

**Charity Registration No. 1117590**

**Company Registration No. 05890261 (England and Wales)**

**MASORTI JUDAISM**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

# MASORTI JUDAISM

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Simon Samuels (Co-chair)	(Appointed 1 September 2017)
	Shirley Fenster (Co-chair)	
	Paul Collin	(Appointed 26 September 2017)
	Miri Benchetrit	(Appointed 26 September 2017)
	James Burns	
	Leonie Fleischmann	(Appointed 26 September 2017)
	Laurence Harris	(Appointed 26 September 2017)
	Bruce Rigal*	
Ben Russell	(Appointed 26 September 2017)	

\* (Resigned April 2017 -  
Reappointed 26 September 2017)

**Secretary** Matthew Plen

**Charity number** 1117590

**Company number** 05890261

**Auditor** H W Fisher & Company  
Acre House  
11-15 William Road  
London  
United Kingdom  
NW1 3ER

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

Barclays Bank PLC  
126 Station Road  
Edgware  
Middlesex  
HA8 7RY

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# MASORTI JUDAISM

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**MASORTI JUDAISM**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**TRUSTEES REPORT (INCORPORATING DIRECTORS' REPORT)**  
**FOR THE PERIOD ENDED DATE 31 AUGUST 2018**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Masorti Judaism (the company) for the year ended 31 August 2018.

The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's Memorandum & Articles of Association, 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.

**1. Objectives and activities**

The Trustees review the principal aims, objectives and activities of Masorti Judaism each year to ensure that Masorti Judaism remains focused for the foreseeable future on its stated purpose and objects. The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the objectives and aims of Masorti Judaism in planning future activities, and in particular how the planned activities will further the public benefit.

**a. Purpose and core values**

The object of Masorti Judaism is to promote the practice and teaching of non-fundamentalist traditional Judaism. Our purpose as stated in our strategic plan is 'to develop flourishing communities, rooted in traditional practice and modern values, where people can find meaning by connecting to Judaism and to each other'. We aim for every Masorti community and the movement as a whole to be:

<i>Values</i>	<i>This means...</i>
Traditional	<ul style="list-style-type: none"> <li>• Operating in accordance with halacha as understood by the Rabbinical Assembly and the UK Masorti Rabbis</li> <li>• Gently encouraging our members to intensify their involvement in Jewish learning and observance</li> <li>• Explicitly grounding our work and communal activity in Jewish values, for example:               <ul style="list-style-type: none"> <li>▪ <i>Mitzvah</i> – commandedness,</li> <li>▪ <i>Talmud torah</i> – Jewish learning,</li> <li>▪ <i>Klal israel</i> - Jewish peoplehood,</li> <li>▪ <i>Kol yisrael arevim ze ba-ze</i> – Jewish mutual responsibility,</li> <li>▪ <i>Kvod ha-briyot</i> - human dignity,</li> <li>▪ <i>Mablokot</i> – pluralism and debate,</li> <li>▪ <i>Tikkun olam</i> – repairing the world,</li> <li>▪ The centrality of <i>medinat yisrael</i> – the state of Israel</li> </ul> </li> </ul>
Inclusive	<ul style="list-style-type: none"> <li>• Welcoming and integrating new people intentionally and proactively</li> <li>• Building communities that reflect a wide range of Jewish belief and practice</li> <li>• Celebrating diversity and ensuring our communities accommodate people irrespective of gender, sexuality, ethnicity, relationship and parental status, income, age, disability and political views</li> <li>• Enabling the increasing number of mixed Jewish/non-Jewish families to participate fully in communal life</li> </ul>
Learning	<ul style="list-style-type: none"> <li>• Regularly participating in Jewish learning</li> <li>• Engaging with the world in an open-minded and intellectually honest way</li> <li>• Giving and receiving feedback, evaluating our work, and responding dynamically to the results</li> </ul>
Empowering	<ul style="list-style-type: none"> <li>• Putting 'people before programme' and prioritising relationship-building</li> <li>• Systematically talent-spotting, recruiting and developing leaders</li> <li>• Maximising volunteer involvement</li> <li>• Avoiding unnecessary hierarchies and making decisions at the lowest possible level</li> </ul>

**b. Achievements 2017-18**

The following is a selection of the goals Masorti Judaism has achieved in the past year:

**Young people: Noam and Marom**

- Increased numbers at Noam summer camp and Israel tour, working with over 400 young people and volunteer staff at programmes in the UK, France and Israel.
- Launched a strategy for local, year-round work with young people incorporating weekly Noam clubs, Shabbat activities and

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day camps during school holidays.

