

Charity Registration No. 1135296

Company Registration No. 07115198 (England and Wales)

**HENDON REFORM SYNAGOGUE
COUNCIL MEMBERS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 29 FEBRUARY 2016**

HENDON REFORM SYNAGOGUE

LEGAL AND ADMINISTRATIVE INFORMATION

Honorary officers	Mr S Abbey (President elect) Mr S L Isaacs (Vice president) Mr A Owen (Vice president)
Council	Mrs F Aitman Mr P Bright (Chairman) Mrs B Edelman Mr P S V Joseph Mr J Kettle (Hon Secretary) Mr K R J Maddison Mr M J Ozin Mr K E Sander Mrs J Tucker (Vice Chairman) Mr R Weisfeld Mrs A Zarach
Minister	Rabbi S Katz BA Hons
Charity number	1135296
Company number	07115198
Principal address and registered office	Danescroft Avenue Hendon London NW4 2NA
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ
Bankers	Barclays Bank plc 126 Station Road Edgware Middlesex HA8 7RY
Solicitors	Howard Kennedy LLP No.1 London Bridge London SE1 9BG United Kingdom
Investment advisors	The Roberts Partnership 80 Mosley Street Manchester ME2 3FX

HENDON REFORM SYNAGOGUE

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HENDON REFORM SYNAGOGUE

COUNCIL MEMBERS' REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2016

The Council present their report and accounts for the year ended 29 February 2016.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts, the special provisions relating to small companies within part 15 of the Companies Act 2006, Accounting and Reporting by Charities: Statement of Recommended Practice, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and the Charities Act 2011 and applicable regulations and comply with the Synagogue's governing document,

Structure, governance and management

The Synagogue is a company limited by guarantee. It is governed by its memorandum and articles of association together with rules and bye laws made for the proper conduct and management of the Synagogue.

The Council, who are also the directors for the purpose of company law, and who served during the year were:

Mrs F Aitman
Mr P Bright (Chairman)
Mrs B Edelman
Mr P S V Joseph
Mr J Kettle (Hon Secretary)
Mr K R J Maddison
Mr M J Ozin
Mr K E Sander
Mrs J Tucker (Vice Chairman)
Mr R Weisfeld
Mrs A Zarach

Members of the Synagogue over 21 years of age may stand for election to the Council. Council members are generally appointed at the Annual General Meeting.

None of the Council has any beneficial interest in the company. All of the Council are members of the company and guarantee to contribute £1 in the event of a winding up.

The induction process of newly appointed Council members comprises an initial meeting with Council members followed by short meetings with key members of staff. They are provided with a welcome pack which includes the memorandum and articles of association and bye laws of the Synagogue, the last three years accounts and the Charity Commission's guidance "The Essential Trustee".

Council members are covered by indemnity insurance. the annual premium is £389.

The Synagogue is run by a Council of up to twenty members who are elected at the Annual General Meeting. In addition, the Council can co-opt up to three additional members. The Council generally makes decisions based on the recommendations of appropriate sub committees.

Day to day running of the Synagogue is overseen by the Synagogue administrator.

Hendon Reform Synagogue is a constituent member of the Movement for Reform Judaism ("MRJ"). The MRJ supports individuals, rabbis and synagogues in communities across the UK to meet their spiritual, social and educational needs.

Each year the Council assesses the major risks to which the Synagogue is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

HENDON REFORM SYNAGOGUE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

There are significant external risks to funding and the members and alternatives referred to elsewhere in the report are under consideration to safeguard the future of the Synagogue.

Internal control risks are minimised by procedures for the authorisation of transactions.

Investment risk is managed by the appointment of external investment advisors who make recommendations to an Investment Committee.

Appropriate Criminal Records Bureau (CRB) checks are made on all those who work with children or other vulnerable groups.

Objectives and activities

The Synagogue is a congregation following the Jewish religion with the aims of providing and maintaining a place for the purpose of public worship and advancing religious, educational and charitable activities. The restricted funds comprise donations received for specific use within the Synagogue together with funds held for particular charities and charitable activities. The policies adopted in furtherance of these objects are to conduct a range of religious services and ceremonies, provide a Jewish education both to children and adults, provide nursery school facilities, organise a range of social, educational and cultural events and provide support within the community. There has been no change in these during the year.

The Charities Act 2011 requires all charities to meet the legal requirement that its aims are for the public benefit. The Charity Commission in its Charities and Public Benefit guidance states that there are two key principles to be met in order to show that an organisation's aims are for the public benefit: firstly, there must be an identifiable benefit or benefits and secondly, that the benefit must be to the public or a section of the public. The Council have paid due regard to guidance issued by the Charity Commission in deciding what activities the Synagogue should undertake and consider that they have complied with Section 17 of the Charities Act 2011 and the guidance in respect of public benefit.

