
FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

FEDERATION OF SYNAGOGUES

CONTENTS

	Page
Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2 - 7
Independent auditors' report	8 - 9
Consolidated statement of financial activities	10
Consolidated balance sheet	11
Charity balance sheet	12
Consolidated cash flow statement	13
Notes to the financial statements	14 - 32

FEDERATION OF SYNAGOGUES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2015

Trustees D. Black, Vice President
A. S. Cohen, President
S. Gertner, Burial Society Treasurer
A. Jacobs, Treasurer
L. Newmark, Treasurer
J. Weg, Vice President
M. Winegarten, Burial Society Treasurer

Charity registered number 254951

Principal office 65 Watford Way
London
NW4 3AQ

Honorary Life President A. Cohen

Chief executive officer Rabbi A. Lazarus

Independent auditors Landau Morley LLP
York House
Empire Way
Wembley
Middlesex
HA9 0FQ

Bankers HSBC
165 Fleet Street
London
EC4A 2DY

Solicitors Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Fladgate LLP
25 North Row
London
W1K 6DJ

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2015. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

LEGAL AND ADMINISTRATIVE DETAILS

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

The following Trustees were elected (after a ballot was required for all positions other than that of President).

President	Andrew S Cohen
Vice President	Jacob Weg
Vice President	Dov Black
Treasurer	Leon Newmark
Treasurer	Adam Jacobs
Burial Society Treasurer	Steven Gertner
Burial Society Treasurer	Moshe Winegarten

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

There are four Council meetings each year and, under the new Laws, the Council of the Federation acts as a consultative body. The Trustees have an obligation to seek the views of Council on matters of special business, defined as:

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

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

The Council has the following core powers:

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

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

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

Kosher Foods Supervisory Services Limited (KFSS) provides supervised Kosher food production in the UK and overseas. It had a turnover of £904,564 (£768,748 in 2014) with a profit for the year of £5,806 (2014: £11,485), as shown at note 30 of the Financial Statements. Trading conditions remained difficult throughout the year but the Directors believe that the performance of this subsidiary can improve still further.

Watford Way Investments Limited holds property for investment purposes which was financed out of the proceeds from the sale of West Hackney synagogue. The subsidiary commenced trading on the 21st December 2006. The company owns a commercial property in Coventry which includes two office suites, both of which remained occupied for the whole of 2015. Watford Way's result for the year was £nil before re-valuation. The Trustees believe that the property in Coventry remains a good medium to long term investment.

Risk management

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

Remuneration

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

OBJECTIVES AND ACTIVITIES

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

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

The vast majority of the activity of the Federation is at local community level. Federation synagogues provide a

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

highly valued and quality service to their members. Federation synagogues are friendly, warm and welcoming to both members and guests. The structure and atmosphere in a Federation synagogue is designed to enable members to achieve their religious potential. The small size of membership of a Federation synagogue enables the Rabbi to know most of the congregants and to be able to have a personal influence on their religious growth. Federation synagogues arrange a large number of education and social programmes and members are given every opportunity not only to participate but also volunteer in the organisation of synagogal activities.

Each synagogue reports on its own activities to its members on an annual basis at its Annual General Meeting as well as through websites, newsletters and magazines. The Federation of Synagogues recognises the importance of sharing the responsibility for the organisation with Head Office and a level of commitment by local boards of management is extremely high.

The Federation's success can be largely measured by its ability to attract new members to its synagogues and new synagogues to join the organisation.

Grant making

During the year the charity acted as an enabling body for its members to make donations, through an annual appeal, to Chai Cancer Care, Jewish Chaplaincy and Manna UK (Meir Panim). The Federation does not charge for this service.

Direct grants were made from unrestricted funds. The Trustees' policy is to award grants on the basis of educational, religious or charitable need, subject to the general objects of the charity.

ACHIEVEMENTS AND PERFORMANCE

In 2015 a number of key events took place at the Federation. For the purpose of this report, these have been grouped under the headings of Communities, Burial Society, and Head Office.

