017: £998,637) in total. The restricted and unrestricted funds are shown in note 18.

Risk management

At trustees meetings risks faced by the charity are reviewed relative to their significance. The primary risks are considered to be:

- Security of people attending the premises. Security is regularly reviewed in conjunction with the external advisers and appropriate action taken based on an assessment of perceived risk.
- Trustees are mindful that the ageing demographic profile of the membership is impacting membership income generation.
- Regular attention to cash flow. The excess of current liabilities over current assets is considered an important risk to the sustainability of the charity's current activities. This risk is being addressed by regular financial reporting and cost control.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2018

Plans for the future

Trustees have identified the following plans for the future.

Trustees are reviewing aspects of governance and management of the charity with particular reference to its legal structure and the role of honorary officers and volunteers. Trustees recognise that pursuant to this review, they may need to prepare a new Strategic Plan. Trustees will ensure that any new strategy will maintain providing religious services, education and maintaining the synagogue building as the primary focus of the charity.

The trustees are exploring the optimum size of Alomin given its rapid growth in recent years. Alomin continues to be a hugely important part of the charity and any decisions will be made with this in mind.

The new year has seen a change in our administration team. The appointment of new staff will strengthen the professional support for our rabbis and volunteers. We shall continue to expand our investment in music, marketing and youth provision.

Structure, governance and management

The charity is a company limited by guarantee and was registered with the Charity Commission on 1 February 2017. The members of the company are the members of the Synagogue as defined in the Articles of Association. The liability of each member is limited to a sum not exceeding £1, being the amount each member undertakes to contribute to the assets of the charity in the event of its dissolution whilst they are members or within one year of them ceasing to be a member.

The trustees, who are also the directors for the purpose of company law, and who served during the period and up to the date of signature of the financial statements were:

L Gold	(Appointed 7 December 2016)
J Hesse	(Appointed 19 April 2017)
A Kelmanson	(Appointed 19 April 2017)
J Khedoory	(Appointed 19 April 2017)
C Morris	(Appointed 19 April 2017 and resigned 16 May 2018)
M Paltnoi	(Appointed 19 April 2017 and resigned 26 November 2017)
J Renton	(Appointed 19 April 2017)
R Woolf	(Appointed 19 April 2017)
A Joelson	(Appointed 19 April 2017 and resigned 26 November 2017)
D Kelmanson	(Appointed 19 April 2017)
D Shoffren	(Appointed 19 April 2017)
A Feldman	(Appointed 19 April 2017)
S Kornhauser	(Appointed 19 April 2017)
B Carmel	(Appointed 26 November 2017)
D Goldblum	(Appointed 26 November 2017)
S Kaufman	(Appointed 26 November 2017)
A Laurence	(Appointed 26 November 2017)
M Werblow	(Appointed 26 November 2017)

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE PERIOD ENDED 31 MARCH 2018

The trustees are responsible for the management of the charity but they do have the power to delegate to committees. Trustees are voluntary, they do not receive any remuneration for their activities and have no beneficial interest in the charity. Trustees are recruited for the skill and experience which they can bring to the running of the charity. Under the Articles of Association the trustees must meet at least eight times each calendar year. Questions are decided by majority vote. The term of each trustee is three years and they retire by rotation. Retiring trustees are eligible for re-election.

Every member has the right to one vote at general meetings of the charity. Member's children between the ages of 18 and 21 have the right to vote at general meetings. Resolutions at general meetings are passed by simple majority of the members at the meeting. Members appoint trustees by ordinary resolution and every member is eligible for election. Only members can become trustees.

Auditor

The auditor, FMCB, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

R Woolf

Trustee

Dated: 2 September 2018

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 MARCH 2018

The trustees, who are also the directors of Sha'arei Tsedek North London Reform Synagogue for the purpose of company law, 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).

Company Law 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, including the income and expenditure, of the charitable company 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 judgements and 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; and
- 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 adequate accounting records that 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 Companies Act 2006. 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.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

Opinion

We have audited the financial statements of Sha'arei Tsedek North London Reform Synagogue (the 'charity') for the period ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

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.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under section 144 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

Jeffrey Zinkin FCA (Senior Statutory Auditor)
for and on behalf of FMCB

5 September 2018

Chartered Accountants
Statutory Auditor

3rd Floor Hathaway House
Popes Drive
Finchley
London
N3 1QF

FMCB is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2018

		Unrestricted funds £	Restricted funds £	Total 2018
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	1,297,757	59,642	1,357,399
Charitable activities	4	394,472	-	394,472
Other trading activities	5	10,518	-	10,518
Investments	6	91	32	123
Other income	7	6,482	-	6,482
		<hr/>	<hr/>	<hr/>
Total income		1,709,320	59,674	1,768,994
		<hr/>	<hr/>	<hr/>
<u>Expenditure on:</u>				
Raising funds	8	7,673	-	7,673
		<hr/>	<hr/>	<hr/>
Charitable activities	9	784,761	595	785,356
		<hr/>	<hr/>	<hr/>
Total resources expended		792,434	595	793,029
		<hr/>	<hr/>	<hr/>
Net income for the year/ Net movement in funds		916,886	59,079	975,965
		<hr/>	<hr/>	<hr/>
Fund balances at 7 December 2016		-	-	-
		<hr/>	<hr/>	<hr/>
Fund balances at 31 March 2018		916,886	59,079	975,965
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses recognised in the period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