The Synagogue conducts religious services on Friday evenings, Saturday mornings, Jewish festivals and High Holy Days. Some services are conducted jointly with other synagogues. Access to our services is free and is open to members and visitors alike. During the High Holy Days access is open to all and non-members are welcome to purchase a ticket. We provide free High Holy Day tickets for young adults under 30. During the year we carried out a number of successful youth and children services where participants of all ages took an active role in prayer and readings.

Members of the community were supported by the Rabbis in times of bereavement and by the voluntary Caring Committee which reaches out to members during illness or personal difficulties. This group is made up of dedicated volunteers within our own community.

The Synagogue conducts a GCSE class, led by Rabbi Steven Katz, which meets on Sunday mornings catering for children post bar/batmitzvah (year 8). The Bar/Bat Mitzvah class is held each Saturday prior to the start of the morning service.

Our nursery school continues to prosper with an ever increasing waiting list due to the high level of praise obtained by Ofsted inspections and parents alike. The dedicated staff follow the "early years" curriculum and Jewish programmes to provide the very best educational and social foundations for children up to pre reception age.

Adult Education is also available to community members and visitors alike and Torah Breakfasts are held at least once a month before the Saturday morning service.

The Council would like to thank the many volunteers who throughout the year have freely given their time to assist the Synagogue.

HENDON REFORM SYNAGOGUE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

Report from Rabbi Steven Katz BA (Hons)

Much energy has been channelled by many of our shul leaders into envisioning the future of our congregation, at least its physical location. Merger with Edgware and District Reform Synagogue or a move to another location within the Borough of Barnet. As with the Brexit vote there can be no certainty as to which option will best meet the needs of our congregation, and of course congregants want and need different benefits from their shul membership.

Parents want a shul that offers their children a range of social and educational opportunities. Elderly congregants need to be embraced by a team of caring fellow congregants who phone, visit, shop, care. Some congregants need courses and discussions on Judaism that inform and inspire, others want Shabbat/Yom Tov services that inform, inspire and give one a sense of God within and without. Caring, informing, inspiring, teaching, praying, socialising – all of this we offer, here, now. Joining with Edgware and District Reform Synagogue would allow us to benefit from their team of professional rabbis, welfare officers, youth leader and community organisers and the energy and good will of a congregation twice our size.

Retaining our name, identity, our ethos in another part of the Borough of Barnet is an option which has other attractions and indeed some congregants are working hard on drawing up a feasibility plan for creating a building and a community from almost ground zero.

All congregants heavily involved in future plans for HRS deserve our enduring gratitude – their efforts on behalf of Hendon Reform Synagogue have often intruded into their work and family leisure time. In the meantime please do support and participate in all our activities in Danescroft Avenue and may you do so with enjoyment and in good health.

HENDON REFORM SYNAGOGUE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

Report of the Chairman, Mr P A Bright

As another year passes the annual report provides a good opportunity to reflect on all the activities, policies, initiatives and plans which have taken place or have been set out for the future of HRS.

We have been blessed with the many volunteers who have given all of us at HRS their time and commitment, their energy and experience. It is with this generosity and dedication that we have been able to continue to meet the needs of our community and support our membership across so many areas. I would like to take this opportunity of thanking the Honorary Officers, the Synagogue Council, Rabbi Steven, the Synagogue staff and the numerous volunteers for their support and I look forward to working with each and every one of them to strengthen the unity of our membership over the coming year.

Over the past year at Hendon Reform we have had the joyous opportunity of hosting numerous simchot, including 9 Bar/Bat Mitzvot, 9 Weddings, 2 Aufrufs and 1 baby blessings. It is a true testament to our Rabbi and the traditional Reform ethos our shul provides across the generations that these celebrations have taken place and in many cases for children of second, third and indeed fourth generation HRS members. We and we look forward to another year of such occasions taking place under our roof.

The Kingsley Fisher Hall has continued to be used for Art, Keep Fit classes, Zumba, JACS, The League of Jewish Women, FZY, and BBYO meetings. The hall has also been used for private, charity and community functions. We continue to welcome and support the Salvation Army, who use the hall for regular services and meetings, whilst they are redeveloping their current location. In addition to this, the shul once again under the management of Dani Benjamin and dedicated volunteers provided a weekly night shelter for the homeless during the cold months of February to April providing them with a meal and a secure, comfortable place to rest. This cross community alliance, openness, care and support has been well-regarded by the wider community and demonstrates our total duty of care and responsibility for our fellow man, whatever their background.

