
FEDERATION OF SYNAGOGUES

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020

Trustees	M. Itzinger, Treasurer M. Winegarten, Burial Society Treasurer J. Weg, Vice President L. Newmark, Treasurer S. Gertner, Burial Society Treasurer G. Douek, Vice President A. S. Cohen, President
Charity registered number	254951
Principal office	65 Watford Way London NW4 3AQ
Chief executive officer	Rabbi A. Lazarus
Independent auditors	Landau Morley LLP 325-327 Oldfield Lane North Greenford Middlesex UB6 0FX
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 2020

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31st December 2020. The accounts have been prepared in accordance with the accounting policies set out in note 2 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) (as amended for accounting periods commencing from 1 January 2019).

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.

Further to the Council meeting on 30th June 2019 the Trustee body for the next triennial is:

President: Andrew S Cohen
Vice President: Jacob Weg
Vice President: Geoffrey Douek
Treasurer: Leon Newmark
Treasurer: Meir Itzinger
Burial Society Treasurer: Steven Gertner
Burial Society Treasurer: Moshe Winegarten

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

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

- (a) the level of Federation dues payable;

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

- (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 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 £1,851,867 (2019: 1,877,957) with a loss for the year of £407,058 (2019: £52,054), as shown in the notes to the Financial Statements. The Trustees were encouraged by the increased income from products licensing during the year. 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. Watford Way's profit for the year was £327 (2019: £611 loss) 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.

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

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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.

ACHIEVEMENTS AND PERFORMANCE

In 2020 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, Kashrus & Beis Din, Finance & Head Office, and Projects.

COMMUNITIES

The Trustees have worked closely with all communities to support their development at whichever point they find themselves. Newcomers and notable projects include:

- During the last year three Edware synagogues have joined the Federation as Affiliate members:
 - Nefesh HaTorah – located in Mowbray House. The Shul has approximately 50 member families and its Rov is Rabbi Elchonon Moshe Lieberman.
 - Eitz HaChaim – currently minyanim are held only on Shabbos in the Broadfields School. They have approximately 30 family members and hope to move to a more permanent venue in the near future. Their Rov is Rabbi Yisroel Moshe Guttentag who is the Director of Certification for KFSS.
 - Seed Shul – also located in Mowbray House. They have over 70 member families and Rabbi Dov Birnbaum is their Rabbi.
- The only synagogue Rabbi to join the Federation over the last year was Rabbi Chaim Burman, who joined Yeshurun as YAM/Assistant Rabbi.

BURIAL SOCIETY

The Burial Society went through some significant changes in 2020, as follows:

- To comply with the Equality Act, fees are now charged per individual, without consideration for marital status or gender.
- The fees were also increased, following six years without change.
- The Burial Society rules were updated.
- Throughout the year, the new cemetery in Edware was in its construction stage. The opening was delayed due to Covid-related issues however it opened on Sunday 4th July 2021.

Rainham Cemetery

Following a flood of the toilets block, that building was completely renovated during 2020.

Chevra Kadisha

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

BEIS DIN & KASHRUS

Rabbinic Leadership of the Federation

After 32 years in the role, Dayan Lichtenstein stood down as the Federation's Rosh Beis Din and has relocated to Israel.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The former Gateshead Rov, Rabbi Shraga Feivel Zimmerman was recruited to the organisation's most senior rabbinic post and took up the post of the Federation's Rov and Av Beis Din in January 2020.

The Rov has created a large Zoom following, giving weekly shiurim with hundreds in attendance. In the post Zoom area, he will be visiting all the Federation Shuls in person.

PROJECTS

The Federation now has a number of projects in constant or regular use that both provide service to the community and enhance its public profile and relevance.

FedTech

This project, headed by Rabbi Y M Guttentag, has continued to expand. Under the FedTech auspices, the Federation has succeeded in giving certification to a UK-made Shabbos Hotplate, Made Safer, which carries the KF logo.