Communities

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

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

Ohr Yisrael – Elstree

The property behind the current synagogue was purchased, funded by the sale of the house in Allum Lane, where the community Rabbi, Rabbi Garson, and his family, live. They are now tenants at the same address. The community plans to undertake a large-scale development of the site, incorporating the land of the current synagogue and the house behind it, over the next few years.

Fieldgate Street Synagogue

The building of this Affiliate Synagogue of the Federation was sold and its members transferred to other Federation shuls, primarily to the Hendon Beth Hamedrash.

Kol Yaakov, Manchester

This fledgling community of nearly 100 young families was admitted to the Federation at the September Council meeting. The community began services in private homes in Prestwich in 2014 and currently rent a local school hall for that purpose. The Federation bought an option to purchase land in George Street, Prestwich and if the purchase proceeds, a two-phase building project is anticipated. Initially the synagogue will be housed in portacabins on one side of the site while the community raises funds for a larger, long-term development.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

Kehillas Netzach Yisroel, Edgware

This synagogue of just under 100 member families, led by Rabbi Dovid Roberts, joined the Federation in June 2015. The Federation intends to assist the community with finding suitable long term premises in the near future.

The Trustees remain in discussion with approximately ten other communities who have approached the Federation to explore the possibility of joining.

Burial Society

In 2015 the Federation began an overhaul of the Burial Society's IT infrastructure, with the goal of modernising and improving the service it provides. This will include new cloud-based cemetery software, a mapping facility and user-friendly kiosks on-site at our cemeteries to allow for the easy location of graves.

At Edmonton Cemetery there has been further research undertaken as to the most economical method of repairing or replacing the boundary wall, as well as additional potential funding streams.

At Rainham, the Federation completed on the sale of excess land for £9.6m subsequent to the year end. This sale leaves the Federation in possession of a further seven acres of unused land which, together with other space in the cemetery, translates to approximately 10,000 unfilled plots.

Work has been undertaken to improve the appearance of the cemetery, with the commencement of a programme of removal of broken stones and laying of wood chippings throughout the pathway.

Planning preparations continued for the new cemetery in Edgware, with several planning conditions being discharged. Ground works will begin in the summer of 2016.

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

Head Office

In 2015 the Federation began its own shechita and meat licensing operation.

Toward the end of 2015 a major restructure was undertaken at Head Office both in terms of personnel and IT infrastructure, with the goal of modernisation and increased efficiency. Seven members of staff were made redundant and five new positions were created.

There has been a significant investment in both hardware and software for the Head Office IT function and work began on a project to roll out a cloud-based membership and accounting software across the organisation in the second half of 2016. Steps were also taken to move the Head Office accounting system from Sage to a cloud-based programme, Xero.

Public Benefit

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

FINANCIAL REVIEW

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

The group shared net assets of £17,686,332 up from £15,369,924 in 2014. The Federation enjoyed an

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2015

operating surplus of £2,316,408 during the year (2014: £2,545,202).

The income from the gravel extraction at Rainham was £219,929 during the year (up from £183,099 in 2014). As reported last year, income from this source is coming to an end, with the lease expiring in 2017, the last two/three years of which will be used by the lessee to reinstate the land in accordance with the requirements of the lease. The Treasurers' objective is to manage the organisation's finances so that the current level of activity can be maintained without relying on mineral royalties.

Policy on reserves

At the year end free reserves were £55,584. This includes creditors due in more than one year which relate to mortgages secured on tangible fixed assets. It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level which provides sufficient resources to fund the charitable commitments and the cost of management and administration.

Investment policy and its objectives

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

PLANS FOR FUTURE PERIODS

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

- Increasing the income and profit from KFSS. There are now several products in UK supermarkets that carry the KF logo and plans are to expand on this in the months to come.
- Four of the five new vacancies created as part of the restructure have now been filled and it is hoped that the final position for a Head of Finance will be filled in 2016.
- The Trustees will continue to discharge planning obligations at the new Edgware Cemetery and submit further amendments to the current planning to the council planning committee. The aim is for work to begin on the cemetery in the summer of 2016.
- Investment in new communities both in London and Manchester.
- The appointment of new Dayonim to the Beth Din.