It was with deep sadness that after having a highly respected and successful religion school since the inception of HRS, the Council felt that due to the dwindling numbers of children attending (average 17-20 on any given Sunday), it would finally have to close down. With more and more of our youngsters attending Jewish day schools and fewer young families living in the area joining HRS, the attendance numbers reached an unsustainable level. In addition, it was felt that we were not providing the children with a wide enough Jewish social circle of peers which they could gain by joining a larger thriving school. Over the following months since the closure we have learnt that each of the HRS kids have settled in well in other schools (particularly Edgware & District Reform Synagogue where there are in excess of 150 regular attendees) and are progressing well.

There is an ongoing drive of our youth activities in order to offer more educational programmes mixed with social events. This initiative is being coordinated with other synagogues to ensure greater participation and to provide opportunity for our youth to engage in volunteer work and leadership.

The nursery continues to be full (as well as the waiting list) with some 40+ children attending on each weekday. I wish to thank the Head Teacher Alison Mazin and all her staff which enables the nursery to regularly receive praise from parents and OFSTED alike.

I would also like to thank those who man the Welcome Desk on a Shabbat morning. This small group sets out the warmth and inclusiveness of our synagogue and is often the first point of contact showing how open, and friendly our community is to all those who come.

HENDON REFORM SYNAGOGUE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

The decline in membership caused mainly by the demographic changes within the area means that the future of the Synagogue is at risk and so alternatives to staying at Danescroft have been actively explored over the past 12 months. In particular moving to a new location or merging with Edgware & District Reform Synagogue (EDRS). Over the past year we have continued to work with groups and professionals across all areas to ensure that we are provided with the very best information available to make a decision which will affect not just our current congregation but that of generations to come. After much deliberation, the Executive and Council came to a conclusion and voted that a merger with EDRS was the preferred option, as it was both financially viable and would immediately provide a strong engaged community from which to grow for the future.

Since March 1st a small group of HRS members have come forward with great energy and commitment promoting the option of relocating HRS to a new site in Mill Hill East.

In conclusion, I hope you can see that HRS continues to provide all of the spiritual, social, cultural and personal needs of our community. This coming year will hopefully bring the uncertainty of our future to a conclusion and encourage a drive of ambition and implementation; I sincerely hope that we will all enjoy and benefit from the journey and take pride in our achievements.

Financial review

2016 was a difficult year and the Synagogue had a deficit of £94,733. In addition stock market conditions contributed to a fall in the value of our investments of £45,000 of which £4,000 was realised.

There were other factors which contributed to the deficit. The security for the nursery school was enhanced because of events in Europe during the year but the cost was in excess of the grants received and resulted in a small deficit of approximately £6,000 for the nursery before the allocation of support costs compared to a surplus of approximately £10,000 in the previous year. Security generally was enhanced in the second part of the year. There was additional expenditure during the year for the maintenance of the cemeteries at both Southgate and Edgwarebury Lane.

The religion school was closed during the year and total redundancy cost paid amounted to approximately £18,000. In the future there will be a saving of salaries of over £39,000.

Additionally the funding for one employee ceased in 2016.

Membership subscriptions which comprise the Synagogue's principal source of funding are falling and so the members are considering either a merger with Edgware District Reform Synagogue or possibly a move to a new synagogue to be built in the Mill Hill area. Both of these options will entail the sale of the current synagogue which will realise very significant funds.

It is the policy of the Synagogue that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Council considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Synagogue's current activities while consideration is given to ways in which additional funds may be raised. The free reserves at the period end were £278,200 which is in line with the target set.

Expenditure continues to be incurred mainly on the day to day running of the Synagogue and its services.

The aim of the investment portfolio is to achieve medium to longer term growth whilst providing income. This is achieved by investing into a balanced portfolio of funds that allow for diversification across all the major asset classes and across reputable investment houses.

The market value of the investments decreased from £844,697 to £801,576 mainly, as stated above, because of adverse market conditions.

Investment income amounted to £16,986.

HENDON REFORM SYNAGOGUE

COUNCIL MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

Auditors

A resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the members at the Annual General Meeting.

On behalf of the Council

Mr P Bright (Chairman)

Dated: 4 July 2016

HENDON REFORM SYNAGOGUE

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

The Council who are also the directors of Hendon Reform Synagogue for the purpose of company law, are responsible for preparing the Council Members' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Synagogue and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Synagogue will continue in operation.