- Continued to run Marom student groups at 13 campuses around the UK and relaunched Marom young adult programming aimed at young people aged 21-25 in London.
- Supporting the launch of Our Second Home, a summer camp for refugees led by Noam and Marom members
- Developed a partnership with the Conservative Yeshiva in Jerusalem to run intensive Jewish learning programmes and provide scholarships for UK students. We continued to run a successful Marom Talmud shiur aimed at young adults.

**Community development**

- Successfully piloted our Community Growth Toolkit with New Stoke Newington Shul, leading to increased membership, the development of new leaders, and a range of new programming within the community. We will be implementing this project with two more communities during 2018-19.
- Continued to support the Havurah (a community for young adults and families in North London) to run at-capacity fortnightly social, educational and cultural events, by providing intensive rabbinic support.
- Supported New Essex, Leeds, Oxford, Liverpool, Hatch End and Ilstree & Borehamwood communities by placing rabbis, chazanim and rabbinical students for regular and ad hoc engagements.
- Finalised a legal pathway for civil registration of same sex marriages within our communities, in partnership with New London Synagogue.
- Continued to provide conversion, divorce and kashrut supervision services through the European Masorti Bet Din.
- Written and implemented guidelines and briefings for all communities on GDPR and data protection.

**Leadership development**

- Continued to support two rabbinical students, established a sustainable rabbinic training fund for future candidates, and have supported long term recruitment by facilitating relationships between students, other candidates and several Masorti communities.
- Launched the Masorti Tefila Forum, a well-attended community of practice for leaders of prayer from communities across the movement.
- Implemented the results of a governance review, recruited a new, highly skilled, Board of Trustees, and held regular meetings of our new Community Chairs' Forum

**Communications and fundraising**

- Launched a new weekly Torah study sheet, Kol Masorti, which is distributed in every community.
- Run the first ever Masorti Shabbat, an event held in each Masorti community to strengthen movement identity, educate the membership about Masorti Judaism and to celebrate our successes.
- Published our new magazine, Etz Hadar, and an edition of the literary and cultural journal, Quest.
- Run a successful annual dinner for 330 guests, raising over £110,000 for the charity and providing support for the Marom centre in Budapest.

**c. Vision and aims**

Our new strategic plan, approved by trustees in July 2018, articulates the following vision. In 10 years' time, Masorti Judaism will be:

**Sustainable**

- Our membership will have increased by 50% to 6000 adults, driven primarily by growth in our existing communities.
- We will have 15 full time rabbis and chazanim (up from 7 full time and 3 volunteer/part time today), leading communities and projects in an entrepreneurial, innovative, growth-driving way.

**Deepening involvement and commitment**

- Every community will be actively engaged in outreach, welcoming, and developing their members.
- All communities and programmes will see increased active participation, learning, observance and leadership, measured both numerically and in terms of qualitative changes in the lives of individuals.

**Innovating and influencing**

- We will be supporting five established groups or programmes based around experimental, alternative community models, engaging 1,000 people in total.
- There will be a range of innovative educational, cultural, social action programming (face-to-face and virtual) provided by our communities or by the movement, with success measured in terms of innovativeness and breadth of engagement.
- Masorti Judaism, our rabbis and leaders will be actively influencing the wider Jewish community through thought leadership and collaborating with a range of like-minded Masorti and non-Masorti organisations and affiliated groupings in the UK and overseas

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The strategic plan sets four primary aims:

**1. Developing our synagogue communities**

Synagogues are the traditional core of the Jewish community: membership organisations whose primary regular activity is *tefila* (prayer services), around which other social, cultural, welfare, charitable and educational programming revolves. We aim to strengthen our synagogue communities, enabling them to continuously improve their work, meet the needs of their members, achieve their goals and grow. For practical reasons our priority is developing our existing communities. However, we will not rule out the development of new communities if circumstances favour this option, particularly in the later stages of this plan's implementation.