These Financial Statements show that the organisation has strength in depth and, throughout the year under review, the Trustees together with the Chief Executive, have continued to exercise due diligence in order to reduce overheads and counter the negative effects of the difficult economic conditions. It is hoped that in the coming year, an actuarial review of the Burial Society as well as the communities' migration onto a cloud based accounting platform will further enhance the Federation's position.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

FEDERATION OF SYNAGOGUES

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2015**

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 27 September 2016 and signed on their behalf by:

A. S. Cohen, President

A. Jacobs, Treasurer

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

We have audited the financial statements of Federation of Synagogues for the year ended 31 December 2015 set out on pages 10 to 32. 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 151 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 151 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 group's and the parent 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 group's and the parent charity's affairs as at 31 December 2015 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

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; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Landau Morley LLP

York House
Empire Way
Wembley
Middlesex
HA9 0FQ
28 September 2016

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

FEDERATION OF SYNAGOGUES

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOME FROM:					
Donations and legacies	2	2,260,825	20,000	2,280,825	891,693
Other trading activities	3	904,565	-	904,565	768,748
Investments	4	235,497	-	235,497	224,441
Charitable activities	5	577,352	-	577,352	572,739
Other income	6	801,639	-	801,639	2,179,613
TOTAL INCOME		4,779,878	20,000	4,799,878	4,637,234
EXPENDITURE ON:					
Raising funds	7	911,416	-	911,416	771,469
Charitable activities	8	1,797,803	24,251	1,822,054	1,560,632
TOTAL EXPENDITURE	11	2,709,219	24,251	2,733,470	2,332,101
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS					
Net gains on investments	17	2,070,659	(4,251)	2,066,408	2,305,133
		250,000	-	250,000	240,069
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
		2,320,659	(4,251)	2,316,408	2,545,202
Transfers between Funds	22	50,000	(50,000)	-	-
NET INCOME / (EXPENDITURE)		2,370,659	(54,251)	2,316,408	2,545,202
NET MOVEMENT IN FUNDS		2,370,659	(54,251)	2,316,408	2,545,202
RECONCILIATION OF FUNDS:					
Total funds at 1 January 2015		13,174,938	2,194,986	15,369,924	12,824,722
TOTAL FUNDS AT 31 DECEMBER 2015		15,545,597	2,140,735	17,686,332	15,369,924

All activities relate to continuing operations.

The notes on pages 14 to 32 form part of these financial statements.

FEDERATION OF SYNAGOGUES

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16	15,804,257		15,064,988	
Investment property	17	1,250,000		1,000,000	
Total tangible assets			17,054,257		16,064,988
Investments	18		5,452		5,452
			17,059,709		16,070,440
CURRENT ASSETS					
Debtors	19	364,375		348,409	
Cash at bank and in hand		2,634,241		1,216,595	
		2,998,616		1,565,004	
CREDITORS: amounts falling due within one year	20	(847,491)		(696,381)	
NET CURRENT ASSETS			2,151,125		868,623
TOTAL ASSETS LESS CURRENT LIABILITIES			19,210,834		16,939,063
CREDITORS: amounts falling due after more than one year	21		(1,524,502)		(1,569,139)
NET ASSETS			17,686,332		15,369,924
CHARITY FUNDS					
Restricted funds	22		2,140,735		2,194,986
Unrestricted funds:					
Unrestricted income funds	22	15,948,549		13,827,890	
Revaluation reserve		(402,952)		(652,952)	
Total unrestricted funds			15,545,597		13,174,938
TOTAL FUNDS			17,686,332		15,369,924

The financial statements were approved by the Trustees on 27 September 2016 and signed on their behalf, by:

A. S. Cohen, President

L. Newmark, Treasurer

The notes on pages 14 to 32 form part of these financial statements.

