
FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

FEDERATION OF SYNAGOGUES

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FEDERATION OF SYNAGOGUES

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2016

Trustees

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

Charity registered number 254951

Principal office 65 Watford Way
London
NW4 3AQ

Chief executive officer Rabbi A. Lazarus

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

Bankers HSBC
165 Fleet Street
London
EC4A 2DY

Solicitors Bircham Dyson Bell
50 Broadway
London
SW1H 0BL

Fladgate LLP
25 North Row
London
W1K 6DJ

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2016. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's Constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

LEGAL AND ADMINISTRATIVE DETAILS

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

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

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

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

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

At the Council meeting on 26th of June all of the incumbent Trustees were either re-appointed or re-elected, hence the Trustee body for another triennial will be:

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

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

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

The Council has the following core powers:

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

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

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

Kosher Foods Supervisory Services Limited (KFSS) provides supervised Kosher food production in the UK and overseas. It had a turnover of £1,112,372 (£904,564 in 2015) with a loss for the year of £48,959 (2015: profit for the year of £5,806), as shown at note 29 of the Financial Statements. Trading conditions remained difficult throughout the year but the Directors believe that the performance of this subsidiary can be improved. Watford Way Investments Limited holds property for investment purposes which was financed out of the proceeds from the sale of West Hackney synagogue. The subsidiary commenced trading on the 21st December 2006. The company owns a commercial property in Coventry which includes two office suites, both of which remained occupied for the whole of 2016. Watford Way's result for the year was £nil before re-valuation. The Trustees believe that the property in Coventry remains a good medium to long term investment.

Risk management

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

Remuneration

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

OBJECTIVES AND ACTIVITIES

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

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

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

The vast majority of the activity of the Federation is at local community level. Federation synagogues provide a highly valued and quality service to their members. Federation synagogues are friendly, warm and welcoming to both members and guests. The structure and atmosphere in a Federation synagogue is designed to enable members to achieve their religious potential. The small size of membership of a Federation synagogue enables the Rabbi to know most of the congregants and to be able to have a personal influence on their religious growth. Federation synagogues arrange a large number of education and social programmes and members are given every opportunity not only to participate but also volunteer in the organisation of synagogal activities. Each synagogue reports on its own activities to its members on an annual basis at its Annual General Meeting as well as through websites, newsletters and magazines. The Federation of Synagogues recognises the importance of sharing the responsibility for the organisation with Head Office and a level of commitment by local boards of management is extremely high.

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

Grant making

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

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

ACHIEVEMENTS AND PERFORMANCE

In 2016 a number of key events took place at the Federation. For the purpose of this report, these have been grouped under the headings of Communities, Burial Society, and Head Office.

COMMUNITIES

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

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

Tiferet Eyal

Following the Council meeting in June 2016, Tiferet Eyal Shul in Hendon was admitted to the Federation as a Constituent member. Towards the end of 2016, Rabbi Yaakov Benzaquen, who had previously served the Gibraltar "Tsur Yisrael" community in Hendon, was appointed as the Rabbi of Tiferet Eyal.

Finchley Central

The community received planning permission to develop their new site, including an underground basement that will function as a multi-purpose hall. Construction is due to start in the second half of 2017.

Kol Yaakov, Manchester

This fledgling community of nearly 100 young families was admitted to the Federation at the September Council meeting. The community began services in private homes in Prestwich in 2014 and currently rent a local school hall for that purpose. The Federation completed on the purchase of land in George Street, and the community has recently received planning permission to build a synagogue on the land.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

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

BURIAL SOCIETY

Over the last year, we have upgraded various aspects of the cemeteries including the instillation of gravelocating kiosks at both locations. Other specific changes have been made as follows:

Edmonton Cemetery

The perimeter wall, much of which had been placed under a “dangerous structures order” by the local authority, has been knocked down and replaced by a metal fence

Rainham Cemetery

As reported in last year’s accounts, Memorial Gardens Ltd, the company who had exchanged contracts to purchase land at Rainham for £8.3m, did not complete the purchase on time. The Trustees subsequently renegotiated a total price of £9.9m which is to be paid over a period of a year. So far, the Federation has banked £5.6m in instalments.