In the short-term, developing our existing synagogue communities is likely to be the primary means for growing the movement numerically. We aim to grow our synagogue membership by 750 individuals (18% growth) over five years. The assumption here is that growth will be a natural outcome of successful communities and therefore the bulk of our investment should be in training and recruiting *kelei kodesh* (rabbis and other clergy) and developing high-quality community leaders, enabling our communities to address the needs of all our members. We will also develop marketing and financial initiatives to encourage specific demographics to join our synagogues, and may also offer direct operational support in particular to smaller communities.

**2. Supporting youth, young adults and young families**

Young people are the future of our movement. We will continue to support and invest in young people and young families by developing high quality local and centralised youth programming via Noam, and by providing professional advice to boost the quality of our communities' provision. We aim to grow participation in Noam programming in a controlled, sustainable way year on year, minimally keeping pace with the growth in our communities. We will also increase our investment in Marom with the aim of developing thriving, innovative community life, Jewish programming and leadership development with young adults aged 18-25.

**3. Nurturing Jewish innovation**

While many people still see the synagogue as the primary focus for Jewish involvement, declining membership rates suggest that there are growing numbers of people – especially in their 20s and 30s – whose Jewish needs are not being met by synagogues. We have a responsibility and an opportunity to experiment with alternative models of Jewish community and engagement in order to broaden our appeal, meet the needs of wider circles of Jews, and rise to the challenge of creating meaningful, relevant forms of Jewish life. This means incubating experimental models of community and Jewish programming and then supporting the roll-out of the successful results. We aim to facilitate and support a network of five community groups or programmes, engaging in potentially fluid and innovative ways up to 1,000 people, and to support the emergence of these initiatives by investing in Marom as an incubator for Jewish innovation among young people.

This aim supports our long-term goal of community development. It also specifically addresses the priority of investing in young people, particularly young adults in the increasingly significant life-stage of 'emerging adulthood' (20s and 30s), whose need for non-synagogue, innovative forms of Jewish and community involvement have been clearly identified.

**4. Promoting our ideas – Jewish thought leadership**

As well as connecting people with Masorti Judaism by attracting them into our communities, we want to achieve this by bringing our ideas to them and influencing the Jewish discourse of the wider community. Our aim is to articulate a compelling vision of Judaism and promote it to as wide an audience as possible. This means sourcing, producing and disseminating content that explores new, compelling approaches to Judaism, community and Jewish life across diverse media and platforms: writing, video, events, social media, traditional and digital marketing and print.

2. Structure, Governance and Management

a. Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 28 July 2006. The company is constituted under a Memorandum of Association dated 5 July 2018 and is a registered charity number 1117590.

b. Organisational structure and decision making

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**i. Governing Document**

Masorti Judaism (formerly The Assembly of Masorti Synagogues) is a registered company limited by guarantee, number 05890261, and a registered charity, number 1117590, and is governed by its Memorandum and Articles of Association.

The directors are the Charity Trustees and appointed members of the Board of Trustees. The Board is responsible for managing and carrying out the objectives of Masorti Judaism in accordance with its Memorandum and Articles of Association.

The company has no share capital, but under the terms of its Memorandum and Articles of Association every member is liable to contribute a sum not exceeding £1 in the event that the company is wound up whilst they are a member or for one year thereafter.

**ii. Recruitment and Appointment of Trustees**

New trustees are proposed by a nominations committee following a transparent, skill-based recruitment process and elected by the members at a general meeting. There are nine trustees.