The Council are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Synagogue and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Synagogue and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and
- The Council have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council are responsible for the maintenance and integrity of the corporate and financial information included on the Synagogue's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

HENDON REFORM SYNAGOGUE

INDEPENDENT AUDITORS' REPORT

TO THE COUNCIL OF HENDON REFORM SYNAGOGUE

We have audited the accounts of Hendon Reform Synagogue for the year ended 29 February 2016 which comprise the statement of financial activities, the balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law, and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice for Smaller Entities).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 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 charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditors

As explained more fully in the statement of Council Members' responsibilities, the Council, who are also the directors of Hendon Reform Synagogue for the purposes of company law, are responsible for the preparation of the accounts which give a true and fair view.

The Council have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Council Members' Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 29 February 2016 and of its incoming resources and application of resources, including its income and expenditure, 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.

HENDON REFORM SYNAGOGUE

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE COUNCIL OF HENDON REFORM SYNAGOGUE

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 Council Members Annual Report is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept;
- the accounts 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; or.
- the council was not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Gerald Edelman

Chartered Accountants

Statutory Auditor

73 Cornhill
London
EC3V 3QQ

Dated: 4 July 2016

Gerald Edelman is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

HENDON REFORM SYNAGOGUE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 29 FEBRUARY 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income					
Donations and legacies	2	510,336	30,506	540,842	677,474
Charitable activities	3	264,259	-	264,259	254,393
Other trading activities	4	17,146	-	17,146	26,637
Investments	5	16,891	95	16,986	16,856
Other income	6	1,127	-	1,127	2,557
Total		809,759	30,601	840,360	977,917
Expenditure:					
Raising funds	7				
Governance and other support costs		121,845	15,468	137,313	153,242
Fundraising costs and publicity		16,053	-	16,053	23,775
Investment management costs		2,960	-	2,960	1,714
		140,858	15,468	156,326	178,731
Charitable activities					
Services and festivals	8	310,625	68,950	379,575	348,859
Education		310,073	536	310,609	260,800
Community support		26,593	-	26,593	24,315
Funeral and cemetery		116,343	10,425	126,768	117,980
		763,634	79,911	843,545	751,954
Other	12	-	-	-	-
Total expenditure		904,492	95,379	999,871	969,722
Net (expenditure)/income		(94,733)	(64,778)	(159,511)	47,232
Other recognised gains and losses					
(Losses)/gains on investment assets		(44,696)	-	(44,696)	63,830
Net movement in funds		(139,429)	(64,778)	(204,207)	111,062
Reconciliation of funds:					
Fund balances at 1 March 2015		1,267,375	367,165	1,634,540	1,523,478
Fund balances at 29 February 2016		1,127,946	302,387	1,430,333	1,634,540

HENDON REFORM SYNAGOGUE

BALANCE SHEET

AS AT 29 FEBRUARY 2016

		2016		2015	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	14		400,324		425,344
Tangible assets	15		413,823		421,023
Investments	16		801,576		844,697
			<u>1,615,723</u>		<u>1,691,064</u>
Current assets					
Debtors	17	59,418		43,183	
Cash at bank and in hand		9,464		217,672	
		<u>68,882</u>		<u>260,855</u>	
Creditors: amounts falling due within one year	18	<u>(111,388)</u>		<u>(137,379)</u>	
Net current (liabilities)/assets			<u>(42,506)</u>		<u>123,476</u>
Total assets less current liabilities			<u>1,573,217</u>		<u>1,814,540</u>
Provisions for liabilities	19		<u>(142,884)</u>		<u>(180,000)</u>
Net assets			<u>1,430,333</u>		<u>1,634,540</u>
Income funds					
Restricted funds	22		302,387		367,165
Unrestricted funds:					
Designated funds	23		180,000		180,000
Other charitable funds					
Unrestricted income funds			<u>947,946</u>		<u>1,087,375</u>
			<u>1,430,333</u>		<u>1,634,540</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 29 February 2016, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

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

The accounts were approved by the Council on 4 July 2016

Mr P Bright (Chairman)

Company Registration No. 07115198

HENDON REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 29 FEBRUARY 2016

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The Synagogue had free reserves of £278,200 at the year end and the Council considers that there should be sufficient funds for at least the next twelve months. On this basis the assessment of the Council is that the Synagogue is a going concern.

1.2 Incoming resources

Items of income are recognised and included in the accounts when all of the following criteria are met;

The Synagogue has entitlement to funds;

any performance conditions attached to the items of income have been met or are fully within the control of the Synagogue;

there is sufficient certainty that receipt of the income is considered probable; and

the amount can be measured reliably.

Donations are recognised when notification has been received in writing with notification of both amount and settlement date.

