

DRAFT

SOUTHGATE PROGRESSIVE SYNAGOGUE

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

SOUTHGATE PROGRESSIVE SYNAGOGUE

Annual report of the Council for the year ended 31 December 2013

DRAFT

Legal and Administrative Detail:

Status: Southgate Progressive Synagogue is a registered charity No. 239096 governed by its constitution

Address: 75 Chase Road, London, N14 4QY

Custodian Trustees: Ms M Finlay
Mr A B Sedler

Council:

i. Non-Executive Officers:

Hon. Life President: Miss H Schindler
Hon. Life Vice-President: Mrs P Phillips

ii. Executive Officers

Chairman: Mrs M Golding
Vice Chairman:
Hon. Secretary: Mrs B Martin
Hon. Treasurer: Mr R L Dulin

iii. Members

Mrs J Cox (appointed June 2013)
Mrs L Davis (retired June 2013)
Mrs R Ellenby (appointed June 2013)
Mr P Golding (appointed June 2013)
Mrs N Green
Mrs J Greenfield (appointed June 2013)
Mr D Hockman
Mrs S Jones (appointed June 2013)
Mr A J Kerron (retired June 2013)
Mr S Lesley
Mr A Marsh (retired June 2013)
Mrs S Marsh
Mr A Parness (retired June 2013)

Ex Officio: Mrs M Dobias

Minister: Rabbi Yuval Keren

Main Advisers:

i. Bankers

Barclays Bank plc
20 The Town
Enfield
Middlesex EN2 6LY

ii. Independent Examiners

Torringtons Limited
Chartered Accountants
Hillside House
2-6 Friern Park
London N12 9FB

continued...

SOUTHGATE PROGRESSIVE SYNAGOGUE

DRAFT

Annual Report of the Council for the year ended 31 December 2013 (continued)

Aims of the Synagogue

The Synagogue is governed by its constitution last amended in June 2011. The Synagogue is a congregation following the Jewish religion with the aims of providing and maintaining a place for the purpose of public worship and advancing religious, educational and charitable activities.

Organisation

The Synagogue is directed by its Council consisting of up to thirteen members, including four executive officers, elected by the membership at the annual general meeting. In addition the elected members may co-opt up to two further members of Council. There is also an elected Life President and an elected Life Vice-President.

The Synagogue is affiliated to Liberal Judaism.

Activities

The Synagogue's activities during the year are included in the report sent to members in June.

Power of investment

The Council's power of investment is governed by the terms of the Trustee Act 2000. It is the Council's policy to invest only in bank and building society accounts and British government stocks.

Accounts

The accounts comply with the statutory requirements, the Synagogue's governing document and the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) (the "SORP") subject to the departures explained in notes 1(e) and 1(f) to the accounts.

Policy on Reserves

The Council's policy is to set subscription rates at a level sufficient to meet budgeted expenditure and so there are no substantial free reserves (that is those funds not tied up in fixed assets, designated or restricted funds). It is not possible to build up free reserves unless subscriptions are increased by an unacceptably large amount.

Risk management

The Council has examined the major operational and financial risks to which the Synagogue is exposed and is satisfied that systems are in place to mitigate such risks.

Financial position and review of the year

The financial position of the Synagogue as at 31 December 2013 is set out in the attached balance sheet and the financial results for the year in the statement of financial activities.

A review of the year is included in the agenda booklet sent out with the relevant Synagogue Bulletin.

M Golding
Chairman
On behalf of the Council

..... 2014

**Independent examiner's report to the trustees of
SOUTHGATE PROGRESSIVE SYNAGOGUE**

DRAFT

We report on the accounts of Southgate Progressive Synagogue for the year ended 31st December 2013 which are set out on pages 4 to 12.

Respective responsibilities of trustees and examiner

The Synagogue's trustees are responsible for the preparation of the accounts. The Synagogue's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the 1993 Act)) and that an independent examination is needed.