**iii. Trustee Induction and Training**

Masorti Judaism continues to review its policies and procedures for the induction and training of both new and existing Trustees.

We have recently adopted a formal code of conduct for Trustees and have initiated a series of training sessions aimed at Trustees. New Trustees are inducted through meetings with the co-chairs and staff and are provided with important information about the organisation such as the strategic development plan and the organisational budget.

**iv. Organisation Structure**

The Trustees meet 10 times a year to manage the affairs of Masorti Judaism, review its strategic plan and decide on its overall direction. The day to day running of the organisation is delegated to the Chief Executive and the senior leadership team and is supervised by the co-chairs of trustees

**v. Senior leadership team**

The senior management team comprises:

- Matt Plen – Chief Executive
- Rachel Sklan – Noam and Marom Director
- Jon Pam – Community Development Director
- Yaël Shotts – Operations Director

**c. Board of Trustees**

The following trustees served until 26 September 2017, when following a governance review the Board was disbanded:

James Burns  
Ilana Fenster  
Shirley Fenster (co-chair)  
Nicholas Gendler (co-chair)  
Paul Harris  
Edward Kafka  
Joanne Kosmin  
Darren Marks  
Bruce Rigal (treasurer)  
Nicholas Schlagman  
Daniel Stander  
Richard Wolfe

A new Board, consisting of the following trustees, was elected at a general meeting on 26 September 2017 and served for the remainder of the period covered by this report:

Miri Bencheitrit  
James Burns

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Paul Collin (treasurer)  
 Laurence Harris  
 Shirley Fenster (co-chair)  
 Leonie Fleischmann  
 Bruce Rigal  
 Ben Russell  
 Simon Samuels (co-chair)

d. Risk Management

The Board of Trustees have been actively assessing the major risks that Masorti Judaism faces on an ongoing basis and are of the opinion that maintaining reserves at reasonable levels, combined with regular reviews of the controls over key financial systems, has provided sufficient resources in the event of adverse conditions to enable Masorti Judaism to continue its operations. The Trustees have also regularly considered other business risks faced by Masorti Judaism and have endeavored to improve its operating systems in order to reduce these risks.

Among the risks identified are the possibility of loss of income due to fluctuating levels of voluntary donations and unanticipated changes in participant numbers at programmes and events, and the possibility of failing to achieve strategic aims due to lack of cooperation from key partners and stakeholders.

The key controls used by Masorti Judaism include:

- Regular review of risks to the organisation at Board level using a formal risk register.
- Formal agendas and minutes for all Board meetings and operational activities.
- Budgetary presentation for all major operational activities.
- Established organisational structure and lines of reporting.
- Formal written reports to the Board.
- Clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.
- Engagement of professional advisers as and when necessary.

In order to mitigate the major risk of falling Noam summer programme numbers and the associated financial impact, The charity has developed enhanced participant recruitment strategies and has adopted more robust financial reporting and planning systems to ensure that planned expenditure more closely matches projected income.

e. Volunteers

Masorti Judaism works with over 200 volunteers as youth leaders on residential camps and local activities, campus representatives and young adult leaders, steering group members and volunteers for fundraising and educational events, and members of various committees. As a community organisation, we work with volunteers as a matter of principle rather than financial necessity and so have not calculated the financial value of the work carried out by these volunteers.

**3. Membership**

The Board of Trustees may at its discretion and by a two-thirds majority vote admit as a member any congregation of Jews which has satisfied the Board that it is properly constituted as a charity and is willing to be bound by the Memorandum and Articles of Association of Masorti Judaism. Following any such admission as a member, the congregation of Jews so admitted shall be counted as a Constituent Synagogue for all purposes of the Memorandum and Articles of Association of Masorti Judaism. Each constituent synagogue will pay a subscription to Masorti Judaism as determined by the Board of Trustees.