BALANCE SHEET

AS AT 31 MARCH 2018

	Notes	2018 £	£
Fixed assets			
Tangible assets	13		1,000,182
Current assets			
Debtors	15	31,648	
Cash at bank and in hand		48,963	
		<hr/>	
		80,611	
Creditors: amounts falling due within one year	16	(104,828)	
		<hr/>	
Net current liabilities			(24,217)
Total assets less current liabilities			<hr/> <hr/> 975,965
Income funds			
Restricted funds	17		59,079
Unrestricted funds			916,886
			<hr/>
			975,965
			<hr/> <hr/>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the period ended 31 March 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the financial period in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 5 September 2018

R Woolf
Trustee

D Goldblum
Trustee

Company Registration No. 10514105

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2018

	Notes	2018 £	£
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	20		979
Investing activities			
Interest received		123	
Net cash generated from/(used in) investing activities		<u>123</u>	123
Net cash used in financing activities			-
Net increase in cash and cash equivalents			<u>1,102</u>
Cash at bank and in hand taken over			47,861
Cash and cash equivalents at end of period			<u><u>48,963</u></u>

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies

Charity information

Sha'arei Tsedek North London Reform Synagogue is a private company limited by guarantee incorporated in England and Wales. The registered office is 120 Oakleigh Road North, Whetstone, London, N20 9EZ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Articles of Association dated 9 December 2017, the Companies Act 2006 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). The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The charity was incorporated on 7 December 2017 and the activities, assets and liabilities of the unincorporated charity Sha'arei Tsedek (Charity Registration Number 1076670) were transferred to the charity on 1 April 2017. These financial statements cover the period from the date of incorporation to 31 March 2018.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under gift aid or deeds of covenant is recognised at the time of the donation.

Membership subscriptions, any related tax recoverable under gift aid and Alonim Kindergarten fees are accounted for on an accruals basis after making provision for any amounts that are considered irrecoverable.

All voluntary income and donations from individuals are recognised on receipt.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.5 Resources expended

Resources expended, which includes irrecoverable VAT, are included in the Statement of Financial Activities on an accruals basis. Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	10 years on a straight line basis
Fixtures and fittings	5 to 10 years on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered a material impairment loss. If a material impairment loss arises then it is recognised in the profit and loss account.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial instruments, which include debtors and bank balances, are measured at transaction price and subsequently carried at cost less impairment losses for bad and doubtful debts as they are receivable within one year.

Basic financial liabilities

Basic financial liabilities which include creditors are initially recognised at transaction price and are not amortised as they are payable within one year.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

Freehold land and buildings

Improvements to freehold buildings are depreciated over 10 years. No depreciation is provided on the freehold buildings themselves and land since they have a residual value in excess of their carrying amounts. Freehold land and buildings are reviewed at each reporting date for material impairment losses and they are currently included in these financial statements at cost.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018
	£	£	£
Donations and gifts	346,296	11,716	358,012
Grant	750	-	750
Reserves from unincorporated charity	950,711	47,926	998,637
	<u>1,297,757</u>	<u>59,642</u>	<u>1,357,399</u>

Reserves from unincorporated charity represents the transfer of assets and liabilities from Sha'arei Tsedek (Charity Registration Number 1076670) to the charitable company on 1 April 2017. The unincorporated charity was removed from the Charity Commission's register on 7 June 2018.

4 Charitable activities

	Alonim Kindergaten	Religious education & youth	Community activities	Hire of hall	Total 2018
	£	£	£	£	£
Sales within charitable activities	<u>363,519</u>	<u>14,839</u>	<u>4,805</u>	<u>11,309</u>	<u>394,472</u>

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

5 Other trading activities

2018

£

Activities generating funds

10,518

6 Investments

	Unrestricted funds	Restricted funds	Total 2018
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	£	£	£
--	---	---	---