Legacies are recognised at the earlier of the date on which the Synagogue is aware probate has been granted, the estate has been finalised and notification has been made by the executors to the Synagogue 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 Synagogue has been notified of the executor's intention to make a distribution. When legacies have been notified to the Synagogue, or the Synagogue is aware of the granting of probate but the criteria for income recognition have not been met, the legacy is treated as a contingent asset.

Donated assets given for use by the Synagogue are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met and the receipt of economic benefit from the use by the Synagogue is probable. Such assets are brought into the accounts at the lower of replacement cost and recoverable amount.

Deferred income represents membership subscriptions received in advance and nursery school and other fees for services that had not been substantially completed at the year end.

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

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

HENDON REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

1 Accounting policies

Interest receivable is included when receivable and the amount can be measured reliably by the Synagogue.

1.3 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Synagogue to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is accounted for on the accruals basis. The Synagogue is not registered for VAT and accordingly expenditure includes irrecoverable VAT which is charged against the expenditure heading for which it was incurred.

Resources expended on raising funds include the costs incurred by the Synagogue in generating membership subscriptions and voluntary income including donations and legacies and on fundraising and other activities to raise funds.

Resources expended on charitable activities comprise the resources applied by the Synagogue in meeting its charitable objectives. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken.

Support costs include central functions that assist the work of the charity but do not directly undertake charitable activities. They have been differentiated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of salaries and other overheads.

Staff costs have been allocated by the time spent and other costs have been allocated to activity cost categories on a basis consistent with the use of resources.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets costing £100 or more are stated at original cost or where original cost is not ascertainable, at valuation at the date such assets were first capitalised.

Freehold land and buildings, scrolls, silver and other religious artefacts are not depreciated because the depreciation charge is not considered material. Such assets are subject to an annual impairment review.

Depreciation is provided on other assets at rates calculated to write off the cost less their estimated residual value over their estimated useful lives on the straight line basis as follows:

Computer & other equipment	25% and 20% respectively per annum
Plant and machinery	7 1/2% per annum
Fixtures & fittings	10% per annum

1.5 Investments

Fixed asset investments are initially recognised at their transaction value and subsequently measured at their market 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 disposal throughout the year.

The Synagogue does not acquire or use options, derivatives and other complex financial instruments.

HENDON REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

1 Accounting policies

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6 Pensions

The Synagogue operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.7 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council to further the general objects of the Synagogue and which have not been designated for other purposes.

Designated funds are unrestricted funds consisting of amounts allocated by the Council for Synagogue purposes. The aim and use of each fund is set out in the notes to the accounts.

Restricted funds comprise unexpended balances of donations held on trusts to be applied for specific purposes. Investment income and gains are allocated to the appropriate fund.

1.8 Burial rights

Burial rights are included in intangible assets and written off over their expected useful life of 25 years.

1.9 Provisions

A provision has been made for the unavoidable costs of providing a pension and accommodation to the wife of the late Rabbi.

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

2 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donations and gifts	509,836	30,506	540,342	677,474
Legacies receivable	500	-	500	-
	<u>510,336</u>	<u>30,506</u>	<u>540,842</u>	<u>677,474</u>
 Donations and gifts				
Unrestricted funds:				
Membership subscriptions			413,431	411,925
Income tax recoverable on membership subscriptions			83,883	87,574
High Holyday Appeal			8,733	12,153
Other donations			3,789	6,378
			<u>509,836</u>	<u>518,030</u>
 Restricted funds:				
Donations for Board of Deputies			6,436	6,389
Donations for general charitable purposes			5,807	2,608
HHD Appeal - World Jewish Relief			588	-
Donations for Exodus 2000			1,118	3,929
HHD Appeal- MDA			5,469	473
HHD Appeal - Chai			5,753	-
HHD Appeal - Refugees			135	-
HHD Appeal - Leo Baeck			-	3,179
HHD Appeal - Beth Shalom			-	4,076
Jack Petchey Award			200	600
Tree of Life			-	858
Donation towards salaries			5,000	136,832
Donation for fundraising activities			-	500
			<u>30,506</u>	<u>159,444</u>

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

3 Charitable activities

	2016 £	2015 £
Nursery school	165,797	155,471
Education	3,141	4,267
Funeral and cemetery	55,213	65,769
Services and festivals	23,354	19,231
Hire of hall	16,754	9,655
	<u>264,259</u>	<u>254,393</u>

4 Other trading activities

	2016 £	2015 £
Unrestricted funds:		
Fundraising	14,569	23,455
Synagogue magazine	2,577	3,182
	<u>17,146</u>	<u>26,637</u>