FedTech has also signed contracts with manufacturers Fisher & Paykel and Miele, to provide them with consultancy on the issue of Shabbos and Yom Tov compliance.

Rabbi Guttentag was also instrumental in setting up the Mechiras Keylim service in March 2020 whilst the keylim mikvaos were out of use. This service was used by over 2,000 people, including many from other countries, in the run up to Pesach.

ShailaText and MaaserText

These projects continue to be extremely well-used. Over 16,000 shailos were sent to ShailaText in 2020. The service has had over 8000 unique users since it launched in memory of Dayan Lopian zt'l in 2015. MaaserText was used over 4,500 times in 2020 and has now been used by nearly 3,000 unique users since its inception in 2017.

FINANCE & HEAD OFFICE

Property

The Trustees have actively looked for ways to maximise the value of key assets, notably with the following:

Nelson Street

The Federation has received planning permission to develop four flats on land adjacent to East London Central Synagogue.

Synagogue Developments

KNY, Finchley, Ohr Yisrael and Leytonstone and Wanstead (LAWS) are all at various stages in their plans to develop their Shuls although none have started their developments. The KNY, Ohr Yisrael and LAWS developments are all planned to include both flats and a new synagogue facility for the communities.

Head Office Investment

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 have also been undertaken this year which are intended to bear fruit with each department's future profitability.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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 £28,311,114 (2019: £29,132,453). The Federation had a deficit of £414,610 (2019 surplus £1,922,190).

Policy on reserves

At the year end there are no free reserves (2019 £3,691,967). This includes creditors due in more than one year which relate to mortgages secured on fixed assets which amount to £2,892,769. 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. The Trustees carefully monitor the reserves of the charity and when considering their adequacy, they take into consideration that a large proportion of liabilities are longer term.

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, particularly from licensing food production factories and Shechita.
- The bringing to fruition of the new Edgware Cemetery project in 2021 which, it is hoped, will attract new members to the Burial Society.
- Investment in current and new synagogues 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.

COVID-19

The year 2020 has obviously been impacted by the Covid-19 pandemic and the Federation's departments have been affected as follows.

The Burial Society has been most directly affected with over 50% more burials in the year to the end of September than in the same period of 2019. Since we outsource the funeral director services on a per burial basis, the society's expenditure has been commensurately higher. Extra ground staff were hired during the devastating weeks at the end of March and beginning of April which also created an additional expense.

The charity's property investments have been slightly affected as some of the tenants have not paid their rent in full and one of the units of the Rye Hill property lies vacant with demand for offices currently very low.

The Beis Din was inactive for approximately six weeks at the height of the pandemic with many cases postponed

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

however its activity is once again at fully capacity.

Within the Kosher Foods department, most factory audits and certifications have been carried out, albeit some a little later than usual. Since most of our beef shechita operations usually take place in an abattoir in Ireland – which has been closed since the March lockdown – the volume of beef shechted has been negatively impacted, therefore affecting the licence fees we receive.

The Trustees have given due consideration to the uncertainty caused by Covid-19 and are confident that the charity has sufficient resources available to deal with its financial impact.

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 5 December 2021 and signed on their behalf by:

A. S. Cohen, President

L. Newmark, Treasurer

FEDERATION OF SYNAGOGUES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF SYNAGOGUES

Opinion

We have audited the financial statements of Federation of Synagogues (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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: Statement 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charity's affairs as at 31 December 2020 and of the Group's 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF SYNAGOGUES (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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
- the parent Charity has not kept 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF SYNAGOGUES (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the trustees.

The extent to which our procedures can detect irregularities, including fraud, is detailed below.

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- Except for any known or possible non-compliance, and as required by auditing standards, our work in respect of these included enquiry of management about company's policies, procedures, and related controls regarding compliance with laws and regulations and if there are any known instances of noncompliance.
- We tested the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We reviewed the minutes of the meetings of the Board of Trustees.
- We performed analytical procedures to identify any unusual or unexpected relationships.
- We examined supporting documents for all material balances, transactions and disclosures.
- We evaluated the selection and application of accounting policies related to subjective measurements and complex transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FEDERATION OF SYNAGOGUES (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 opinions we have formed.