FEDERATION OF SYNAGOGUES

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	16		15,799,740		15,057,073
Investments	18		5,452		5,452
			<u>15,805,192</u>		<u>15,062,525</u>
CURRENT ASSETS					
Debtors	19	1,932,003		1,985,992	
Cash at bank and in hand		2,577,216		1,134,495	
			<u>4,509,219</u>	<u>3,120,487</u>	
CREDITORS: amounts falling due within one year	20		<u>(673,747)</u>	<u>(558,312)</u>	
NET CURRENT ASSETS			<u>3,835,472</u>		<u>2,562,175</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>19,640,664</u>		<u>17,624,700</u>
CREDITORS: amounts falling due after more than one year	21		<u>(1,927,454)</u>		<u>(2,222,091)</u>
NET ASSETS			<u><u>17,713,210</u></u>		<u><u>15,402,609</u></u>
CHARITY FUNDS					
Restricted funds			2,140,735		2,194,986
Unrestricted funds			15,572,475		13,207,623
TOTAL FUNDS			<u><u>17,713,210</u></u>		<u><u>15,402,609</u></u>

The financial statements were approved by the Trustees on 27 September 2016 and signed on their behalf, by:

A. S. Cohen, President

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Cash flows from operating activities			
Net cash provided by operating activities	24	<u>1,662,277</u>	<u>636,717</u>
Cash flows from investing activities:			
Proceeds from the sale of property, plant and equipment		880,762	2,563,026
Purchase of property, plant and equipment		(1,080,756)	(5,787,041)
Proceeds from sale of investments		-	728,209
Net cash used in investing activities		<u>(199,994)</u>	<u>(2,495,806)</u>
Cash flows from financing activities:			
Repayments of borrowings		(44,637)	(8,891)
Cash inflows from new borrowing		-	1,330,000
Net cash (used in)/provided by financing activities		<u>(44,637)</u>	<u>1,321,109</u>
Change in cash and cash equivalents in the year	25	1,417,646	(537,980)
Cash and cash equivalents brought forward		<u>1,216,595</u>	<u>1,754,575</u>
Cash and cash equivalents carried forward		<u><u>2,634,241</u></u>	<u><u>1,216,595</u></u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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.

The trust constitutes a public benefit entity as defined by FRS 102.

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

No separate SOFA has been presented for the charity alone as permitted by FRS 102.

1.2 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

1.3 Designated Synagogue Funds

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

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. All income comprises gross income on a receivable basis from membership contributions, gifts, donations, premises hire, licence fees, interest and rent, Rabbinical court fees and sundry other income, other than transfer payments from closed synagogues, which are treated as deferred income over an agreed period.

Members subscriptions to secure burial rights are accounted for as income on a receivable basis. No provision is made for the future cost of providing the funerals.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

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

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

1.5 Affiliated synagogues

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

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings..

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

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

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

Motor vehicles	-	25% straight line
Equipment and computer software	-	25% straight line

1.8 Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

1.15 Value added tax

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

1.16 Funerals in advance

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

1.17 Taxation

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Synagogue membership	356,759	-	356,759	352,446
Other synagogue income including donations	1,904,066	20,000	1,924,066	358,860
Designated synagogue funds	-	-	-	180,387
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	2,260,825	20,000	2,280,825	891,693

In 2014, of the total income from donations and legacies, £711,306 was attributable to unrestricted funds and £180,387 was attributable to restricted funds

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Kashrus licensing	904,565	-	904,565	768,748

In 2014, of the total income from other trading activities, £768,748 was attributable to unrestricted funds and £nil was attributable to restricted funds.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Rental income	230,283	-	230,283	215,577
Interest receivable	5,214	-	5,214	8,864
	<u>235,497</u>	<u>-</u>	<u>235,497</u>	<u>224,441</u>

In 2014, of the total investment income, £224,441 was attributable to unrestricted funds and £nil was attributable to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Burial Society	572,612	-	572,612	555,671
Beth Din	4,740	-	4,740	17,068
	<u>577,352</u>	<u>-</u>	<u>577,352</u>	<u>572,739</u>

In 2014, of the total income from charitable activities, £572,739 was attributable to unrestricted funds and £nil was attributable to restricted funds.