Masorti Judaism's constituent members in 2017-18 comprised:

Name of Synagogue	Registered Charity No.	Number of Members	
		Jan 2017	Jan 2018
Edgware Masorti Synagogue	1117623	415	410
Elstree and Borehamwood Masorti Community	1139041	126	134
Hatch End Masorti Synagogue	10809051	122	126
Kol Nefesh Masorti Synagogue	1081444	107	107



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New Essex Masorti Synagogue (formerly Buckhurst Hill Masorti Synagogue)	297101	102	92
New London Synagogue	1133578	676	683
New North London Synagogue	1094668	2071	2079
New Stoke Newington Shul		56	88
St Albans Masorti Synagogue	1118649	255	256
<b>TOTAL</b>		<b>3930</b>	<b>3975</b>

Masorti Judaism's associate members in 2017-18 comprised:

Name of Synagogue	Registered Charity No.	Number of Members*	
I Havurah		80	100
Leeds Masorti Community		50	50
Liverpool Masorti		5	15
New Whetstone Synagogue		30	30
Ohel Moed		50	50
Oxford Masorti Group		30	30
<b>TOTAL</b>		<b>245</b>	<b>275</b>

*\*Estimated figures; most associate members do not have dues-paying membership arrangements.*

**4. Financial Review**

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Key financial performance indicators

The Statement of Financial Activities (SofA) set out on page 12, shows that the charity received donations and income of £1,273,592 (2017: £1,306,811) of which £1,260,716 (2017: £1,203,844) was paid out as expenses, leaving a surplus of £12,876 (2017: Surplus of £102,927).

Masorti Judaism has relied upon subscriptions from member synagogues, as well as grants and donations as referred to in these accounts for both restricted and unrestricted activities. The support of the donors has been extremely valued by the Board.

c. Reserves policy

It has been the policy of Masorti Judaism to maintain the unrestricted funds at levels which are adequate to meet ongoing management, administration and support costs. A detailed reserves policy has been adopted by the Trustees which sets out the aim of achieving £200,000 of free reserves (unrestricted funds less the net book value of fixed assets). The level of free reserves is monitored and reviewed regularly by the Board. The level of free reserves at year-end 2018 stood at £156,010.

The policy of Masorti Judaism has been to maintain the restricted funds at a level to enable it to meet its full obligations under the terms of their establishment by the donors.

d. Material investments policy

The Board has taken a prudent view regarding the investment of short term surplus funds. Accordingly, these funds have been placed on easy access deposit with bankers.

e. Cooperation with other charitable organisations

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Masorti Judaism has requested and received donations and grants from other charitable organisations for the furtherance of its objects. The charity has also extended assistance and support to other charitable organisations when considered desirable and in accordance with its objectives.

**5. Public Benefit Statement**

The Trustees have complied with their duties set out in the Charities Act 2011 to have 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.

**6. Provision of Information to Auditors**

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- So far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on 2 April 2019 and signed on their behalf by:



**Paul Collin  
Trustee**

# MASORTI JUDAISM

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### *FOR THE YEAR ENDED 31 AUGUST 2018*

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

The law applicable to charities in England and Wales requires the Trustees to prepare accounts 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 year.

In preparing these accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the accounts 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.

# MASORTI JUDAISM

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MASORTI JUDAISM

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#### **Opinion**

We have audited the financial statements of Masorti Judaism (the 'Charity') for the year ended 31 August 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 August 2018 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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, except to the extent otherwise explicitly stated in our report, 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.

# MASORTI JUDAISM

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MASORTI JUDAISM

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a strategic report.

#### **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**

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.

# MASORTI JUDAISM

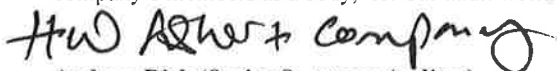
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MASORTI JUDAISM