Landau Morley LLP

325-327 Oldfield Lane North
Greenford
Middlesex
UB6 0FX

Date: 6 December 2021

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 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	1,074,942	36,486	1,111,428	1,124,761
Charitable activities	4	557,768	-	557,768	581,066
Other trading activities	5	1,851,867	-	1,851,867	1,877,957
Investments	6	307,372	-	307,372	347,581
Other income	7	101,875	-	101,875	2,282,733
Total income		3,893,824	36,486	3,930,310	6,214,098
Expenditure on:					
Raising funds	8	2,445,580	-	2,445,580	2,015,584
Charitable activities	9	2,260,451	4,717	2,265,168	2,396,729
Total expenditure		4,706,031	4,717	4,710,748	4,412,313
Net (expenditure)/income before net (losses)/gains on investments		(812,207)	31,769	(780,438)	1,801,785
Net (losses)/gains on investments		(90,000)	-	(90,000)	10,000
Net (expenditure)/income before taxation		(902,207)	31,769	(870,438)	1,811,785
Taxation	15	49,099	-	49,099	57,739
Net (expenditure)/income after taxation		(853,108)	31,769	(821,339)	1,869,524
Transfers between funds	22	10,329	(10,329)	-	-
Net movement in funds		(842,779)	21,440	(821,339)	1,869,524
Reconciliation of funds:					
Total funds brought forward		27,151,884	1,980,569	29,132,453	27,262,929
Net movement in funds		(842,779)	21,440	(821,339)	1,869,524
Total funds carried forward		26,309,105	2,002,009	28,311,114	29,132,453

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	16	-	285,955
Tangible assets	17	26,386,349	22,803,657
Investment property	18	1,900,000	1,990,000
		<u>28,286,349</u>	<u>25,079,612</u>
Debtors	19	879,919	830,947
Cash at bank and in hand		3,499,088	7,228,154
		<u>4,379,007</u>	<u>8,059,101</u>
Creditors: amounts falling due within one year	20	(1,461,473)	(1,037,897)
Net current assets		<u>2,917,534</u>	<u>7,021,204</u>
Total assets less current liabilities		<u>31,203,883</u>	<u>32,100,816</u>
Creditors: amounts falling due after more than one year	21	(2,892,769)	(2,968,363)
Net assets		<u>28,311,114</u>	<u>29,132,453</u>
Total net assets		<u><u>28,311,114</u></u>	<u><u>29,132,453</u></u>
Charity funds			
Restricted funds	22	2,002,009	1,980,569
Unrestricted funds			
General funds	22	26,162,754	26,915,533
Revaluation reserve		146,351	236,351
Total unrestricted funds	22	<u>26,309,105</u>	<u>27,151,884</u>
Total funds		<u><u>28,311,114</u></u>	<u><u>29,132,453</u></u>

The financial statements were approved and authorised for issue by the Trustees on 5 December 2021 and signed on their behalf by:

A. S. Cohen
Trustee

L. Newmark
Trustee

The notes on pages 16 to 44 form part of these financial statements.

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CHARITY BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	17	26,380,436	22,797,855
Investment property	18	500,000	500,000
		<u>26,880,436</u>	<u>23,297,855</u>
Current assets			
Debtors	19	3,352,623	3,063,755
Cash at bank and in hand		3,120,911	7,037,695
		<u>6,473,534</u>	<u>10,101,450</u>
Creditors: amounts falling due within one year	20	(1,144,860)	(789,992)
Net current assets		<u>5,328,674</u>	<u>9,311,458</u>
Total assets less current liabilities		<u>32,209,110</u>	<u>32,609,313</u>
Creditors: amounts falling due after more than one year	21	(3,145,721)	(3,131,315)
Net assets excluding pension asset		<u>29,063,389</u>	<u>29,477,998</u>
Total net assets		<u><u>29,063,389</u></u>	<u><u>29,477,998</u></u>
Charity funds			
Restricted funds	22	2,002,009	1,980,569
Restricted funds	22	2,002,009	1,980,569
Unrestricted funds			
General funds	22	26,662,077	27,098,126
Revaluation reserve	22	399,303	399,303
Total unrestricted funds	22	<u>27,061,380</u>	<u>27,497,429</u>
Total funds		<u><u>29,063,389</u></u>	<u><u>29,477,998</u></u>

