

KOL CHAI HATCH END JEWISH COMMUNITY

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

CHARITY NO.: 299063

**KOL CHAI HATCH END JEWISH COMMUNITY
434 Uxbridge Road
Hatch End
Pinner
Middlesex HA5 4RG**

KOL CHAI HATCH END JEWISH COMMUNITY
(An unincorporated charity)

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MAY 2016

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KOL CHAI HATCH END JEWISH COMMUNITY
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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2016

The Trustees present their report and accounts for the year ended 31 May 2016.

Objects and Organisation of the Charity and Principal Activities

Kol Chai Hatch End Jewish Community is a charity established under a charitable trust and governed by its constitution. The objects of the charity are as defined by its constitution and its principal activity is that of a Synagogue and Jewish Community. In particular, there is an emphasis on the educational work of the community.

The charity is organised and administered by its elected Management Committee and Executive Officers. The Management Committee meets each month. The Executive Officers, in addition to attending the Management Committee meetings, also meet separately, once a month.

The Trustees (i.e. the Management Committee members) have considered the major risks to which the Charity is exposed.

Development, Activities and Achievements this Year

Kol Chai Hatch End Jewish Community continues to develop the breadth and depth of activities (spiritual and non-spiritual) that it offers members. The educational, social and other charitable works of the charity have continued to be pursued.

Balance Sheet and Statement of Financial Activities

The Statement of Financial Activities shows that for the year to 31 May 2016 the charity recorded a surplus of £16,565 (2015: £6,445).

In accordance with our long established charitable principles, we have continued this year to raise money for our own trust funds and to collect for the benefit of outside charities.

Although our balance sheet continues to show a healthy level of net assets of £457,963 (2015: £437,926), there is a continued focus on reducing our bank loan. The outstanding bank loan of £50,773 (2015: £65,490) is repayable by 2028.

In order to avoid any unnecessary bank interest and charges, the main operating bank account of the Community holds both restricted and unrestricted funds.

Available Funds

On the basis that membership numbers remain at least at the current level and donations and fundraising efforts continue to provide suitable funds, the year ahead should enable the community to operate within available resources. Consequently, the main annual subscription rates for members have been left unchanged for the year ended 31 May 2017.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2016

Trustees

The Honorary Officers as defined in the constitution, together with the other members of the Management Committee, are also the Trustees of the Charity. There are no other Trustees.

The Trustees who served during any part of the year were:

R Braham (Chairman), P Martin, A Baker, A Gaffin, A Etkind, C Gerstein, H Shapiro, J Bard, J Grant, J Schneider, R Decker, R Gerstein, S Gurevitz, M Brownstone, L Falk, B Fraser and E Remon.

The Trustees are elected by the members of the Community at the Annual General Meeting. In the event of any of these offices not being filled at the Annual General Meeting or falling vacant during the year, the Management Committee may appoint a suitable member to hold office until the next Annual General Meeting.

No payments have been made to the Trustees in respect of expenses incurred for services provided to the charity.

Statement of the Trustees' Responsibilities

The Trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and its results for that period. In preparing those financial statements, the Trustees are required to:-

1. Select suitable accounting policies and apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. Prepare the financial statements on a going concern unless it is inappropriate to assume that the charity will continue in operation.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2016

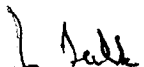
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the synagogue's constitution and The Charities (Accounts and Reports) Regulations 2005.

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.

Approval

This report was approved by the Trustees on 19 January 2017 and signed on their behalf.


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(Treasurer)

**Independent Examiner's Report to the Trustees of
Kol Chai Hatch End Jewish Community**

I report on the accounts for the year ended 31 May 2016 set out on pages 5 to 13

Respective responsibilities of trustees and examiner

The Charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year (under Section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is required. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

It is my responsibility to:

- Examine the accounts under Section 145 of the 2011 Act
- To follow the procedures laid down in the General Directions given by the Charity Commission (under Section 145(5)(b) of the 2011 Act) ; and
- To state whether particular matters have come to my attention

Basis of the independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statements below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) Which gives me reasonable cause to believe that, in any material respect, the requirements

- To keep accounting records in accordance with Section 130 of the 2011 Act; and
- To prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act

Have not been met or

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

Michael Cass
Chartered Accountant
Pinner
Middlesex
HA5



Date 20 JANUARY 2017

KOL CHAI HATCH END JEWISH COMMUNITY
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SUMMARY OF RESTRICTED FUNDS AT 31 MAY 2016

	Welfare Fund Note 8 £	PA Fund Note 9 £	Educational Trust Fund Note 10 £	Rabbi's Discretionary Fund Note 11 £	World Jewry Fund Note 12 £	Total Restricted Funds at 31/05/2016 £
Incoming Resources						
Contributions and donations	0	0	526	302	0	302
High Holiday appeal	0	0	526	302	0	526
Total incoming resources	0	0	526	302	0	526
Resources Expended						
Direct charitable expenses	0	0	0	0	0	0
Total Resources Expended	0	0	0	0	0	0
Net incoming/(outgoing) resources for the period	0	0	526	302	0	526
Funds as at 31 May 2015	2,391	866	5,017	832	-100	9,006
Fund balances carried forward at 31 May 2016	2,391	866	5,643	1,134	-100	9,834

Following legal advice received, the 'Next Generation' fund is not, and should never have been, part of the restricted funds. Hence, the balance at 31 May 2016 is now included in the Income and Expenditure Account (see note 6). Comparative figures for the year ended 31 May 2015 have been adjusted accordingly.