5 Investments

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Income from listed investments	16,661	-	16,661	16,588
Interest receivable	230	95	325	268
	<u>16,891</u>	<u>95</u>	<u>16,986</u>	<u>16,856</u>

6 Other income

	2016 £	2015 £
Miscellaneous income	<u>1,127</u>	<u>2,557</u>

HENDON REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

7 Expenditure

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2016 £	Total 2015 £
Raising funds						
Fundraising costs and publicity	-	-	16,053	-	16,053	23,775
Governance costs	10,312	28	14,493	-	24,833	29,544
Other support costs	86,321	379	25,780	-	112,480	123,698
Investment management costs	-	-	2,960	-	2,960	1,714
Total	96,633	407	59,286	-	156,326	178,731
Charitable activities						
<u>Services and festivals</u>						
<u>Activities undertaken directly</u>						
Activities undertaken directly	163,639	915	47,255	-	211,809	211,199
Grant funding of activities	-	-	-	21,187	21,187	3,924
Governance costs	7,089	35	7,242	-	14,366	10,582
Other support costs	51,600	3,505	77,108	-	132,213	123,154
Total	222,328	4,455	131,605	21,187	379,575	348,859
<u>Education</u>						
<u>Activities undertaken directly</u>						
Activities undertaken directly	192,072	536	38,217	-	230,825	187,853
Governance costs	3,867	-	3,951	-	7,818	5,772
Other support costs	28,146	1,761	42,059	-	71,966	67,175
Total	224,085	2,297	84,227	-	310,609	260,800
<u>Community support</u>						
Governance costs	1,289	-	1,317	-	2,606	1,924
Other support costs	9,381	587	14,019	-	23,987	22,391
Total	10,670	587	15,336	-	26,593	24,315
<u>Funeral and cemetery</u>						
<u>Activities undertaken directly</u>						
Activities undertaken directly	-	25,020	88,450	-	113,470	105,822
Governance costs	645	-	658	-	1,303	962
Other support costs	4,691	294	7,010	-	11,995	11,196
Total	5,336	25,314	96,118	-	126,768	117,980
Total expenditure	559,052	33,060	386,572	21,187	999,871	930,685

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

8 Activities undertaken directly

	2016	2015
	£	£
Other costs relating to Services and festivals comprise:		
Direct services costs	46,594	12,583
Other services costs payable from restricted fund	500	631
Other education costs payable from restricted fund	161	255
	<u>47,255</u>	<u>13,469</u>
Other costs relating to Education comprise:		
Religion school educational materials and other costs	3,000	2,500
Nursery school educational materials and other costs	8,035	9,771
Nurse school security	27,182	11,368
	<u>38,217</u>	<u>23,639</u>
Other costs relating to Funeral and cemetery comprise:		
Undertaker's fees	30,202	32,062
Contributions to members' funerals	26,369	21,096
Cemetery repairs and service charges	28,104	22,595
Other funeral and cemetery costs	3,775	4,322
Cemetery costs payable from restricted fund	-	727
	<u>88,450</u>	<u>80,802</u>

9 Grants payable

	Total	Total
	2016	2015
	£	£
Grants to institutions (3 grants):		
The Board of Deputies of British Jews	9,916	
Exodus 2000	7,195	
Beth Shalom	4,076	
	<u>21,187</u>	<u>3,924</u>

The Board of Deputies of British Jews is a national representative body of the Jewish community, and is the chief voice of British Jewry; Exodus 2000 encourages communities in the UK to adopt or to "twin with" communities in the former Soviet Union while Beth Shalom runs an educational centre, the National Holocaust Centre and Museum.

HENDON REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

10 Support costs

	Services and festivals	Education	Community support	Funeral and cemetery	Carried forward
	£	£	£	£	£
Premises costs	32,351	17,646	5,882	2,941	58,820
Administration and other costs	9,007	4,913	1,637	819	16,376
Staff costs	51,600	28,146	9,381	4,691	93,818
Depreciation	3,505	1,761	587	294	6,147
MRJ affiliation fee	35,750	19,500	6,500	3,250	65,000
Governance costs	14,366	7,818	2,606	1,303	26,093
	<u>146,579</u>	<u>79,784</u>	<u>26,593</u>	<u>13,298</u>	<u>266,254</u>

	Brought forward	Raising funds	Total 2016	Total 2015
	£	£	£	£
Premises costs	58,820	7,875	66,695	61,881
Administration and other costs	16,376	17,905	34,281	36,832
Staff costs	93,818	86,321	180,139	186,358
Depreciation	6,147	379	6,526	11,893
MRJ affiliation fees	65,000	-	65,000	67,757
Governance costs	26,093	24,833	50,926	48,785
	<u>266,254</u>	<u>137,313</u>	<u>403,567</u>	<u>413,506</u>

11 Governance costs

	2016 £	2015 £
Governance costs comprise the following:		
Auditor's remuneration	15,957	14,053
Legal and professional fees	9,223	17,130
Officer's liability insurance	389	495
Other administrative costs	2,155	2,344
Staff costs	23,202	14,763
	<u>50,926</u>	<u>48,785</u>

Governance costs includes payments to the auditors of £7,000 (2015 - £6,500) for non audit services.