The financial statements were approved and authorised for issue by the Trustees on 5 December 2021 and signed on their behalf by:

A. S. Cohen
Trustee

L. Newmark
Trustee

FEDERATION OF SYNAGOGUES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(59,063)	(322,171)
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	-	2,736,283
Purchase of intangible assets	-	(213,883)
Purchase of tangible fixed assets	(3,611,515)	(1,951,992)
Net cash (used in)/provided by investing activities	(3,611,515)	570,408
Cash flows from financing activities		
Repayments of borrowing	(58,488)	(81,910)
Cash inflow from new borrowing	-	350,000
Net cash (used in)/provided by financing activities	(58,488)	268,090
Change in cash and cash equivalents in the year	(3,729,066)	516,327
Cash and cash equivalents at the beginning of the year	7,228,154	6,711,827
Cash and cash equivalents at the end of the year	3,499,088	7,228,154

The notes on pages 16 to 44 form part of these financial statements

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The charity is registered in England and Wales and is unincorporated. The address of the principal office is 65 Watford Way, Hendon, London NW4 3AQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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.

Federation of Synagogues meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

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

2.2 Going concern

At the time of approving the Financial Statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the Financial Statements.

The Trustees have given due consideration to the uncertainty caused by Covid-19, and having produced financial forecasts up to the end of 2022, they are confident that the charity has sufficient resources available to deal with its financial impact and can meet its financial liabilities for the foreseeable future as and when they fall due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 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.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Charity has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Charity, can be reliably measured.

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the Charity's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount it 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.

2.4 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. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.4 Expenditure (continued)

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2.6 Research and development

Research and development expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2.7 Intangible assets and amortisation

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Development expenditure	- 25 % straight line
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FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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 residual 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.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

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

2.9 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 the 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 presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 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.

2.11 Cash at bank and in hand

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

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 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 in the consolidated statement of financial activities as a finance cost.

2.13 Financial instruments

The Group 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.

2.14 Pensions

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

2.15 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 Group 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 Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

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

2.16 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.

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Synagogue membership	377,333	-	377,333
Other synagogue income including donations	564,352	36,486	600,838
Coronavirus job retention scheme grant	133,257	-	133,257
	<u>1,074,942</u>	<u>36,486</u>	<u>1,111,428</u>
	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Synagogue membership	413,059	-	413,059
Other synagogue income including donations	679,685	32,017	711,702
	<u>1,092,744</u>	<u>32,017</u>	<u>1,124,761</u>

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Burial Society	488,530	488,530
Beth Din	69,238	69,238
	<u>557,768</u>	<u>557,768</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Burial Society	521,651	521,651
Beth Din	59,415	59,415
<i>Total 2019</i>	<u>581,066</u>	<u>581,066</u>

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Kashrus licensing	<u>1,851,867</u>	<u>1,851,867</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Kashrus licensing	<u>1,877,957</u>	<u>1,877,957</u>

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Rental income	298,566	298,566
Interest receivable	8,806	8,806
	<u>307,372</u>	<u>307,372</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Investment income (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rental income	334,334	334,334
Interest receivable	13,247	13,247
	<u>347,581</u>	<u>347,581</u>

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £
Coronavirus job retention scheme grant (Subsidiary)	<u>101,875</u>	<u>101,875</u>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Gain on disposal of fixed assets	<u>2,282,733</u>	<u>2,282,733</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Expenditure on raising funds