It is our responsibility to:

- examine the accounts (under section 43(3)(a) of the 1993 Act);
- follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the 1993 Act); and
- state whether particular matters have come to our attention.

Basis of examiner's statement

Our examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

Independent examiner's qualified statement

As explained in note 1(e) no depreciation is provided on freehold buildings as required by the Statement of Recommended Practice "Accounting and Reporting by Charities" (revised 2005) ("the SORP") and Financial Reporting Standard 15 "Tangible Fixed assets". There is insufficient information available to ascertain the effect of this treatment on the Synagogue's statement of financial activities and its net assets.

In connection with our examination, no other matter except that referred to in the above paragraph has come to our attention:

(1) which gives us reasonable cause to believe that in any material respect the requirements

- to keep accounting records in accordance with section 41 of the 1993 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 1993 Act

have not been met; or

(2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Torringtons Limited
Chartered Accountants

Hillside House
2-6 Friern Park
London N12 9FB

..... 2014

SOUTHGATE PROGRESSIVE SYNAGOGUE

Statement of financial activities for the year ended 31 December 2013

DRAFT

	note	Unrestricted funds £	Restricted funds £	Total £	Total 2012 £
Incoming resources					
Voluntary income					
Donations and legacies received including income tax recoverable		3,503	4,319	7,822	22,434
Charitable activities					
Members' subs including income tax recoverable		255,533	-	255,533	274,484
Other		67,985	-	67,985	52,302
		<u>323,518</u>	<u>-</u>	<u>323,518</u>	<u>326,786</u>
Investment Income					
Interest received		2,106	-	2,106	1,008
Total incoming resources		<u>329,127</u>	<u>4,319</u>	<u>333,446</u>	<u>350,228</u>
Resources expended					
Charitable activities					
Support costs	2	192,842	8,930	201,772	196,923
Governance costs		87,533	-	87,533	109,940
		7,644	-	7,644	7,560
		<u>288,019</u>	<u>8,930</u>	<u>296,949</u>	<u>314,423</u>
Net incoming resources		41,108	(4,611)	36,497	35,805
Transfers between funds	7	-	-	-	-
Fund balances at 1 January 2013		442,876	10,780	453,656	417,851
Fund balances at 31 December 2013		<u>483,984</u>	<u>6,169</u>	<u>490,153</u>	<u>453,656</u>

SOUTHGATE PROGRESSIVE SYNAGOGUE

Balance sheet at 31 December 2013

DRAFT

	note	£	£	2012 £
Tangible fixed assets	3	291,362		290,509
Investments	4	<u>10,000</u>		<u>10,000</u>
			301,362	300,509
Current assets				
Stock of prayer books and Judaica		2,370		2,580
Income tax recoverable		41,816		29,554
Debtors and prepayments		10,796		4,776
Cash at bank and in hand		<u>199,982</u>		<u>185,965</u>
		<u>254,964</u>		<u>222,875</u>
Creditors: amounts falling due within one year				
Creditors and accruals		16,604		16,642
Bank loan	5	<u>3,219</u>		<u>3,005</u>
		<u>19,823</u>		<u>19,647</u>
Net current assets			<u>235,141</u>	<u>203,228</u>
Total assets less current liabilities			536,503	503,737
Creditors: amounts falling due after one year				
Bank loan	5		46,900	50,081
Net assets			<u><u>489,603</u></u>	<u><u>453,656</u></u>
Represented by:				
Unrestricted funds	8			
Accumulated general fund		326,451		285,343
Burial, cremation and funeral fund		156,533		156,533
Rabbi's discretionary fund		<u>1,000</u>		<u>1,000</u>
			483,984	442,876
Restricted funds	9			
Scholarship fund		430		980
Charities fund		<u>5,189</u>		<u>9,800</u>
			5,619	10,780
Total funds			<u><u>489,603</u></u>	<u><u>453,656</u></u>

Approved by the Council on _____ and signed on its behalf by _____

R L Dulin
Hon TreasurerM Golding
Chairman

Notes to the accounts for the year ended 31 December 2013

1. Accounting Policies**a) Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice except as noted in 1(e) and 1(f) below.

b) Cash flow

The accounts do not include a cash flow statement because the Synagogue, as a small reporting entity, is exempt from the requirement to prepare such a statement.

c) Incoming resources

Subscriptions are included on the basis of those due for the current year after making allowance for any amounts that are unlikely to be collected.