Following a successful charity golf day, we have been able to erect over 40 charity gravestones at Rainham.

The system of heating of all the buildings has been switched from gas to energy efficient electric heaters. CCTV has recently been installed at Rainham and our cemetery staff have continued to improve the aesthetics of the cemetery by removing broken stones and planting new flowers and shrubberies as well as laying wood chippings throughout the pathways.

New Edgware Cemetery

During the year, we have worked with a team of planning consultants and architects to come up with a cemetery layout and set of buildings that will optimally serve the cemetery. It was recently agreed that to achieve this we would need several changes to the current planning permission and we have therefore re-engaged Barnet Council with a view to a new planning application that will be submitted in the Autumn of 2017.

Chevra Kadisha

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

HEAD OFFICE

The Beth Din and Kashrus department was boosted in 2016 by two major appointments:

Dayan Yehonoson Hool joined as a Dayan of the Beth Din in June 2016. His arrival rendered the Federation’s Beth Din complete once again, after the untimely passing of Dayan Berel Berkovits. Dayan Hool recently launched the Federation’s Small Claims Beis Din which has already proven to be a popular service.

Dayan Yehoshua Posen was recruited as the Director of Beis Din Operations with a focus primarily on the Federation’s growing shechita operations which take place in many countries across Europe.

The Federation synagogues and Head Office accounts department underwent a minor revolution in 2016 as all synagogues were migrated onto a new cloud-based accounting and membership database called Cloud4Shuls and the accounting system was moved to Xero. This has necessitated a large investment from Head Office which will benefit both the synagogues and the Federation centrally.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

Over the last year, the Trustees have invested in improving and modernising many aspects of the Federation's infrastructure to ensure that it can function optimally and attract new communities to join in the future. The Trustees remain focused on ensuring that a balanced operating budget will be attainable in the short to midterm future. Significant investments in the Federation's Burial Society and Kashrus division has also been undertaken this year which are intended to bear fruit with each department's future profitability.

Public Benefit

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

FINANCIAL REVIEW

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

The group shared net assets of £27,365,190 up from £17,686,332 in 2015. The Federation enjoyed an operating surplus of £9,678,858 during the year (2015: £2,316,408).

The income from the gravel extraction at Rainham was £1,623 during the year (down from £219,929 in 2015).

As reported last year, income from this source is coming to an end, with the lease expiring in 2017, the last two/three years of which will be used by the lessee to reinstate the land in accordance with the requirements of the lease. The Treasurers' objective is to manage the organisation's finances so that the current level of activity can be maintained without relying on mineral royalties.

Policy on reserves

At the year end free reserves were £7,680,282. This includes creditors due in more than one year which relate to mortgages secured on tangible fixed assets. It is the policy of the charity to maintain unrestricted funds, which are free reserves of the charity, at a level which provides sufficient resources to fund the charitable commitments and the cost of management and administration.

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

PLANS FOR FUTURE PERIODS

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

- Increasing the income and profit from KFSS. There are now many products in UK supermarkets that carry the KF logo and plans are to expand on this in the months to come.
- The bringing to fruition of the new Edgware Cemetery project. The aim is for work to begin on the cemetery in early 2018.
- Investment in new communities both in London and Manchester.

These Financial Statements show that the organisation has strength in depth and, throughout the year under review, the Trustees together with the Chief Executive, have continued to exercise due diligence in order to reduce overheads and counter the negative effects of the difficult economic conditions.

FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

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

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

This report was approved by the Trustees on 31 October 2017 and signed on their behalf by:

A. S. Cohen, President

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

We have audited the financial statements of Federation of Synagogues for the year ended 31 December 2016 set out on pages 10 to 34. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statements of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the charity's trustees, as a body, in accordance with section 151 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 151 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF FEDERATION OF SYNAGOGUES

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects the requirements of the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Landau Morley LLP

York House
Empire Way
Wembley
Middlesex
HA9 0FQ
31 October 2017

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

FEDERATION OF SYNAGOGUES

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
INCOME FROM:					
Donations and legacies	2	803,603	25,500	829,103	2,280,825
Charitable activities	5	603,162	-	603,162	577,352
Other trading activities	3	1,112,372	-	1,112,372	904,565
Investments	4	236,442	-	236,442	235,497
Other income	6	9,834,034	-	9,834,034	801,639
TOTAL INCOME		12,589,613	25,500	12,615,113	4,799,878
EXPENDITURE ON:					
Raising funds	7	1,176,544	-	1,176,544	911,416
Charitable activities	8	1,886,339	33,372	1,919,711	1,822,054
TOTAL EXPENDITURE	11	3,062,883	33,372	3,096,255	2,733,470
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS					
Net gains on investments	18	9,526,730	(7,872)	9,518,858	2,066,408
		160,000	-	160,000	250,000
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		9,686,730	(7,872)	9,678,858	2,316,408
NET MOVEMENT IN FUNDS					
		9,686,730	(7,872)	9,678,858	2,316,408
RECONCILIATION OF FUNDS:					
Total funds brought forward		15,545,597	2,140,735	17,686,332	15,369,924
TOTAL FUNDS CARRIED FORWARD		25,232,327	2,132,863	27,365,190	17,686,332

The notes on pages 14 to 34 form part of these financial statements.

FEDERATION OF SYNAGOGUES

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	16		153,120		-
Tangible assets	17	17,608,620		15,804,257	
Investment property	18	1,410,000		1,250,000	
Total tangible assets			19,018,620		17,054,257
Investments	19		-		5,452
			19,171,740		17,059,709
CURRENT ASSETS					
Debtors	20	5,118,272		364,375	
Cash at bank and in hand		6,107,138		2,634,241	
		11,225,410		2,998,616	
CREDITORS: amounts falling due within one year	21	(864,085)		(847,491)	
NET CURRENT ASSETS			10,361,325		2,151,125
TOTAL ASSETS LESS CURRENT LIABILITIES			29,533,065		19,210,834
CREDITORS: amounts falling due after more than one year	22		(2,167,875)		(1,524,502)
NET ASSETS			27,365,190		17,686,332
CHARITY FUNDS					
Restricted funds	23		2,132,863		2,140,735
Unrestricted funds:					
Unrestricted funds	23	25,475,279		15,948,549	
Revaluation reserve		(242,952)		(402,952)	
Total unrestricted funds			25,232,327		15,545,597
TOTAL FUNDS			27,365,190		17,686,332

The financial statements were approved by the Trustees on 31 October 2017 and signed on their behalf, by:

A. S. Cohen, President

L. Newmark, Treasurer

The notes on pages 14 to 34 form part of these financial statements.

FEDERATION OF SYNAGOGUES

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Intangible assets	16		61,176		-
Tangible assets	17		17,592,343		15,799,740
Investments	19		-		5,452
			<u>17,653,519</u>		<u>15,805,192</u>
CURRENT ASSETS					
Debtors	20	6,828,563		1,932,003	
Cash at bank and in hand		6,024,920		2,577,216	
		<u>12,853,483</u>		<u>4,509,219</u>	
CREDITORS: amounts falling due within one year	21		<u>(655,147)</u>	<u>(673,747)</u>	
NET CURRENT ASSETS			<u>12,198,336</u>		<u>3,835,472</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>29,851,855</u>		<u>19,640,664</u>
CREDITORS: amounts falling due after more than one year	22		<u>(2,410,827)</u>	<u>(1,927,454)</u>	
NET ASSETS			<u>27,441,028</u>		<u>17,713,210</u>
CHARITY FUNDS					
Restricted funds			2,132,863		2,140,735
Unrestricted funds			25,308,165		15,572,475
TOTAL FUNDS			<u>27,441,028</u>		<u>17,713,210</u>

The financial statements were approved by the Trustees on 31 October 2017 and signed on their behalf, by:

A. S. Cohen, President

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	25	<u>(3,347,102)</u>	<u>1,662,277</u>
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		8,271,508	880,762
Purchase of tangible fixed assets		(1,890,722)	(1,080,756)
Purchase of intangible fixed assets		(204,160)	-
Net cash provided by/(used in) investing activities		<u>6,176,626</u>	<u>(199,994)</u>
Cash flows from financing activities:			
Repayments of borrowings		(63,627)	(44,637)
Cash inflows from new borrowing		707,000	-
Net cash provided by/(used in) financing activities		<u>643,373</u>	<u>(44,637)</u>
Change in cash and cash equivalents in the year		3,472,897	1,417,646
Cash and cash equivalents brought forward		<u>2,634,241</u>	<u>1,216,595</u>
Cash and cash equivalents carried forward	26	<u><u>6,107,138</u></u>	<u><u>2,634,241</u></u>

The notes on pages 14 to 34 form part of these financial statements.

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Federation of Synagogues constitutes a public benefit entity as defined by FRS 102.

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

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

1.2 Fund accounting

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

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

1.3 Designated Synagogue Funds

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

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

1.5 Affiliated synagogues

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

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

1.7 Basis of consolidation

The financial statements consolidate the accounts of Federation of Synagogues and all of its subsidiary undertakings ('subsidiaries').

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.8 Intangible fixed assets and amortisation

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Development expenditure	-	25% straight line
-------------------------	---	-------------------

1.9 Tangible fixed assets and depreciation

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities.

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

Motor vehicles	-	25% straight line
Equipment	-	25% straight line

1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

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

FEDERATION OF SYNAGOGUES

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

1. ACCOUNTING POLICIES (continued)

1.16 Pensions

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

1.17 Value added tax

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

1.18 Funerals in advance

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

1.19 Taxation

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

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Synagogue membership	362,525	-	362,525	356,759
Other synagogue income including donations	441,078	25,500	466,578	1,924,066
	<hr/>	<hr/>	<hr/>	
Total donations and legacies	803,603	25,500	829,103	2,280,825
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	
<i>Total 2015</i>	<i>2,260,825</i>	<i>20,000</i>	<i>2,280,825</i>	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Kashrus licensing	1,112,372	-	1,112,372	904,565
	<hr/>	<hr/>	<hr/>	
<i>Total 2015</i>	<i>904,565</i>	-	<i>904,565</i>	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

FEDERATION OF SYNAGOGUES

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

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Rental income	230,151	-	230,151	230,283
Interest receivable	6,291	-	6,291	5,214
	<u>236,442</u>	<u>-</u>	<u>236,442</u>	<u>235,497</u>
<i>Total 2015</i>	<u>235,497</u>	<u>-</u>	<u>235,497</u>	

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Burial Society	584,932	-	584,932	572,612
Beth Din	18,230	-	18,230	4,740
	<u>603,162</u>	<u>-</u>	<u>603,162</u>	<u>577,352</u>
<i>Total 2015</i>	<u>577,352</u>	<u>-</u>	<u>577,352</u>	

6. OTHER INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Gain on disposal of fixed assets	8,205,272	-	8,205,272	581,710
Mineral rights receivable	1,623	-	1,623	219,929
Compensation receivable	1,600,000	-	1,600,000	-
Other income	27,139	-	27,139	-
	<u>9,834,034</u>	<u>-</u>	<u>9,834,034</u>	<u>801,639</u>
<i>Total 2015</i>	<u>801,639</u>	<u>-</u>	<u>801,639</u>	

FEDERATION OF SYNAGOGUES

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

7. RAISING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Kashrus licensing	471,045	-	471,045	335,391
Investment management costs	3,909	-	3,909	10,052
Staff costs	665,916	-	665,916	561,781
Depreciation	35,674	-	35,674	4,192
	<u>1,176,544</u>	<u>-</u>	<u>1,176,544</u>	<u>911,416</u>
<i>Total 2015</i>	<u>911,416</u>	<u>-</u>	<u>911,416</u>	

8. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Burial Society	501,490	-	501,490	446,480
Beth Din	193,742	-	193,742	132,488
Education	-	-	-	667
Synagogues	1,191,107	33,372	1,224,479	1,242,419
	<u>1,886,339</u>	<u>33,372</u>	<u>1,919,711</u>	<u>1,822,054</u>
<i>Total 2015</i>	<u>1,797,803</u>	<u>24,251</u>	<u>1,822,054</u>	