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

12 Other expenses

	2016	2015
	£	£
Unrestricted funds:		
Pension and accommodation costs for wife of late rabbi	37,116	39,037
Utilisation of provision for pension and accommodation costs for wife of late rabbi	(37,116)	(39,037)
	<u> -</u>	<u> -</u>

13 Employees

Number of employees

The average monthly number of employees during the year was 25 (2015 - 25). The average number of full time equivalents was:

	2016	2015
	Number	Number
Services	2	3
Nursery school	4	3
Religious education	2	2
Management and administration	4	4
	<u> 12</u>	<u> 12</u>

Employment costs

	2016	2015
	£	£
Wages and salaries	510,362	498,035
Social security costs	36,982	35,960
Other pension costs	11,708	12,857
	<u> 559,052</u>	<u> 546,852</u>

The number of employees whose annual remuneration was between £90,000 and £100,000 or more were:

	2016	2015
	Number	Number
Rabbis	<u> 1</u>	<u> 1</u>

Contributions totalling £11,708 (2015: £10,433) were made to defined contribution pension schemes on behalf of 2 employees whose emoluments exceed £60,000.

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

14 Intangible fixed assets

	Burial rights
	£
Cost	
At 1 March 2015 and at 29 February 2016	681,437
	<hr/>
Amortisation	
At 1 March 2015	256,093
Charge for year	25,020
	<hr/>
At 29 February 2016	281,113
	<hr/>
Net book value	
At 29 February 2016	400,324
	<hr/>
At 28 February 2015	425,344
	<hr/>

Burial rights held by the company's predecessor, Hendon Reform Synagogue, as at 29 February 2004 were transferred at valuation as at that date less accumulated depreciation. The value as at 29 February 2004 was the market value based on the expected purchase price of equivalent spaces. Burial rights acquired by the company's predecessor since 29 February 2004 were transferred at cost less accumulated depreciation on 1 March 2010.

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

15 Tangible fixed assets

	Land and buildings	Computer & other equipment	Plant and machinery	Fixtures & fittings	Scrolls, silver & other religious artefacts	Total
	£	£	£	£	£	£
Cost						
At 1 March 2015	200,065	49,689	221,112	101,861	190,000	762,727
Additions	-	-	839	-	-	839
At 29 February 2016	200,065	49,689	221,951	101,861	190,000	763,566
Depreciation						
At 1 March 2015	-	42,421	206,693	92,589	-	341,703
Charge for the year	-	2,292	2,825	2,923	-	8,040
At 29 February 2016	-	44,713	209,518	95,512	-	349,743
Net book value						
At 29 February 2016	200,065	4,976	12,433	6,349	190,000	413,823
At 28 February 2015	200,065	7,268	14,419	9,271	190,000	421,023

Tangible fixed assets have been transferred from the company's predecessors, Hendon Reform Synagogue, at cost or valuation less accumulated depreciation.

Stained glass windows have been capitalised at estimated value to the Synagogue as at 28 February 2007 at £40,000; scrolls, silver and other religious artefacts have been capitalised at estimated value to the Synagogue as at 28 February 2007 at £190,000. The value of stained glass windows is included in freehold land and buildings

Freehold land and buildings have not been valued but their value for insurance purposes including stained glass windows is £6,750,000.

16 Fixed asset investments

	Quoted UK investments	Cash awaiting investment	Total
	£	£	£
Market value at 1 March 2015	839,671	5,026	844,697
Disposals at book value	(114,306)	(5,026)	(119,332)
Acquisitions at cost	97,811	19,359	117,170
Change in value in the year	(40,959)	-	(40,959)
Market value at 29 February 2016	782,217	19,359	801,576

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

16 Fixed asset investments

Historical cost:			
At 29 February 2016	731,817	19,359	751,176
	<u> </u>	<u> </u>	<u> </u>
At 28 February 2015	741,458	5,027	746,485
	<u> </u>	<u> </u>	<u> </u>

Investments include £669,028 invested in low risk collective investment schemes and £62,789 invested in low risk companies quoted on the London Stock Exchange. The investments have been selected to provide a mixture of income and capital growth.