Income tax recoverable has been included to the extent that it arises on covenanted or gift aid subscriptions and other income received in the year excluding burial and funeral scheme contributions.

Interest receivable is accounted for on the accruals basis.

Donations comprise amounts receivable during the year. Legacies are credited in the year in which they are received.

Assets given for use by the Synagogue are recognised as incoming resources when receivable and are brought into the accounts at estimated market value.

d) Resources expended

Expenditure is accounted for on the accruals basis. The Synagogue is not registered for VAT and accordingly expenditure includes irrecoverable VAT.

Furthering the objects of the Synagogue is considered to be a single charitable activity and the costs thereof are classified accordingly as direct costs, support costs or governance costs.

e) Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are stated at original cost and are depreciated over their estimated effective lives using the following annual rates:

Freehold land and buildings	Nil
Containers / club house	20% of net book value
Computer equipment	25% of net book value
Other furnishings and equipment	5% of net book value

Depreciation should be provided on buildings in accordance with the SORP and Financial Reporting Standard 15, "Tangible Fixed Assets". However, the carrying value of the property has been reviewed for impairment and the Council considers that its net realisable value is considerably greater.

f) Fixed asset investment

In accordance with the SORP the fixed asset investment should be shown at market value. However, as it is intended to hold the investment until redemption at par, it is included at the lower of cost and market value.

continued...

SOUTHGATE PROGRESSIVE SYNAGOGUE

**Notes to the accounts for the year ended 31 December 2013
(continued)**

DRAFT

g) Stocks

Purchased stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

h) Fund accounting

Unrestricted funds are defined as "funds expendable at the discretion of the trustees in furtherance of the objects of the charity". Apart from the accumulated general fund, all other unrestricted funds of the Synagogue are designated funds, earmarked but not necessarily restricted to specific purposes. They are:

Burial, cremation and funeral fund
Bernard Smith capital fund (now exhausted)
Fund for specific Synagogue purposes (now exhausted)
The Rabbi's discretionary fund

Restricted funds are defined as "funds subject to trusts" and "which are expendable at the discretion of the trustees in furtherance of some specific aspect(s) of the objects of the charity". The restricted funds of the Synagogue are:

Scholarship fund
Charities fund

i) Pension costs

Contributions to the Synagogue's defined contribution pension scheme are charged in the statement of financial activities for the year in which they are payable to the scheme.

SOUTHGATE PROGRESSIVE SYNAGOGUE

DRAFT

Notes to the accounts for the year ended 31 December 2013

(continued)

	Staff costs £	Other costs £	Total £	Total £
2. Total resources expended				
Charitable activities	89,847	111,925	201,772	196,923
Support costs	48,364	39,169	87,533	109,940
Governance costs	-	7,644	7,644	7,320
	<u>138,211</u>	<u>158,738</u>	<u>296,949</u>	<u>314,183</u>

	Freehold buildings £	Club house £	Furnishings and equipment £	Total £
3. Tangible fixed assets				
At cost				
At 1 January 2013	234,151	5,791	139,478	379,420
Additions	-	-	4,126	4,126
At 31 December 2013	<u>234,151</u>	<u>5,791</u>	<u>143,604</u>	<u>383,546</u>
Depreciation				
At 1 January 2013	-	5,741	83,170	88,911
Charge for the year	-	10	3,263	3,273
At 31 December 2013	<u>-</u>	<u>5,751</u>	<u>86,433</u>	<u>92,184</u>
Net book value				
at 31 December 2013	<u>234,151</u>	<u>40</u>	<u>57,171</u>	<u>291,362</u>
at 31 December 2012	<u>234,151</u>	<u>50</u>	<u>56,308</u>	<u>290,509</u>