9. DIRECT COSTS

	Burial Society £	Beth Din £	Synagogue s £	Total 2016 £	Total 2015 £
Other costs	200,148	21,592	342,666	564,406	466,683
Staff costs	221,353	129,246	423,815	774,414	772,055
Depreciation	5,640	2,870	32,430	40,940	38,242
	<u>427,141</u>	<u>153,708</u>	<u>798,911</u>	<u>1,379,760</u>	<u>1,276,980</u>
<i>At 31 December 2015</i>	<u>390,032</u>	<u>102,092</u>	<u>784,856</u>	<u>1,276,980</u>	

FEDERATION OF SYNAGOGUES

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

10. SUPPORT COSTS

	Burial Society	Beth Din	Synagogue s	Total 2016	<i>Total 2015</i>
Other costs	31,655	17,045	258,995	307,695	283,385
Staff costs	42,694	22,989	166,573	232,256	261,689
	<u>74,349</u>	<u>40,034</u>	<u>425,568</u>	<u>539,951</u>	<u>545,074</u>
<i>At 31 December 2015</i>	<u>56,448</u>	<u>30,396</u>	<u>458,230</u>	<u>545,074</u>	

Support costs include governance costs of £163,522 (2015: £154,868).

11. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	<i>Total 2015 £</i>
Expenditure on raising funds	665,915	35,674	474,955	1,176,544	911,416
Costs of generating funds	<u>665,915</u>	<u>35,674</u>	<u>474,955</u>	<u>1,176,544</u>	<u>911,416</u>
Burial Society	264,047	5,640	231,803	501,490	446,480
Beth Din	152,235	2,870	38,637	193,742	132,488
Education	-	-	-	-	667
Synagogues	590,388	32,430	601,661	1,224,479	1,242,419
Charitable activities	<u>1,006,670</u>	<u>40,940</u>	<u>872,101</u>	<u>1,919,711</u>	<u>1,822,054</u>
	<u>1,672,585</u>	<u>76,614</u>	<u>1,347,056</u>	<u>3,096,255</u>	<u>2,733,470</u>
<i>Total 2015</i>	<u>1,595,525</u>	<u>42,435</u>	<u>1,095,510</u>	<u>2,733,470</u>	

FEDERATION OF SYNAGOGUES

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

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Burial Society	427,141	74,349	501,490	446,480
Beth Din	153,708	40,034	193,742	132,488
Education	-	-	-	667
Synagogues	798,911	425,568	1,224,479	1,242,419
	<u>1,379,760</u>	<u>539,951</u>	<u>1,919,711</u>	<u>1,822,054</u>
Total 2016	<u>1,379,760</u>	<u>539,951</u>	<u>1,919,711</u>	<u>1,822,054</u>
Total 2015	<u>1,276,980</u>	<u>545,074</u>	<u>1,822,054</u>	

13. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2016 £	2015 £
Depreciation and amortisation of fixed assets:		
- owned by the charitable group	76,614	42,434
Auditors' remuneration - audit	18,701	17,505
Auditors' remuneration - other services	7,000	7,700
	<u>76,614</u>	<u>42,434</u>

During the year, no Trustees received any remuneration (2015 - £NIL).

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

14. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,501,813	1,448,352
National Insurance	136,640	119,990
Pension	34,132	27,183
	<u>1,672,585</u>	<u>1,595,525</u>

FEDERATION OF SYNAGOGUES

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

15. STAFF COSTS

Staff costs were as follows:

Wages and salaries	1,672,585	1,595,525
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The average monthly number of employees was: 80 (2015: 81) and the average monthly number of employees during the year expressed as full time equivalents was as follows (including casual and part-time staff):

The average number of persons employed by the charity during the year was as follows:

	No.	No.
Synagogues	29	31
Burial Society	10	9
Kashrus	17	19
Administration	17	17
	73	76

The number of higher paid employees was:

	No.	No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	0	1

The key management personnel of the charity comprise the Senior Dayan and the Chief Executive. The total employee benefits of the key management personnel of the Charity were £174,579.