17 Debtors	2016	2015
	£	£
Other debtors	52,791	31,229
Prepayments and accrued income	6,627	11,954
	<u> </u>	<u> </u>
	59,418	43,183
	<u> </u>	<u> </u>

18 Creditors: amounts falling due within one year	2016	2015
	£	£
Other creditors	59,611	54,753
Accruals	20,492	53,252
Deferred income	31,285	29,374
	<u> </u>	<u> </u>
	111,388	137,379
	<u> </u>	<u> </u>

In accordance with note 1.2 to the accounts income of £31,285 which comprises subscriptions, nursery school fees and other fees received in advance has been deferred in the current year.

All the income amounting to £29,374 deferred in the previous year has been released in the current year.

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

19 Provisions for liabilities and charges	2016	2015
	£	£
At 1 March 2015	180,000	219,037
Utilised in the year	(37,116)	(39,037)
	<hr/>	<hr/>
At 29 February 2016	142,884	180,000
	<hr/>	<hr/>

The provision relates to a pension and accommodation for the wife of the late rabbi which the Synagogue is committed to provide under a legally binding agreement made in 1971 by the company's predecessors, Hendon Reform Synagogue. The provision is calculated as the estimated total value of future payments that are expected to be made and has not been discounted.

20 Pension and other post-retirement benefit commitments
Defined contribution

	2016	2015
	£	£
Contributions payable by the company for the year	11,708	12,857
	<hr/>	<hr/>

21 Share capital

The charitable company is limited by guarantee and has no share capital. Each member guarantees to contribute £1 in the event of a winding up.

HENDON REFORM SYNAGOGUE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2016

22 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 29 February 2016
	Balance at 1 March 2015	Incoming resources	Resources expended	
	£	£	£	£
Specific Synagogue purposes	301,684	8,200	(74,191)	235,693
Appeal funds for charitable purposes	65,481	22,401	(21,188)	66,694
	<u>367,165</u>	<u>30,601</u>	<u>(95,379)</u>	<u>302,387</u>

Funds held for specific Synagogue purposes represent donations received to be expended in accordance with donor's wishes.

The fund for specific Synagogue purposes includes the balance of a donation of £300,000 from the Sydney Kingsley Trust made to the company's predecessors, Hendon Reform Synagogue, £250,000 of which was donated for the specific purpose of redeeming the bank loan taken out to enable the Synagogue to purchase burial rights at Edgwarebury Lane and so the proportionate amount of depreciation on such rights has been charged to the fund. The balance of the donation as at 29 February 2016 was £139,824.

Appeal funds for specific charities represent funds raised by the High Holyday appeal and other appeals which have been or will be paid to charities.

Other funds held for specific Synagogue purposes include £7,922 towards the Synagogue's relocation costs, a benevolent fund of £14,708 raised at the 60th Anniversary Celebrations, £9,565 for youth activities, grants and other donations received of £18,789 for educational purposes, a members support fund of £8,600, £24,180 donated for synagogue improvements and other items and a fund of £4,469 to be used to provide an annual kiddush in accordance with the donor's wishes.

23 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds			Balance at 29 February 2016
	Balance at 1 March 2015	Incoming resources	Resources expended	
	£	£	£	£
Funeral fund	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>180,000</u>

A burial fund has been established to provide for the cost of funerals and burial or cremation of members.

HENDON REFORM SYNAGOGUE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2016

24 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 29 February 2016 are represented by:				
Intangible fixed assets	260,500	-	139,824	400,324
Tangible fixed assets	409,246	-	4,577	413,823
Investments	463,590	180,000	157,986	801,576
Current assets	68,882	-	-	68,882
Creditors: amounts falling due within one year	(111,388)	-	-	(111,388)
Provisions for liabilities	(142,884)	-	-	(142,884)
	<u>947,946</u>	<u>180,000</u>	<u>302,387</u>	<u>1,430,333</u>

25 Related party transactions

Mrs D Bright (the wife of a Council Member, Mr P Bright) was employed by the Synagogue in the religion school at normal rates and on normal terms. Her salary was £13,161 (2015 - £12,272). Her employment ceased during the year. No other Member of the Council (or any persons connected with them) received any remuneration or benefits from the Synagogue during the year.

Mr P Joseph, a council member, is a partner in Dorman Joseph Wachtel, a firm of solicitors to whom fees of £460 including VAT were paid for advice in connection with the grant of a licence by the Synagogue for use of the Kinglsey Fisher Hall and classrooms. (2015 - £480).