Freehold land and buildings have not been valued but the cost of rebuilding for insurance purposes is estimated at £2,000,000

	2013 £	2012 £
4. Investments		
£10,175.06 8% Treasury stock 2015 at cost	<u>10,000</u>	<u>10,000</u>
Market value (London Stock Exchange) see note 1(f)		<u>12,193</u>

5 Bank loan

The bank loan is secured on the freehold land and buildings and is repayable by monthly instalments by December 2024. Interest is charged at 6.9% per annum. The loan is considered to be not more than 5% of the value of the assets on which it is secured.

6. Financial commitment

The Synagogue is contracted to pay £2,482 per annum for the use of office equipment for a period of one year subsequent to the date of these accounts.

Notes to the accounts for the year ended 31 December 2013

(continued)

DRAFT**7. Funds**UNRESTRICTED FUNDS

The **burial, cremation and funeral fund** was set up to bear the cost of burial, or cremation, and funeral of members of the burial scheme.

The **fund for specific Synagogue purposes** (now exhausted) holds donations and legacies which are to be used for specific Synagogue purposes in accordance with donors' wishes.

The **Rabbi's discretionary fund** was set up for the purpose of making small charitable donations to members at the discretion of the rabbi and Executive.

RESTRICTED FUNDS

The **scholarship fund** was set up to provide educational scholarships to eligible members.

The **charities fund** was set up to distribute monies to charitable causes. Funds are principally raised from individual donations through the high holy day and seder appeals.

Summary of funds	at 1 Jan 2013 £	Incoming resources £	Outgoing resources £	Transfers £	at 31 Dec 2013 £
Unrestricted funds					
Accumulated general fund	285,343	323,518	(254,476)	(27,934)	326,451
Designated funds:					
Burial, cremation & funeral fund	156,533	2,106	(33,543)	31,437	156,533
Rabbi's discretionary fund	1,000				1,000
Fund for specific Synagogue purposes		3,503	-	(3,503)	-
	<u>442,876</u>	<u>329,127</u>	<u>(288,019)</u>	<u>-</u>	<u>483,984</u>
Restricted funds					
Scholarship fund	980	-	(550)	-	430
Charities fund	9,800	4,319	(8,930)	-	5,189
	<u>10,780</u>	<u>4,319</u>	<u>(9,480)</u>	<u>-</u>	<u>5,619</u>
Total funds	<u>453,656</u>	<u>333,446</u>	<u>(297,499)</u>	<u>-</u>	<u>489,603</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Liabilities due after one year £	Total £
Unrestricted funds				
Accumulated general fund	291,362	81,989	(46,900)	326,451
Designated funds:				
Burial, cremation & funeral fund		156,533	-	156,533
Rabbi's discretionary fund		1,000		1,000
	<u>291,362</u>	<u>239,522</u>	<u>(46,900)</u>	<u>483,984</u>
Restricted funds				
Scholarship fund	-	430	-	430
Charities fund	-	5,189	-	5,189
	<u>-</u>	<u>5,619</u>	<u>-</u>	<u>5,619</u>
Total funds	<u>291,362</u>	<u>245,141</u>	<u>(46,900)</u>	<u>489,603</u>

Notes to the accounts for the year ended 31 December 2013

(continued)