	Unrestricted funds 2020 £	Total funds 2020 £
Kashrus licensing	1,382,837	1,382,837
Investment management costs	20,693	20,693
Staff costs	749,708	749,708
Depreciation, amortisation and impairment	292,342	292,342
	<hr/> 2,445,580	<hr/> 2,445,580 <hr/>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Expenditure on raising funds (continued)
(continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Kashrus licensing	1,145,956	1,145,956
Investment management costs	9,940	9,940
Staff costs	684,153	684,153
Depreciation, amortisation and impairment	175,535	175,535
	<u>2,015,584</u>	<u>2,015,584</u>

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Burial Society	441,093	-	441,093
Beth Din	542,665	-	542,665
Synagogues	1,249,599	4,717	1,254,316
Other grants payable	27,094	-	27,094
	<u>2,260,451</u>	<u>4,717</u>	<u>2,265,168</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Burial Society	409,107	-	409,107
Beth Din	354,867	-	354,867
Synagogues	1,488,890	26,907	1,515,797
Other grants payable	116,958	-	116,958
	<u>2,369,822</u>	<u>26,907</u>	<u>2,396,729</u>

Summary by expenditure type

	<i>Staff costs 2020 £</i>	<i>Depreciation 2020 £</i>	<i>Other costs 2020 £</i>	<i>Total funds 2020 £</i>
Burial Society	218,903	2,258	219,932	441,093
Beth Din	435,473	3,737	103,455	542,665
Synagogues	510,240	16,441	727,635	1,254,316
Other grants payable	-	-	27,094	27,094
	<u>1,164,616</u>	<u>22,436</u>	<u>1,078,116</u>	<u>2,265,168</u>

	<i>Staff costs 2019 £</i>	<i>Depreciation 2019 £</i>	<i>Other costs 2019 £</i>	<i>Total funds 2019 £</i>
Burial Society	223,826	2,245	183,036	409,107
Beth Din	299,824	6,350	48,693	354,867
Synagogues	571,753	39,074	904,970	1,515,797
Other grants payable	-	-	116,958	116,958
	<u>1,095,403</u>	<u>47,669</u>	<u>1,253,657</u>	<u>2,396,729</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Burial Society	394,157	-	46,936	441,093
Beth Din	495,728	-	46,937	542,665
Synagogues	841,237	-	413,079	1,254,316
Other grants payable	-	27,094	-	27,094
	<u>1,731,122</u>	<u>27,094</u>	<u>506,952</u>	<u>2,265,168</u>

	Activities undertaken directly 2019 £	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Burial Society	358,764	-	50,343	409,107
Beth Din	304,520	-	50,347	354,867
Synagogues	1,024,357	-	491,440	1,515,797
Other grants payable	-	116,958	-	116,958
	<u>1,687,641</u>	<u>116,958</u>	<u>592,130</u>	<u>2,396,729</u>

Analysis of direct costs

	Burial Society 2020 £	Beth Din 2020 £	Synagogues 2020 £	Total funds 2020 £
Staff costs	188,639	405,209	329,657	923,505
Depreciation	2,258	3,737	16,441	22,436
Other costs	203,260	86,782	495,139	785,181
	<u>394,157</u>	<u>495,728</u>	<u>841,237</u>	<u>1,731,122</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Burial Society 2019 £</i>	<i>Beth Din 2019 £</i>	<i>Synagogues 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	187,291	263,289	355,165	805,745
Depreciation	2,245	6,350	39,074	47,669
Other costs	169,228	34,881	630,118	834,227
	<u>358,764</u>	<u>304,520</u>	<u>1,024,357</u>	<u>1,687,641</u>

Analysis of support costs

	Burial Society 2020 £	Beth Din 2020 £	Synagogues 2020 £	Total funds 2020 £
Staff costs	30,263	30,264	180,583	241,110
Other costs	16,673	16,673	232,496	265,842
	<u>46,936</u>	<u>46,937</u>	<u>413,079</u>	<u>506,952</u>

Support costs include governance costs of £25,533 (2019: 22,346).