Of the employees whose emoluments exceed £60,000, three (2015: two) has retirement benefits accruing under defined contribution pension schemes, totalling £17,560 (2015: £10,483).

FEDERATION OF SYNAGOGUES

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

16. INTANGIBLE FIXED ASSETS

	Development costs £
Group	
Cost	
At 1 January 2016	-
Additions	204,160
	204,160
At 31 December 2016	204,160
Amortisation	
At 1 January 2016	-
Charge for the year	51,040
	51,040
At 31 December 2016	51,040
Carrying amount	
At 31 December 2016	153,120
<i>At 31 December 2015</i>	-
	Development costs £
Charity	
Cost	
At 1 January 2016	-
Additions	81,568
	81,568
At 31 December 2016	81,568
Amortisation	
At 1 January 2016	-
Charge for the year	20,392
	20,392
At 31 December 2016	20,392
Carrying amount	
At 31 December 2016	61,176
<i>At 31 December 2015</i>	-

FEDERATION OF SYNAGOGUES

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

17. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost				
At 1 January 2016	15,745,887	35,194	270,095	16,051,176
Additions	1,824,559	23,743	42,420	1,890,722
Disposals	(60,785)	(29,544)	-	(90,329)
At 31 December 2016	<u>17,509,661</u>	<u>29,393</u>	<u>312,515</u>	<u>17,851,569</u>
Depreciation				
At 1 January 2016	-	32,369	214,550	246,919
Charge for the year	-	4,991	20,583	25,574
On disposals	-	(29,544)	-	(29,544)
At 31 December 2016	<u>-</u>	<u>7,816</u>	<u>235,133</u>	<u>242,949</u>
Net book value				
At 31 December 2016	<u>17,509,661</u>	<u>21,577</u>	<u>77,382</u>	<u>17,608,620</u>
<i>At 31 December 2015</i>	<u>15,745,887</u>	<u>2,825</u>	<u>55,545</u>	<u>15,804,257</u>

All the assets are used for charitable purposes.

Charity	Freehold property £	Motor vehicles £	Fixtures, fittings and computer equipment £	Total £
Cost				
At 1 January 2016	15,745,887	29,544	253,352	16,028,783
Additions	1,824,559	23,743	25,634	1,873,936
Disposals	(60,785)	(29,544)	-	(90,329)
At 31 December 2016	<u>17,509,661</u>	<u>23,743</u>	<u>278,986</u>	<u>17,812,390</u>
Depreciation				
At 1 January 2016	-	29,544	199,499	229,043
Charge for the year	-	3,578	16,970	20,548
On disposals	-	(29,544)	-	(29,544)
At 31 December 2016	<u>-</u>	<u>3,578</u>	<u>216,469</u>	<u>220,047</u>
Net book value				
At 31 December 2016	<u>17,509,661</u>	<u>20,165</u>	<u>62,517</u>	<u>17,592,343</u>
<i>At 31 December 2015</i>	<u>15,745,887</u>	<u>-</u>	<u>53,853</u>	<u>15,799,740</u>

FEDERATION OF SYNAGOGUES

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

18. INVESTMENT PROPERTY

Group	Freehold investment property £
Valuation	
At 1 January 2016	1,250,000
Revaluation	160,000
	1,410,000
At 31 December 2016	1,410,000

The 2016 valuations were made by Holt Commercial, Coventry, on an open market value for existing use basis.

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

The total reduction of £242,952 (2015: £402,952) on the historical cost of £1,652,952 is considered to be a temporary fall in value.

19. FIXED ASSET INVESTMENTS

Group	Other investments £
Market value	
At 1 January 2016	5,452
Disposals	(5,452)
	-
At 31 December 2016	-

Group investments at market value comprise:

	UK £	Overseas £	2015 £
Other fixed asset investments	-	-	5,452
	-	-	5,452

All the fixed asset investments are held overseas

Investments within the charity are represented by Mutual Funds listed on the Israeli Stock Exchange of £nil (2015: £5,452).