6. OTHER INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Gain on disposal of fixed assets	581,710	-	581,710	1,996,514
Mineral rights receivable	219,929	-	219,929	183,099
	<u>801,639</u>	<u>-</u>	<u>801,639</u>	<u>2,179,613</u>

In 2014, of the total other income, £2,179,613 was attributable to unrestricted funds and £nil was attributable to restricted funds.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. RAISING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Kashrus licensing	339,583	-	339,583	280,441
Investment management costs	10,052	-	10,052	7,456
Staff costs	561,781	-	561,781	483,572
	<u>911,416</u>	<u>-</u>	<u>911,416</u>	<u>771,469</u>

In 2014, of the total raising funds expenditure, £771,469 was attributable to unrestricted funds and £nil was attributable to restricted funds.

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Burial Society	446,480	-	446,480	432,240
Beth Din	132,488	-	132,488	134,923
Education	667	-	667	15,000
Synagogues	1,218,168	24,251	1,242,419	978,469
	<u>1,797,803</u>	<u>24,251</u>	<u>1,822,054</u>	<u>1,560,632</u>

In 2014, of the total expenditure, £1,560,632 was expenditure from unrestricted funds and £nil was expenditure from restricted funds.

9. DIRECT COSTS

	Burial Society £	Beth Din £	Education £	Synagogue s £	Total 2015 £	Total 2014 £
Other costs	169,510	17,255	667	279,251	466,683	446,974
Staff costs	217,492	84,837	-	469,726	772,055	694,303
Depreciation	3,030	-	-	35,212	38,242	37,215
	<u>390,032</u>	<u>102,092</u>	<u>667</u>	<u>784,189</u>	<u>1,276,980</u>	<u>1,178,492</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. SUPPORT COSTS

	Burial Society	Beth Din	Synagogues	Total 2015	Total 2014
Other costs	25,449	13,704	244,232	283,385	194,871
Staff costs	30,999	16,692	213,998	261,689	187,270
	<u>56,448</u>	<u>30,396</u>	<u>458,230</u>	<u>545,074</u>	<u>382,141</u>

Support costs include governance costs of £154,868 (2014: £125,365).

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Expenditure on raising funds	561,781	4,193	345,442	911,416	771,469
Costs of generating funds	<u>561,781</u>	<u>4,193</u>	<u>345,442</u>	<u>911,416</u>	<u>771,469</u>
Burial Society	248,491	3,030	194,959	446,480	432,240
Beth Din	101,529	-	30,959	132,488	134,923
Education	-	-	667	667	15,000
Synagogues	683,724	35,212	523,483	1,242,419	978,469
Charitable activities	<u>1,033,744</u>	<u>38,242</u>	<u>750,068</u>	<u>1,822,054</u>	<u>1,560,632</u>
	<u>1,595,525</u>	<u>42,435</u>	<u>1,095,510</u>	<u>2,733,470</u>	<u>2,332,101</u>

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Burial Society	390,032	56,448	446,480	432,240
Beth Din	102,092	30,396	132,488	134,923
Education	667	-	667	15,000
Synagogues	784,189	458,230	1,242,419	978,469
Total	<u>1,276,980</u>	<u>545,074</u>	<u>1,822,054</u>	<u>1,560,632</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	38,242	37,215
Auditors' remuneration (including subsidiaries)	17,505	15,075
Auditors' remuneration - non-audit	7,700	-
	=====	=====

During the year, no Trustees received any remuneration (2014 - £NIL).