	<i>Burial Society 2019 £</i>	<i>Beth Din 2019 £</i>	<i>Synagogues 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	36,535	36,535	216,588	289,658
Other costs	13,808	13,812	274,852	302,472
	<u>50,343</u>	<u>50,347</u>	<u>491,440</u>	<u>592,130</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £
Grants to institutions	27,094	27,094
	<i>Grants to Institutions 2019 £</i>	<i>Total funds 2019 £</i>
Other grants < £5,000	116,958	116,958

The Group has made the following material grants to institutions during the year:

	2020 £	2019 £
Name of institution		
The Hendon Families Synagogue Limited	12,000	101,608
Milah UK	6,220	3,300
Initiation Society	5,000	5,000
Other grants < £5,000	3,874	7,050
Total grants to institutions	27,094	116,958

Institutional grants are made to institutions which share the same objectives and ethos as the Charity and contribute to further communal development.

12. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Charity's auditor for the audit of the Charity's annual accounts	17,375	13,346
Fees payable to the Charity's auditor in respect of:		
The auditing of accounts of the subsidiaries of the Charity	9,850	9,000
All non-audit services not included above	1,775	5,540

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Staff costs

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Wages and salaries	1,720,671	1,582,431	1,031,455	954,419
Social security costs	132,814	144,915	83,393	88,775
Contribution to defined contribution pension schemes	60,839	52,210	49,768	52,210
	<u>1,914,324</u>	<u>1,779,556</u>	<u>1,164,616</u>	<u>1,095,404</u>

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

	Group 2020 No.	Group 2019 No.
Synagogues	26	27
Burial Society	8	8
Kashrus	22	21
Administration	21	20
	<u>77</u>	<u>76</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	Group 2019 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	2	2
In the band £100,001 - £110,000	-	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 £178,369 (2019: £188,998).

Of the employees whose emoluments exceed £60,000, five (2019: five) have retirement benefits accruing under defined contribution pension schemes, totalling £32,270 (2019: £20,612).

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 December 2020, no Trustee expenses have been incurred (2019 - £NIL).

15. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on net (expenditure)/income for the year	(49,099)	(57,739)
Taxation on net (expenditure)/income	<u>(49,099)</u>	<u>(57,739)</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. Intangible assets

Group

	Development costs £
At 1 January 2020	761,062
Disposal	(761,062)
	<hr/>
At 31 December 2020	-
	<hr/>
At 1 January 2020	475,107
Charge for the year	134,898
Impairment charge	151,057
On disposal	(761,062)
	<hr/>
At 31 December 2020	-
	<hr/>
Net book value	
At 31 December 2020	-
	<hr/> <hr/>
<i>At 31 December 2019</i>	285,955
	<hr/> <hr/>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Intangible assets (continued)

Charity

	Development costs £
At 1 January 2020	92,597
Disposal	(92,597)
At 31 December 2020	-
Amortisation	
At 1 January 2020	92,597
On disposal	(92,597)
At 31 December 2020	-
Net book value	
At 31 December 2020	-
At 31 December 2019	-

17. Tangible fixed assets

Group

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	22,763,233	30,609	295,239	23,089,081
Additions	3,600,657	-	10,858	3,611,515
At 31 December 2020	26,363,890	30,609	306,097	26,700,596

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Tangible fixed assets (continued)

Group (continued)

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Depreciation				
At 1 January 2020	-	23,614	261,810	285,424
Charge for the year	-	3,598	25,225	28,823
At 31 December 2020	-	27,212	287,035	314,247

Net book value

At 31 December 2020	26,363,890	3,397	19,062	26,386,349
At 31 December 2019	22,763,233	6,995	33,429	22,803,657

Charity

	Freehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	22,763,233	24,959	247,573	23,035,765
Additions	3,600,657	-	4,360	3,605,017
At 31 December 2020	26,363,890	24,959	251,933	26,640,782

Depreciation

At 1 January 2020	-	17,964	219,946	237,910
Charge for the year	-	3,598	18,838	22,436
At 31 December 2020	-	21,562	238,784	260,346

Net book value

At 31 December 2020	26,363,890	3,397	13,149	26,380,436
At 31 December 2019	22,763,233	6,995	27,627	22,797,855

All the assets are used for charitable purposes.