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#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Andrew Rich (Senior Statutory Auditor)**

for and on behalf of H W Fisher & Company

**Chartered Accountants**

**Statutory Auditor**

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

3/4/19

## MASORTI JUDAISM

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Income from:</b>					
Donations and legacies	3	536,476	207,835	744,311	771,172
Charitable activities	4	532,575	-	532,575	533,539
Other trading activities	5	1,000	-	1,000	2,100
Investments	6	11	-	11	-
<b>Total income</b>		<b>1,070,062</b>	<b>207,835</b>	<b>1,277,897</b>	<b>1,306,811</b>
<b>Expenditure on:</b>					
Raising funds	7	106,429	-	106,429	78,405
Charitable activities	8	948,794	209,798	1,158,592	1,125,479
<b>Total resources expended</b>		<b>1,055,223</b>	<b>209,798</b>	<b>1,265,021</b>	<b>1,203,884</b>
<b>Net income/(expenditure) for the year/ Net movement in funds</b>		<b>14,839</b>	<b>(1,963)</b>	<b>12,876</b>	<b>102,927</b>
Fund balances at 1 September 2017		156,288	19,113	175,401	72,474
<b>Fund balances at 31 August 2018</b>		<b>171,127</b>	<b>17,150</b>	<b>188,277</b>	<b>175,401</b>

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

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.

# MASORTI JUDAISM

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		6,577		8,216
<b>Current assets</b>					
Debtors	14	123,518		82,504	
Cash at bank and in hand		137,312		168,761	
		<u>260,830</u>		<u>251,265</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(79,130)</u>		<u>(84,080)</u>	
Net current assets			<u>181,700</u>		<u>167,185</u>
<b>Total assets less current liabilities</b>			<u>188,277</u>		<u>175,401</u>
<b>Income funds</b>					
Restricted funds	16		17,150		19,113
Unrestricted funds			171,127		156,288
			<u>188,277</u>		<u>175,401</u>

The financial statements were approved by the Trustees on 3 April 2019



Paul Collin  
Trustee

Company Registration No. 05890261



# MASORTI JUDAISM

## STATEMENT OF CASH FLOWS

*FOR THE YEAR ENDED 31 AUGUST 2018*

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		2018		2017	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	20		(29,919)		90,368
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,541)		(10,765)	
Proceeds on disposal of tangible fixed assets		-		801	
Interest received		11		-	
<b>Net cash used in investing activities</b>			(1,530)		(9,964)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(31,449)		80,404
Cash and cash equivalents at beginning of year			168,761		88,357
<b>Cash and cash equivalents at end of year</b>			137,312		168,761

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# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### **1 Accounting policies**

#### **Charity information**

Masorti Judaism is a private company limited by guarantee incorporated in England and Wales. The registered office is Alexander House, 3 Shakespeare Road, London, N3 1XE.

#### **1.1 Accounting convention**

The accounts have been prepared in accordance with the Charity's Memorandum & Articles of Association, 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 £.

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

#### **1.2 Going concern**

Based on current management accounts, projections and budgets the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis 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 funds which are used in accordance with the specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

#### **1.4 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.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

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

Support costs are those costs incurred directly in support of expenditure on the objectives of the company. Governance costs are those incurred in connections with administration of the company and compliance with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

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

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

Fixtures, fittings & equipment	3 year straight line
Computer software	3 year straight line

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 end date, the Charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.9 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 4. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

### 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.

There were no critical accounting estimates made in either year.

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Donations and gifts	109,263	56,346	165,609	309,812
Grant receivable	215,066	151,489	366,555	251,798
Membership fees	212,147	-	212,147	209,562
	<u>536,476</u>	<u>207,835</u>	<u>744,311</u>	<u>771,172</u>
<b>For the year ended 31 August 2017</b>	<u>731,223</u>	<u>39,949</u>		<u>771,172</u>

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Charitable activities

	2018	2017
	£	£
Sales within charitable activities	484,257	483,176
Other income	48,318	50,363
	<u>532,575</u>	<u>533,539</u>

### 5 Other trading activities

	2018	2017
	£	£
Trading income	1,000	2,100
	<u>1,000</u>	<u>2,100</u>

### 6 Investments

	2018	2017
	£	£
Interest receivable	11	-
	<u>11</u>	<u>-</u>

### 7 Raising funds

	2018	2017
	£	£
<u>Costs of generating donations and event income</u>		
Other fundraising costs	58,672	-
Staff costs	47,757	78,405
	<u>106,429</u>	<u>78,405</u>