FEDERATION OF SYNAGOGUES

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

19. FIXED ASSET INVESTMENTS (continued)

	Other investments £
Charity	
Market value	
At 1 January 2016	5,452
Disposals	(5,452)
	-
At 31 December 2016	-

Charity investments at market value comprise:

	UK £	Overseas £	2015 £
Other fixed asset investments	-	-	5,452
	-	-	5,452

All the fixed asset investments are held overseas.

20. DEBTORS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Due after more than one year				
Amounts owed by group undertakings	-	-	1,593,548	1,625,510
Due within one year				
Trade debtors	297,592	253,552	-	-
Amounts owed by group undertakings	-	-	415,594	196,930
Short term loans	-	5,403	-	5,403
Other debtors	4,820,680	105,420	4,819,421	104,160
	5,118,272	364,375	6,828,563	1,932,003

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

In 2016 a provision of £242,952 (2015: £402,952) has been made against this loan in order to offset the reduction in value of the property. This is included in creditors due after more than one year.

FEDERATION OF SYNAGOGUES

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

21. CREDITORS: Amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts	63,482	42,337	63,482	42,337
Trade creditors	40,265	30,002	39,665	29,253
Other taxation and social security	88,845	75,643	29,951	27,321
Funerals in advance	442,107	444,577	442,107	444,577
Other creditors	103,041	68,252	-	-
Accruals and deferred income	126,345	186,680	79,942	130,259
	864,085	847,491	655,147	673,747
	£	£	£	£
Deferred income				
Deferred income at 1 January 2016	-	30,000	-	30,000
Amounts released from previous years	-	(10,000)	-	(10,000)
Deferred income at 31 December 2016	-	20,000	-	20,000

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

22. CREDITORS: Amounts falling due after more than one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Bank loans	2,167,875	1,524,502	2,167,875	1,524,502
Amounts owed to group undertakings	-	-	242,952	402,952
	2,167,875	1,524,502	2,410,827	1,927,454

The loans are secured on the respective properties.

FEDERATION OF SYNAGOGUES

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

23. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 January 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2016 £
Unrestricted funds					
General Funds	15,948,549	12,589,613	(3,062,883)	-	25,475,279
Revaluation reserve	(402,952)	-	-	160,000	(242,952)
	<u>15,545,597</u>	<u>12,589,613</u>	<u>(3,062,883)</u>	<u>160,000</u>	<u>25,232,327</u>
Restricted funds					
Proceeds from sale of synagogues (Federation of Synagogues formerly Amalgamated Fund)	1,100,006	-	-	-	1,100,006
Philpot Street Sphardish synagogue	562,843	-	-	-	562,843
Designated synagogue funds	470,071	500	(557)	-	470,014
Shaila Text	7,815	-	(7,815)	-	-
Oneg Shabbos	-	25,000	(25,000)	-	-
	<u>2,140,735</u>	<u>25,500</u>	<u>(33,372)</u>	<u>-</u>	<u>2,132,863</u>
Total of funds	<u><u>17,686,332</u></u>	<u><u>12,615,113</u></u>	<u><u>(3,096,255)</u></u>	<u><u>160,000</u></u>	<u><u>27,365,190</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 January 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2015 £
Unrestricted funds					
General Funds	13,827,890	4,779,878	(2,709,219)	50,000	15,948,549
Revaluation reserve	(652,952)	-	-	250,000	(402,952)
	<u>13,174,938</u>	<u>4,779,878</u>	<u>(2,709,219)</u>	<u>300,000</u>	<u>15,545,597</u>

FEDERATION OF SYNAGOGUES

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

23. STATEMENT OF FUNDS (continued)

Restricted funds

Proceeds from sale of synagogues (Federation of Synagogues formerly Amalgamated Fund)	1,100,006	-	-	-	1,100,006
Philpot Street Sphardish synagogue	562,843	-	-	-	562,843
Designated synagogue funds	532,137	-	(12,066)	(50,000)	470,071
Shaila Text	-	20,000	(12,185)	-	7,815
	<u>2,194,986</u>	<u>20,000</u>	<u>(24,251)</u>	<u>(50,000)</u>	<u>2,140,735</u>
Total of funds	<u><u>15,369,924</u></u>	<u><u>4,799,878</u></u>	<u><u>(2,733,470)</u></u>	<u><u>250,000</u></u>	<u><u>17,686,332</u></u>

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

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

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

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

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

The restricted fund Shaila Text represents a donation for education services run by the charity. This fund has been fully expended this year.