KOL CHAI HATCH END JEWISH COMMUNITY

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MAY 2016

	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total</u>	<u>Total</u>
	31/05/2016	Income & Expenditure Note 6	Capital Reserve Note 7	31/05/2016
	£	£	£	£
Incoming Resources				
Membership subscriptions		158,289	158,289	161,258
Income tax repayment on subscriptions & donations		35,194	35,194	35,747
Rental income		180	2,824	1,910
Contributions and donations	302	37,795	38,097	24,557
High Holyday appeal	526	5,443	5,969	6,525
Bank interest		4	4	4
Fund raising		13,251	13,251	13,314
Total Incoming resources	828	250,156	2,844	243,315
Resources Expended				
Donations given		-6,109	-6,109	-6,455
Other direct charitable expenses		-33,209	-33,209	-31,835
Management and administration of the charity		-194,273	-194,273	-201,659
Total resources expended		-233,591	-233,591	-239,849
Net incoming resources for the period	828	16,565	2,844	3,366
Transferred between Funds				
Building amortisation		10,376	-10,376	0
Net funds for the period	828	26,941	-7,532	3,366
Fund balances brought forward	9,006	85,413	343,507	434,560
Fund balances carried forward	9,834	112,354	335,775	437,926

Kol Chai Hatch End Jewish Community
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BALANCE SHEET AS AT 31 MAY 2016

	NOTES	2016		2015	
		£	£	£	£
FIXED ASSETS					
Land and buildings	2		476,319		486,695
Fixtures, fittings and equipment	2		1,961		2,614
			478,280		489,309
CURRENT ASSETS					
Debtors and prepayments	3	21,388		12,697	
Bank and cash balances		25,818		21,795	
		47,206		34,492	
CREDITORS					
Amounts falling due within one year	4	-29,500		-33,134	
NET CURRENT ASSETS			17,706		1,357
CREDITORS					
Amounts falling due in more than one year	5		-38,023		-52,740
NET ASSETS			457,963		437,926
Unrestricted Funds					
Income and expenditure account	6	112,354		85,413	
Capital reserve	7	335,775		343,507	
			448,129		428,920
Restricted Funds					
Welfare fund	8	2,391		2,391	
PA fund	9	866		866	
Educational trust fund	10	5,543		5,017	
Rabbi's discretionary fund	11	1,134		832	
World Jewry fund	12	-100		-100	
			9,834		9,006
			457,963		437,926

Approved by the Management Committee

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Les Falk - Treasurer

Date: 19 January 2017

KOL CHAI - HATCH END JEWISH COMMUNITY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Charities Act 1993.

Fixed Assets and Depreciation

Freehold premises comprise the cost of land and building. The land is not depreciated; the building is amortised at 2% per annum. Fixtures, fittings and equipment are depreciated at the rate of 25% of net book value per annum.

Income Tax Repayments

Income tax repayments on subscriptions are credited to income and expenditure account only when received, or accrued for only when receipt can be anticipated with certainty.

Accumulated Funds

Unrestricted funds are those where there are no externally imposed restrictions. Restricted funds are subject to specific conditions by donors as to how they may be used.

2 FIXED ASSETS

Freehold Premises

The freehold premises comprise the cost of land and buildings at Woodridings Yard, Hatch End, Pinner, Middlesex, and include legal and professional fees and other associated costs.

Land and Buildings

	2016	2015
	£	£
Cost		
At beginning and end of the year	<u>618,789</u>	<u>618,789</u>
Amortisation		
At the beginning of the year	132,094	121,718
Charge for the year	10,376	10,376
At the end of the year	<u>142,470</u>	<u>132,094</u>
Net Book Value		
At the beginning of the year	<u>486,695</u>	<u>497,071</u>
At the end of the year	<u>476,319</u>	<u>486,695</u>

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

2	<u>FIXED ASSETS</u> (continued)		
		2016	2015
		£	£
	Fixtures, fittings and equipment		
	Cost		
	At the beginning of the year	32,779	32,779
	Additions during the year	-	-
	At the end of the year	<u>32,779</u>	<u>32,779</u>
	Depreciation		
	At the beginning of the year	30,165	29,294
	Charge for the year	653	871
	At the end of the year	<u>30,818</u>	<u>30,165</u>
	Net Book Value		
	At the beginning of the year	<u>2,614</u>	<u>3,485</u>
	At the end of the year	<u>1,961</u>	<u>2,614</u>
3	<u>DEBTORS AND PREPAYMENTS</u>		
	Income tax repayments	10,659	10,284
	Subscriptions and prepayments	4,381	2,413
	Other Debtors	6,348	-
		<u>21,388</u>	<u>12,697</u>