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Charitable activities

	2018 £	2017 £
Staff costs	376,429	307,146
Depreciation and impairment	-	3,723
Direct costs	564,131	631,120
	<u>940,560</u>	<u>941,989</u>
Share of support costs (see note 9)	201,959	152,427
Share of governance costs (see note 9)	16,073	31,063
	<u>1,158,592</u>	<u>1,125,479</u>
<b>Analysis by fund</b>		
Unrestricted funds	948,794	
Restricted funds	209,798	
	<u>1,158,592</u>	
<b>For the year ended 31 August 2017</b>		
Unrestricted funds		1,097,599
Restricted funds		27,880
		<u>1,125,479</u>

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	84,275	-	84,275	70,797
Depreciation	3,180	-	3,180	-
Office costs	43,285	-	43,285	41,277
Rent and rates	38,024	-	38,024	-
Printing, postage and stationery	4,157	-	4,157	13,270
Repairs and maintenance	-	-	-	11,504
Travelling expenses	17,652	-	17,652	10,655
Sundry expenses	-	-	-	2,472
Bank charges	2,403	-	2,403	2,452
Subscriptions, donations and grants	8,983	-	8,983	-
Audit fees	-	8,603	8,603	21,627
Book keeping fees	-	475	475	5,370
Trustees' insurance	-	6,995	6,995	4,066
	<u>201,959</u>	<u>16,073</u>	<u>218,032</u>	<u>183,490</u>

During the year, the charity has reviewed their allocation of expenses to give a better representation of the charity's activities. This does mean that some costs do not look comparable to the prior year.

### 10 Trustees

No trustee received remuneration for their services as trustees during the year (2017: £nil).

One trustee was reimbursed £446 for travel expenses during the year (2017: £nil).

See also note 19 for related party transactions.

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 11 Employees

##### Number of employees

The average monthly number employees during the year was:

	2018 Number	2017 Number
	16	16

##### Employment costs

	2018 £	2017 £
Wages and salaries	464,816	428,265
Social security costs	30,968	23,735
Other pension costs	12,677	4,348
	<u>508,461</u>	<u>456,348</u>

The senior management team described in the trustees' report received total remuneration of £183,451 (2017: £134,014).

The number of employees whose annual remuneration was £60,000 or more were:

	2018 Number	2017 Number
£60,000-£69,999	1	1

#### 12 Tangible fixed assets

	Fixtures, fittings & equipment £	Computer software £	Total £
<b>Cost</b>			
At 1 September 2017	19,410	10,000	29,410
Additions	1,541	-	1,541
At 31 August 2018	<u>20,951</u>	<u>10,000</u>	<u>30,951</u>
<b>Depreciation and impairment</b>			
At 1 September 2017	17,861	3,333	21,194
Depreciation charged in the year	958	2,222	3,180
At 31 August 2018	<u>18,819</u>	<u>5,555</u>	<u>24,374</u>
<b>Carrying amount</b>			
At 31 August 2018	<u>2,132</u>	<u>4,445</u>	<u>6,577</u>
At 31 August 2017	<u>1,549</u>	<u>6,667</u>	<u>8,216</u>



# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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<b>13 Financial instruments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	98,013	44,633
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	67,808	75,392
	<u>          </u>	<u>          </u>
<b>14 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	98,013	44,633
Prepayments and accrued income	25,505	37,871
	<u>          </u>	<u>          </u>
	123,518	82,504
	<u>          </u>	<u>          </u>
<b>15 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	11,322	8,688
Trade creditors	49,151	28,836
Other creditors	1,512	1,909
Accruals and deferred income	17,145	44,647
	<u>          </u>	<u>          </u>
	79,130	84,080
	<u>          </u>	<u>          </u>