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

14. STAFF COSTS

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	1,448,352	1,242,154
National Insurance	119,990	102,585
Pension	27,183	20,406
	=====	=====
	1,595,525	1,365,145

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. STAFF COSTS

Staff costs were as follows:

Wages and salaries	1,595,525	1,365,145
--------------------	------------------	------------------

The average monthly number of employees was: 81 (2014: 76) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

	No.	No.
Synagogues	31	29
Burial Society	9	8
Kashrus	19	22
Administration	17	15
	<hr/> 76 <hr/>	<hr/> 74 <hr/>

The number of higher paid employees was:

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

Included in wages and salaries are redundancy payments of £53,893 paid to staff.

The key management personnel of the charity comprise the Trustees, Dayan and the Chief Executive. The total employee benefits of the key management personnel of the Charity were £183,790.

Of the employees whose emoluments exceed £60,000, two (2014: one) has retirement benefits accruing under defined contribution pension schemes, totalling £10,483 (2014: £6,318).

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost				
At 1 January 2015	14,984,732	35,194	249,546	15,269,472
Additions	1,060,207	-	20,549	1,080,756
Disposals	(299,052)	-	-	(299,052)
At 31 December 2015	<u>15,745,887</u>	<u>35,194</u>	<u>270,095</u>	<u>16,051,176</u>
Depreciation				
At 1 January 2015	-	30,956	173,528	204,484
Charge for the year	-	1,413	41,022	42,435
At 31 December 2015	<u>-</u>	<u>32,369</u>	<u>214,550</u>	<u>246,919</u>
Net book value				
At 31 December 2015	<u>15,745,887</u>	<u>2,825</u>	<u>55,545</u>	<u>15,804,257</u>
<i>At 31 December 2014</i>	<u>14,984,732</u>	<u>4,238</u>	<u>76,018</u>	<u>15,064,988</u>

All the assets are used for charitable purposes.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Charity	Freehold property £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost				
At 1 January 2015	14,984,732	29,544	233,598	15,247,874
Additions	1,060,207	-	19,754	1,079,961
Disposals	(299,052)	-	-	(299,052)
At 31 December 2015	<u>15,745,887</u>	<u>29,544</u>	<u>253,352</u>	<u>16,028,783</u>
Depreciation				
At 1 January 2015	-	29,544	161,257	190,801
Charge for the year	-	-	38,242	38,242
At 31 December 2015	<u>-</u>	<u>29,544</u>	<u>199,499</u>	<u>229,043</u>
Net book value				
At 31 December 2015	<u>15,745,887</u>	<u>-</u>	<u>53,853</u>	<u>15,799,740</u>
<i>At 31 December 2014</i>	<u>14,984,732</u>	<u>-</u>	<u>72,341</u>	<u>15,057,073</u>

17. INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 January 2015	1,000,000
Revaluation	250,000
At 31 December 2015	<u>1,250,000</u>

The investment property was purchased in 2006 and was valued at fair value by an independent valuer holding a recognised and relevant qualification with recent experience in the location and class of the property being valued.

The total reduction of £402,952 (2014: £652,952) on the historical cost of £1,652,952 is considered to be a temporary fall in value.

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

18. FIXED ASSET INVESTMENTS

	Other investments £	
Group		
Market value		
At 1 January 2015 and 31 December 2015		<u>5,452</u>
Historical cost		<u>5,452</u>
Group investments at market value comprise:		
	2015	2014
	£	£
Other fixed asset investments	<u>5,452</u>	<u>5,452</u>

All the fixed asset investments are held overseas

Investments within the charity are represented by Mutual Funds listed on the Israeli Stock Exchange of £5,452 (2014: £5,452).