The Oneg Shabbos Fund relates to amounts received to fund the production of magazines. This fund has been fully expended this year.

FEDERATION OF SYNAGOGUES

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

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 January 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2016 £
General funds	15,545,597	12,589,613	(3,062,883)	160,000	25,232,327
Restricted funds	2,140,735	25,500	(33,372)	-	2,132,863
	<u>17,686,332</u>	<u>12,615,113</u>	<u>(3,096,255)</u>	<u>160,000</u>	<u>27,365,190</u>

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 January 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2015 £</i>
General funds	13,174,938	4,779,878	(2,709,219)	300,000	15,545,597
Restricted funds	2,194,986	20,000	(24,251)	(50,000)	2,140,735
	<u>15,369,924</u>	<u>4,799,878</u>	<u>(2,733,470)</u>	<u>250,000</u>	<u>17,686,332</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Intangible fixed assets	153,120	-	153,120
Tangible fixed assets	15,988,925	1,619,696	17,608,621
Investment property	1,410,000	-	1,410,000
Current assets	10,712,243	513,167	11,225,410
Creditors due within one year	(864,086)	-	(864,086)
Creditors due in more than one year	(2,167,875)	-	(2,167,875)
	<u>25,232,327</u>	<u>2,132,863</u>	<u>27,365,190</u>

FEDERATION OF SYNAGOGUES

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

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2016 £	Group 2015 £
Net income for the year (as per Statement of Financial Activities)	9,678,858	2,316,408
Adjustment		
Depreciation charges	25,574	42,435
Amortisation charges	51,040	-
Gains on investments	(160,000)	(250,000)
Profit on the sale of fixed assets	(8,205,272)	(581,710)
Increase in debtors	(4,753,897)	(15,966)
Increase in creditors	16,595	151,110
Net cash (used in)/provided by operating activities	(3,347,102)	1,662,277

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	Group 2015 £
Cash in hand	6,107,138	2,634,241
Total	6,107,138	2,634,241

FEDERATION OF SYNAGOGUES

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

27. RELATED PARTY TRANSACTIONS

During the year £35,860 (inclusive of VAT) (2015: £3,014) was charged by BBS Law Limited (formerly BBS Zatman Limited) on an arms length basis for legal services provided to the charity. Dov Black, a trustee of the charity, is a partner in that law firm.

28. CONTROLLING PARTY

The charity is under the control of the trustees.

29. PRINCIPAL SUBSIDIARIES

Kosher Foods Supervisory Services Limited

Subsidiary names	Kosher Foods Supervisory Services Limited
Company registration number	04138362
Basis of control	100% controlled by the charity
Total assets as at 31 December 2016	£ 453,706
Total liabilities as at 31 December 2016	£ (529,544)
Total equity as at 31 December 2016	£ (75,838)
Turnover for the year ended 31 December 2016	£ 1,112,372
Expenditure for the year ended 31 December 2016	£ (1,161,331)
Loss for the year ended 31 December 2016	£ (48,959)

Watford Way Investments Limited

Subsidiary name	Watford Way Investments Limited
Company registration number	05777108
Basis of control	100% controlled by the charity
Total assets as at 31 December 2016	£ 1,445,586
Total liabilities as at 31 December 2016	£ (1,688,538)
Total equity as at 31 December 2016	£ (242,952)
Turnover for the year ended 31 December 2016	£ 112,984
Expenditure for the year ended 31 December 2016	£ 47,016
Profit for the year ended 31 December 2016	£ 160,000

FEDERATION OF SYNAGOGUES

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

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

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

Total income	11,647,528
Total expenditure	<u>1,919,711</u>
	9,727,817