8. Unrestricted funds	note	£	2012 £
ACCUMULATED GENERAL FUND			
Balance at 1 January 2013		285,343	206,290
Incoming resources			
Members' subscriptions including income tax recoverable	255,533		274,484
Religion school	14,818		8,430
SPY (youth club)	-		3,751
Premises lettings	46,576		35,835
Other Synagogue activities	6,591		4,286
Donation received including income tax recoverable	-		9,375
	<u>323,518</u>		<u>336,161</u>
Resources expended			
Rabbinic salary and religious activities	69,952		57,261
Religion school	33,637		36,841
SPY (youth club)	842		2,454
Other Synagogue activities	2,124		2,435
Affiliation fees and levy	52,744		59,282
Premises costs	40,278		58,618
Hall refurbishment	-		590
Administration	40,437		43,689
Governance costs: accountancy	7,644		7,560
Building loan interest payable	3,545		3,738
Depreciation of fixed assets	3,273		3,305
	<u>254,476</u>		<u>275,773</u>
Net incoming resources before transfers	69,042		60,388
Transfer from fund for specific Synagogue purposes	3,503		55,771
Transfer to burial, cremation and funeral fund	<u>(31,437)</u>		<u>(37,106)</u>
Net incoming resources		41,108	79,053
Balance at 31 December 2013		<u><u>326,451</u></u>	<u><u>285,343</u></u>

continued...

SOUTHGATE PROGRESSIVE SYNAGOGUE

Notes to the accounts for the year ended 31 December 2013

(continued)

DRAFT

8. Unrestricted funds (continued)	note	£	£	£	2012 £
Accumulated general fund brought forward			326,451		18,665
BURIAL, CREMATION & FUNERAL FUND					
Balance at 1 January 2013		156,533		156,533	
Interest received		2,106		1,008	
LJ ground fees		(27,324)		(25,679)	
Funeral expenses		(6,219)		(12,435)	
Net outgoing resources before transfers		(31,437)		(37,106)	
Transfer from accumulated general fund		31,437		37,106	
Net incoming (outgoing) resources		-	156,533	-	156,533
FUNDS FOR SPECIFIC SYNAGOGUE PURPOSES					
Balance at 1 January 2013		-		52,053	
Donations received		3,503		3,718	
Disbursements		-		-	
Net incoming resources before transfers		3,503		3,718	
Transfer to accumulated general fund		(3,503)		(55,771)	
Net (outgoing) incoming resources		-		(52,053)	
RABBI'S DISCRETIONARY FUND					
Balance at 1 January and 31 December 2013			1,000		1,000
Total unrestricted funds			483,984		176,198
9. Restricted funds					
SCHOLARSHIP FUND					
Balance at 1 January and 31 December 2013		980			980
Donations made		(550)			-
Net outgoing resources		(550)			-
			430		980
CHARITIES FUND					
Balance at 1 January 2013		9,800		1,995	
Donations received:					
High holy day appeal		3,735		5,717	
Other donations		584		3,624	
Donations made	12	(8,930)		(536)	
Net incoming resources before transfers		(4,611)		8,805	
Transfer to Rabbi's discretionary fund		-		(1,000)	
Net incoming resources		(4,611)	5,189	7,805	9,800
Total restricted funds			5,619		10,780

Notes to the accounts for the year ended 31 December 2013

(continued)

	£	2012 £
10. Staff costs		
Wages and salaries	126,892	104,171
Social security costs	9,616	6,810
Pension contributions	4,077	2,001
	<u>140,585</u>	<u>112,982</u>
The average full time equivalent number of employees, analysed by function, was:	number	number
Religious activities	1	1
Education and youth	2	2
Management and administration	2	2
	<u>5</u>	<u>5</u>
11. Remuneration paid to Council members and family of Council members		
The following amounts were paid at the same rates and under the same terms as others providing the same services to the Synagogue:		
	£	£
To Mrs P Freedman (Council member) as a religion school teacher	-	2,933
To Miss D.Freedman (daughter of Council member) as a religion school teacher	-	264
To Mrs R Cutler (daughter of Council member) as a religion school teacher	-	1,527
To Mrs M Finlay (Custodian Trustee) as a religion school teacher	2,862	4,584
To Mr C Martin (husband of Mrs B Martin, Hon. Secretary) as caretaker	150	360
To Miss E Marsh (daughter of council member)	560	-
	<u>560</u>	<u>-</u>
12. Donations made		
High holy day appeal distributions	8,346	-
Other donations	584	536
	<u>8,930</u>	<u>536</u>