	Other investments £	
Charity		
Market value		
At 1 January 2015 and 31 December 2015		<u>5,452</u>
Historical cost		<u>5,452</u>
Charity investments at market value comprise:		
	2015	2014
	£	£
Other fixed asset investments	<u>5,452</u>	<u>5,452</u>

All the fixed asset investments are held overseas.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

19. DEBTORS

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	1,625,510	1,620,843
Due within one year				
Trade debtors	253,552	243,240	-	-
Amounts owed by group undertakings	-	-	196,930	262,333
Short term loans to others	5,403	8,703	5,403	8,703
Other debtors	105,420	96,466	104,160	94,113
	364,375	348,409	1,932,003	1,985,992

The charity loaned the sum of £1,657,568 to Watford Way Investments Limited to purchase the investment property in 2006. The loan is secured by a fixed and floating charge over the assets of the company (including property). The loan facility is for a period of 25 years and interest accrues at 2% (2014:1%) per annum above the base rate of the Royal Bank of Scotland. Although there has been a fall in the value of the investment property the trustees consider that this fall is temporary and the full balance of the loan will be recoverable. This loan is included within long term debtors to reflect the fact that the loan is not considered to be recoverable within the 12 months following the year end.

In 2015 a provision of £402,952 (2014: £652,952) has been made against this loan in order to offset the reduction in value of the property. This is included in creditors due after more than one year.

20. CREDITORS:

Amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	42,337	30,390	42,337	30,390
Trade creditors	30,002	32,692	29,253	32,164
Other taxation and social security	75,643	61,504	27,321	26,391
Funerals in advance	444,577	382,177	444,577	382,177
Other creditors	68,252	73,434	-	-
Accruals and deferred income	186,680	116,184	130,259	87,190
	847,491	696,381	673,747	558,312

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	Group	Charity
	£	£
Deferred income		
Deferred income at 1 January 2015	40,000	40,000
Amounts released from previous years	(10,000)	(10,000)
Deferred income at 31 December 2015	30,000	30,000

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

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

	Group		Charity	
	2015	<i>2014</i>	2015	<i>2014</i>
	£	£	£	£
Bank loans	1,524,502	<i>1,569,139</i>	1,524,502	<i>1,569,139</i>
Provision against intercompany debtor	-	-	402,952	<i>652,952</i>
	1,524,502	<i>1,569,139</i>	1,927,454	<i>2,222,091</i>
	1,524,502	<i>1,569,139</i>	1,927,454	<i>2,222,091</i>

In 2010, the charity took out a 25 year mortgage of £300,000 and as at 31 December 2015, £260,322 remained outstanding with £250,477 being due in more than one year. The funds were required to finance the construction of a new synagogue building in Bury New Road, Salford, Manchester, for the Ohr Yerushalayim community.

In 2014 the charity took out a loan of £1,330,000, for a period not exceeding 10 years, in order to assist with the purchase of a property in Brent Green, Hendon, London, for use as a synagogue. As at 31 December 2015, £1,306,517 remained outstanding, with £1,274,025 being due in more than one year.

The loans are secured on the respective properties.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	13,827,890	4,779,878	(2,709,219)	50,000	-	15,948,549
Revaluation reserve	(652,952)	-	-	-	250,000	(402,952)
	<u>13,174,938</u>	<u>4,779,878</u>	<u>(2,709,219)</u>	<u>50,000</u>	<u>250,000</u>	<u>15,545,597</u>
Restricted funds						
Proceeds from sale of synagogues (Federation of Synagogues formerly Amalgamated Fund)	1,100,006	-	-	-	-	1,100,006
Philpot Street Sphardish synagogue	562,843	-	-	-	-	562,843
Designated synagogue funds	532,137	-	(12,066)	(50,000)	-	470,071
Shaila Text	-	20,000	(12,185)	-	-	7,815
	<u>2,194,986</u>	<u>20,000</u>	<u>(24,251)</u>	<u>(50,000)</u>	<u>-</u>	<u>2,140,735</u>
Total of funds	<u><u>15,369,924</u></u>	<u><u>4,799,878</u></u>	<u><u>(2,733,470)</u></u>	<u><u>-</u></u>	<u><u>250,000</u></u>	<u><u>17,686,332</u></u>

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

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

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

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

The transfer between funds relate to £50,000 of donations received to be used on renovating a Synagogue building. This work has now been completed.