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

		2016 £	2015 £
4	<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
	Taxation and Social Security	976	2,206
	Subscriptions received in advance and accrued expenses	15,774	18,178
	Bank loan	<u>12,750</u>	<u>12,750</u>
		<u>29,500</u>	<u>33,134</u>

The community has a bank overdraft facility which is repayable on demand. The bank loan repayable within one year is the estimate of loan repayments net of estimated interest chargeable. (see Note 5)

5 **CREDITORS: AMOUNTS FALLING DUE
IN MORE THAN ONE YEAR**

Bank loan	<u>38,023</u>	<u>52,740</u>
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A bank loan was taken in 2003 from the Royal Bank of Scotland Plc for £250,000 to fund the extension of the Synagogue premises. The loan is repayable by 31 March 2028 at an interest rate of 1.875% over the bank's base rate. There are no penalties for early repayment of the loan. The repayments on the loan have been rescheduled to complete during 2022. The loan is secured by a charge over the freehold premises and other assets and the bank has issued its right of recourse to the Synagogue Trustees.

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

6 INCOME AND EXPENDITURE ACCOUNT

	2016	2015
	£	£
Surplus brought forward	85,413	68,592
Surplus for the year	16,565	6,445
	101,978	75,037
Transfer to Capital Reserve (Note 7) - Building Amortisation	10,376	10,376
Surplus carried forward	112,354	85,413

Expenses (see Page 6)

Salaries, fees and National Insurance	107,499	108,206
Jewish Joint Burial Society	22,097	24,498
MRJ Membership fees	27,402	28,322
Board of Deputies fees	495	490
Insurance	3,660	3,879
Printing, postage and stationery (incl. Koleinu)	6,602	7,632
Prayer books	395	959
Bank charges and interest	2,184	2,120
Building services, maintenance and renewals	7,559	8,267
Sundry expenses	1,582	2,454
Depreciation and amortisation	11,029	11,247
Loan interest	1,746	1,715
Rabbi's expenses	2,023	1,870
	194,273	201,659

Building services, maintenance and renewals includes items where direct donations have been received. This income is included in contributions and donations on page 6.

Other Direct Charitable Expenses

Religion School expenses (incl. Salaries & National Insurance)	21,809	21,436
High Holyday Services and other Religious Services	7,314	5,646
Direct Fundraising Expenses	4,086	4,753
	33,209	31,835

The Religion School expenses are net of an amount of £6,348, £4,348 of which has been refunded by the other synagogues which participate in the Religion School. A further amount of approximately £2,000 is anticipated to be refunded shortly.

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		2016 £	2015 £
7	<u>CAPITAL RESERVE</u>		
	Balance brought forward net of the building reserve	343,507	350,853
	Amortisation on building (Note 2)	-10,376	-10,376
	Donations received in the year	2,644	3,030
	Balance carried forward	<u>335,775</u>	<u>343,507</u>

The capital reserve, previously equating to the net book value of the freehold premises less the outstanding bank loan, has been reduced by the former negative balance on the building fund reserve. It is no longer considered necessary to retain a building fund reserve. The comparative figures for the year ended 31 May 2015 have been amended accordingly.

8 **WELFARE FUND**

The Welfare Fund was established to allow the Trustees to make specific donations, as they see fit, to needy causes in the community. These funds represent donations specifically designated for this purpose.

	2016	2015
Balance brought forward and carried forward	<u>2,391</u>	<u>2,391</u>
Represented by:		
Bank and cash balances	<u>2,391</u>	<u>2,391</u>

9 **PA FUND**

The Parents' Association (PA) Fund was established to support the activities of the Religion School. Funds are raised from specific donations and fundraising events.

	£	£
Balance brought forward and carried forward	<u>866</u>	<u>866</u>
Represented by:		
Bank and cash balances	<u>866</u>	<u>866</u>

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10 EDUCATIONAL TRUST FUND

The Educational Trust Fund, founded in the memory of one of our early members, is available to sponsor any member participating in a course or event intended to further Jewish learning or identify. The fund receives specific donations.

	2016	2015
	£	£
Balance brought forward	5,017	5,115
Donations made in the year	0	-750
Donations received in the year	<u>526</u>	<u>652</u>
	<u><u>5,543</u></u>	<u><u>5,017</u></u>
Represented by:		
Bank and cash balances	<u><u>5,543</u></u>	<u><u>5,017</u></u>

11 RABBI'S DISCRETIONARY FUND

The Rabbi's Discretionary Fund was established to allow the Rabbi to make specific donations for charitable purposes, as he sees fit. The fund represents donations for this purpose from both inside and outside the Community.

	2016	2015
	£	£
Balance brought forward	832	580
Donations made in the year	0	0
Donations received in the year	302	252
Balance carried forward	<u>1,134</u>	<u>832</u>
Represented by:		
Bank and cash balances	<u><u>1,134</u></u>	<u><u>832</u></u>

12 WORLD JEWRY

	2016	2015
Brought forward and carried forward	<u>-100</u>	<u>-100</u>
Represented by:		
Bank and cash balances	<u><u>-100</u></u>	<u><u>-100</u></u>