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Investment property

Group

Freehold
investment
property
£

Valuation

At 1 January 2020	1,990,000
Deficit on revaluation	(90,000)

At 31 December 2020	<u>1,900,000</u>
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Charity

Freehold
investment
property
£

Valuation

At 1 January 2020	500,000
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At 31 December 2020	<u>500,000</u>
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The investment property of the subsidiary was valued in 2020 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 investment property of the parent was revalued by the trustees on a fair value basis.

The historical cost of the properties above was £1,753,649 (2019: £1,753,649).

19. Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Due after more than one year				
Amounts owed by group undertakings	-	-	1,603,737	1,569,860
	-	-	1,603,737	1,569,860
Due within one year				
Trade debtors	562,056	494,541	-	-
Amounts owed by group undertakings	-	-	1,579,446	1,355,745
Other debtors	169,440	142,416	169,440	138,150
Prepayments and accrued income	41,636	89,519	-	-

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Debtors (continued)

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Tax recoverable	106,787	<i>104,471</i>	-	-
	879,919	<i>830,947</i>	3,352,623	<i>3,063,755</i>

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. 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 2020 a provision of £252,952 (2019: £162,952) 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 2020**

20. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Bank loans	106,101	88,995	106,101	88,995
Trade creditors	106,723	111,492	60,644	44,606
Other taxation and social security	138,664	134,442	33,796	36,375
Other creditors	777,798	548,174	650,181	528,802
Accruals and deferred income	332,187	154,794	294,138	91,214
	<u>1,461,473</u>	<u>1,037,897</u>	<u>1,144,860</u>	<u>789,992</u>

21. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>	Charity 2020 £	<i>Charity 2019 £</i>
Bank loans	2,892,769	2,968,363	2,892,769	2,968,363
Provision against group debtor	-	-	252,952	162,952
	<u>2,892,769</u>	<u>2,968,363</u>	<u>3,145,721</u>	<u>3,131,315</u>

Bank loans are secured on the respective properties for which the financing was provided.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. Statement of funds

Statement of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
Unrestricted funds							
General Funds - all funds	26,915,533	3,893,824	(4,706,031)	49,099	10,329	-	26,162,754
Revaluation reserve	236,351	-	-	-	-	(90,000)	146,351
	<u>27,151,884</u>	<u>3,893,824</u>	<u>(4,706,031)</u>	<u>49,099</u>	<u>10,329</u>	<u>(90,000)</u>	<u>26,309,105</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	317,720	36,486	(4,717)	-	(10,329)	-	339,160
	<u>1,980,569</u>	<u>36,486</u>	<u>(4,717)</u>	<u>-</u>	<u>(10,329)</u>	<u>-</u>	<u>2,002,009</u>
Total of funds	<u>29,132,453</u>	<u>3,930,310</u>	<u>(4,710,748)</u>	<u>49,099</u>	<u>-</u>	<u>(90,000)</u>	<u>28,311,114</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

22. Statement of funds (continued)

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.