The restricted fund Shaila Text represents a donation for education services run by the charity.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	13,174,938	4,779,878	(2,709,219)	50,000	250,000	15,545,597
Restricted funds	2,194,986	20,000	(24,251)	(50,000)	-	2,140,735
	<u>15,369,924</u>	<u>4,799,878</u>	<u>(2,733,470)</u>	<u>-</u>	<u>250,000</u>	<u>17,686,332</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	14,184,561	1,619,696	15,804,257	15,064,988
Fixed asset investments	5,452	-	5,452	5,452
Investment property	1,250,000	-	1,250,000	1,000,000
Current assets	2,477,577	521,039	2,998,616	1,565,005
Creditors due within one year	(847,491)	-	(847,491)	(696,381)
Creditors due in more than one year	(1,524,502)	-	(1,524,502)	(1,569,140)
	<u>15,545,597</u>	<u>2,140,735</u>	<u>17,686,332</u>	<u>15,369,924</u>

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

	2015 £	2014 £
Net income for the year (as per Statement of financial activities)	2,316,408	2,545,202
Adjustment for:		
Depreciation charges	42,435	41,209
Gains on investments	(250,000)	(240,069)
Profit on the sale of fixed assets	(581,710)	(1,996,264)
Decrease in stocks	-	275,000
(Increase)/decrease in debtors	(15,966)	47,051
Increase/(decrease) in creditors	151,110	(35,412)
Net cash provided by operating activities	<u>1,662,277</u>	<u>636,717</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015	2014
	£	£
Cash in hand	2,634,241	1,216,595
Total	2,634,241	1,216,595

26. CAPITAL COMMITMENTS

At 31 December 2015 the group and charity had capital commitments as follows:

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Contracted for but not provided in these financial statements	-	72,330	-	72,330
	-	72,330	-	72,330

27. RELATED PARTY TRANSACTIONS

During the year £3,014 (inclusive of VAT) (2014: £17,400) was charged by BBS Law Limited (formerly BBS Zatman Limited) on an arms length basis for legal services provided to the charity. Dov Black, a trustee of the charity, is a partner in that law firm.

28. POST BALANCE SHEET EVENTS

Subsequent to the year end, the Federation completed on the sale of excess land at Rainham for £9.6m.

29. CONTROLLING PARTY

The charity is under the control of the trustees.

30. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Kosher Foods Supervisory Services Limited	England and Wales	100%	Providing supervised Kosher food production in the United Kingdom and overseas
Watford Way Investments Limited	England and Wales	100%	Holding a property for investment purposes which is rented out on a commercial basis.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Both companies are wholly owned by the charity and are limited by guarantee.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit/(loss) for the year £
Kosher Foods Supervisory Services Limited	(26,879)	5,806
Watford Way Investments Limited	(402,952)	-

The summary financial performance of each of the charity's subsidiary undertakings for the last financial year ended 31 December 2015 was as follows:

	Kosher Foods Supervisory Services Limited £	<i>Watford Way Investments Limited £</i>
Turnover	904,564	112,191
Cost of sales and administrative costs	(898,758)	(112,191)
	5,806	-

The assets and liabilities of the subsidiaries were:

	Kosher Foods Supervisory Services Limited £	<i>Watford Way Investments Limited £</i>
Fixed assets	4,519	1,250,000
Current assets	254,988	56,849
Current liabilities	(286,386)	(84,291)
Long term liabilities	-	(1,625,510)
Total net liabilities	(26,879)	(402,952)

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

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

	£
Total incoming resources	4,132,656
Total resources expended	<u>1,822,054</u>
	<u>2,310,602</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

31. TRANSITION TO FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2014.

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income for the year is provided with the net income under previous GAAP adjusted for the presentation of investment gains as a component of reported income.

Reconciliation of reported net income

	£
Net income as previously stated	2,305,133
Adjustment for gains on investments now treated as a component of net income	<u>240,069</u>
2014 net income as reinstated	<u>2,545,201</u>