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# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 16 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			Balance at 31 August 2018
	Balance at 1 September 2017	Incoming resources	Resources expended	
	£	£	£	£
1) Bet Din Fund	2,557	30,385	(32,942)	-
2) Big Lottery	6,880	8,388	(15,268)	-
3) Rabbinical Training	9,868	11,800	(15,000)	6,668
4) Noam Subsidy Fund	-	7,130	(7,130)	-
5) Jewish Childs Day	-	2,500	(2,500)	-
6) Annual dinner film fund	-	7,500	(7,500)	-
7) Masorti Olami Conservative Yeshiva	-	6,200	(6,200)	-
8) Masorti Olami Various Israel related programming	-	14,016	(14,016)	-
9) Rothschild	-	25,000	(25,000)	-
10) UJIA-Noam	-	51,000	(51,000)	-
11) UJIA-Marom	-	4,000	(4,000)	-
12) Donor Noam/Marom	-	5,000	(5,000)	-
13) Shoresh	-	6,000	(6,000)	-
14) Frenkel	-	4,000	(4,000)	-
15) Our second home	-	11,191	(8,434)	2,757
16) Maurice Marks Charitable Trust	-	6,000	(6,000)	-
17) Various Donors Conservative Yeshiva	-	7,725	-	7,725
18) JJBS	(192)	-	192	-
	19,113	207,835	(209,798)	17,150

#### Restricted funds 2017/18

- 1) Bet Din Fund – Bet Din Fund represents monies received towards the operations of the Bet Din
- 2) Big Lottery – Represents monies received to cover the costs of community and leadership development projects carried out for Masorti Judaism by Citizens UK
- 3) Rabbinical Training – Represents funds received to go towards the cost of training Masorti Rabbis
- 4) Noam Subsidy Fund – Represents funds received to go towards subsidies for Noam activities
- 5) Jewish Childs Day - Represents funds received to go towards subsidies for Noam activities
- 6) Annual Dinner Film Fund – Represents funds received to go towards the production of a film for the Masorti Judaism Annual Dinner
- 7) Masorti Olami – Represents funds received to go towards the cost of sending a student to the Conservative Yeshiva in Jerusalem
- 8) Masorti Olami – Represents funds received to go towards Israel related programming
- 9) Rothschild – Represents funds for leadership development
- 10) UJIA Noam – Represents funds for Noam operations and activities
- 11) UJIA Marom – Represents funds for Marom programmes
- 12) Donor – Represents funds for Noam and Marom programmes
- 13) Shoresh – Represents funds for community development and support
- 14) Frenkel – Represents funds for Marom, Ohel Moed and The Havurah activities
- 15) Various Donors – Represents funds for Our Second Home summer camp
- 16) Maurice Marks Charitable Trust – community growth toolkit
- 17) Conservative Yeshiva – Represents funds to send students to the Conservative Yeshiva in Jerusalem

# MASORTI JUDAISM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 August 2018 are represented by:			
Tangible assets	6,577	-	6,577
Current assets/(liabilities)	164,550	17,150	181,700
	<u>171,127</u>	<u>17,150</u>	<u>188,277</u>

### 18 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	35,431	26,173
Between two and five years	126,140	4,171
	<u>161,571</u>	<u>30,344</u>

### 19 Related party transactions

Jump Ahead Media Limited, a company 100% owned by trustee James Burns and his wife, was contracted to design a new donor system for a fee of £10,000 in 2017. £2,500 was paid during the year (2017: £7,500).

Trustee Leonie Fleischmann was paid £1,432 (2017: £514) to provide research services in the year.

Trustee James Burns was also paid £700 (2017: £nil) to provide database training and support during the year.

### 20 Cash generated from operations

	2018 £	2017 £
Surplus for the year	12,876	102,927
Adjustments for:		
Investment income recognised in statement of financial activities	(11)	-
Depreciation and impairment of tangible fixed assets	3,180	3,723
Movements in working capital:		
(Increase)/decrease in debtors	(41,014)	14,520
(Decrease) in creditors	(4,950)	(30,802)
<b>Cash (absorbed by)/generated from operations</b>	<u>(29,919)</u>	<u>90,368</u>