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2019 £
Unrestricted funds						
General Funds - all funds	25,061,119	6,182,081	(4,385,406)	57,739	-	26,915,533
Revaluation reserve	226,351	-	-	-	10,000	236,351
	<u>25,287,470</u>	<u>6,182,081</u>	<u>(4,385,406)</u>	<u>57,739</u>	<u>10,000</u>	<u>27,151,884</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	312,610	32,017	(26,907)	-	-	317,720
	<u>1,975,459</u>	<u>32,017</u>	<u>(26,907)</u>	<u>-</u>	<u>-</u>	<u>1,980,569</u>
Total of funds	<u>27,262,929</u>	<u>6,214,098</u>	<u>(4,412,313)</u>	<u>57,739</u>	<u>10,000</u>	<u>29,132,453</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

23. Summary of funds

Summary of funds - current year

	Balance at 1 January 2020 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2020 £
General funds	27,151,884	3,893,824	(4,706,031)	49,099	10,329	(90,000)	26,309,105
Restricted funds	1,980,569	36,486	(4,717)	-	(10,329)	-	2,002,009
	<u>29,132,453</u>	<u>3,930,310</u>	<u>(4,710,748)</u>	<u>49,099</u>	<u>-</u>	<u>(90,000)</u>	<u>28,311,114</u>

Summary of funds - prior year

	Balance at 1 January 2019 £	Income £	Expenditure £	Taxation £	Gains/ (Losses) £	Balance at 31 December 2019 £
General funds	25,287,470	6,182,081	(4,385,406)	57,739	10,000	27,151,884
Restricted funds	1,975,459	32,017	(26,907)	-	-	1,980,569
	<u>27,262,929</u>	<u>6,214,098</u>	<u>(4,412,313)</u>	<u>57,739</u>	<u>10,000</u>	<u>29,132,453</u>

FEDERATION OF SYNAGOGUES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	24,766,653	1,619,696	26,386,349
Investment property	1,900,000	-	1,900,000
Current assets	3,996,694	382,313	4,379,007
Creditors due within one year	(1,461,473)	-	(1,461,473)
Creditors due in more than one year	(2,892,769)	-	(2,892,769)
Total	<u>26,309,105</u>	<u>2,002,009</u>	<u>28,311,114</u>

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	21,183,961	1,619,696	22,803,657
Intangible fixed assets	285,955	-	285,955
Investment property	1,990,000	-	1,990,000
Current assets	7,698,228	360,873	8,059,101
Creditors due within one year	(1,037,897)	-	(1,037,897)
Creditors due in more than one year	(2,968,363)	-	(2,968,363)
Total	<u>27,151,884</u>	<u>1,980,569</u>	<u>29,132,453</u>

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	Group 2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(821,339)	1,869,524
Adjustments for:		
Depreciation charges	28,823	31,797
Amortisation charges	285,955	191,407
Loss/(Gains) on investments	90,000	(10,000)
Loss/(profit) on the sale of fixed assets	-	(2,282,733)
(Increase)/decrease in debtors	(48,972)	(146,678)
Increase/(decrease) in creditors	406,470	24,512
Net cash used in operating activities	(59,063)	(322,171)

26. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	3,499,088	7,228,154
Total cash and cash equivalents	3,499,088	7,228,154

27. Analysis of changes in net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	7,228,154	(3,729,066)	3,499,088
Debt due within 1 year	(88,995)	(17,106)	(106,101)
Debt due after 1 year	(2,968,363)	75,594	(2,892,769)
	4,170,796	(3,670,578)	500,218

FEDERATION OF SYNAGOGUES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

28. Capital commitments

At the year end, the charity had capital commitments of £590,163 in respect of contracted building works.

29. Related party transactions

The Charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the Charity at 31 December 2020.

30. Controlling party

The charity is under the control of the trustees.

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 and gains	£1,940,560
Total expenditure	(£2,355,170)
Net movement in funds	(£414,610)

31. Principal subsidiaries

The following were subsidiary undertakings of the Charity:

Names	Company number	Registered office or principal place of business	Control by the charity
Kosher Foods Supervisory Services Limited	04138362	United Kingdom	100%
Watford Way Investments Limited	05777108	United Kingdom	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
Kosher Foods Supervisory Services Limited	1,953,742	2,360,800	(407,058)	(751,573)
Watford Way Investments Limited	99,481	189,154	(89,673)	(253,655)