Interest receivable

91	32	123
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7 Other income

2018

£

Other income

6,482

8 Raising funds

2018

£

Trading costs

Other trading activities

7,673

7,673

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

9 Charitable activities

	Religious services & activities £	Affiliated parties £	Religious education & youth £	Alonim & Kindergarten £	Total 2018 £
Staff costs	67,122	-	29,410	228,562	325,094
Other charitable expenditure	49,544	86,930	957	62,774	200,205
	<u>116,666</u>	<u>86,930</u>	<u>30,367</u>	<u>291,336</u>	<u>525,299</u>
Share of support costs (see note 10)	219,305	-	-	34,752	254,057
Share of governance costs (see note 10)	6,000	-	-	-	6,000
	<u>341,971</u>	<u>86,930</u>	<u>30,367</u>	<u>326,088</u>	<u>785,356</u>
Analysis by fund					
Unrestricted funds	341,376	86,930	30,367	326,088	784,761
Restricted funds	595	-	-	-	595
	<u>341,971</u>	<u>86,930</u>	<u>30,367</u>	<u>326,088</u>	<u>785,356</u>

Total resources expended include the following amounts to affiliated parties:

- Movement for Reform Judaism £49,579
- Joint Burial Society £33,359
- Board of Deputies of British Jews and the Zionist Federation £3,992

10 Support costs

	Support costs £	Governance costs £	2018 £	Basis of allocation
Staff costs	68,665	-	68,665	Activity
Depreciation	18,193	-	18,193	Activity
Governance costs	-	6,000	6,000	Activity
Administrative and property costs	167,199	-	167,199	Activity
	<u>254,057</u>	<u>6,000</u>	<u>260,057</u>	
Analysed between Charitable activities	<u>254,057</u>	<u>6,000</u>	<u>260,057</u>	

Governance costs is comprised of auditors remuneration of £6,000.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the period.

12 Employees

Number of employees

The average monthly number employees during the period was:

	2018
	Number
Religious services	1
Administration	3
Alonim kindergarten and religion school	37
	<hr/>
	41
	<hr/> <hr/>

Employment costs

	2018
	£
Wages and salaries	374,265
Social security costs	19,393
Other pension costs	101
	<hr/>
	393,759
	<hr/> <hr/>

There were no employees whose annual remuneration was £60,000 or more.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

13 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
Transfers from unincorporated charity	1,027,750	124,430	1,152,180
At 31 March 2018	1,027,750	124,430	1,152,180
Depreciation and impairment			
Transfers from unincorporated charity	51,586	82,219	133,805
Depreciation charged in the period	8,195	9,998	18,193
At 31 March 2018	59,781	92,217	151,998
Carrying amount			
At 31 March 2018	967,969	32,213	1,000,182

Title to the freehold land and buildings has yet to be transferred to the charity and is being held by the custodian trustees on behalf of the charity.

14 Financial instruments

2018
£

Carrying amount of financial assets

Debt instruments measured at amortised cost

23,928

Carrying amount of financial liabilities

Measured at amortised cost

90,031

15 Debtors

2018
£

Amounts falling due within one year:

Trade debtors

14,406

Other debtors

9,522

Prepayments and accrued income

7,720

31,648

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

16 Creditors: amounts falling due within one year

	2018 £
Other taxation and social security	14,797
Trade creditors	64,669
Other creditors	17,359
Accruals and deferred income	8,003
	<u>104,828</u>

17 Restricted funds

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

	Movement in funds		
	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
Restricted donation	30,000	-	30,000
Batesheva Trust	18,150	(595)	17,555
High Holy Days Appeal	9,793	-	9,793
Gemach Fund	1,731	-	1,731
	<u>59,674</u>	<u>(595)</u>	<u>59,079</u>

The charity has now received instructions, in respect of the restricted donation. £28,000 of the restricted donation is payable to a charity in United States and the balance of £2,000 to be retained and used by the charity, at the discretion of its former Rabbi. This is being held in a separate bank account.

Batsheva Trust is a fund for the education of members' orphaned children.

High Holy Days Appeals is donations received for charitable giving.

The Gemach Fund is overseen by the Rabbis and has been set up to support educational and cultural projects within the synagogue. It provides subsidies for members and their children who cannot afford Jewish educational or cultural programmes.

SHA'AREI TSEDEK NORTH LONDON REFORM SYNAGOGUE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

18 Analysis of net assets between funds

	£	£	Total £
Fund balances at 31 March 2018 are represented by:			
Tangible assets	1,000,182	-	1,000,182
Current assets/(liabilities)	(83,296)	59,079	(24,217)
	<u>916,886</u>	<u>59,079</u>	<u>975,965</u>

19 Related party transactions

L Gold is a trustee of the charity. In the period he provided the charity with payroll services for which he invoiced the charity £752.

A Feldman is a trustee of the charity. In the period his wife provided the charity with public relation services for which she invoiced the charity £9,822.

20 Cash generated from operations

	2018 £
Surplus for the period	975,965
Adjustments for:	
Investment income recognised in statement of financial activities	(123)
Fixed assets taken over	(1,018,375)
Cash at bank and in hand taken over	(47,861)
Depreciation and impairment of tangible fixed assets	18,193
Movements in working capital:	
(Increase) in debtors	(31,648)
Increase in creditors	104,828
Cash generated from/(absorbed by) operations	<u>979</u>