

BRIGHTON AND HOVE REFORM SYNAGOGUE

SUMMARY FINANCIAL REPORT

FOR THE YEAR ENDED

31 MARCH 2020

Charity Registration No. 1155461

BRIGHTON AND HOVE REFORM SYNAGOGUE
Summary Financial Report
For the Year Ended 31 March 2020

Summary Financial Statements for the year ended 31 March 2020

The Synagogue is a constituent member of the Movement for Reform Judaism and is itself a registered Charity (No.1155461). These accounts have been drawn up in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities.

Warning Statement

These Summarised Accounts may not contain sufficient information to allow for a full understanding of the financial affairs of the Synagogue. The summary is extracted from the full unaudited accounts which are available on request from the Synagogue office a Palmeira Avenue, Hove, East Sussex, BN3 3GE.

Council Statement

We confirm that the accounts as shown represent a summary of information extracted from the Annual Report and Accounts of Brighton and Hove Reform Synagogue approved by the Council.

By Order of the Council

**Palmeira Avenue
Hove
East Sussex
BN3 3GE**

Michael Harris
Joint Chair

Date:

Independent Examiner's Statement to the Members of Brighton and Hove Reform Synagogue

I have examined the summary financial statement for the year ended 31 March 2020 as presented.

Respective Responsibilities of the Council and the Independent Examiner

The Council are responsible for preparing the summary financial statement in accordance with applicable United Kingdom law and the recommendation of the Charities SORP 2015 (FRS 102).

My responsibility is to report to you my opinion on the consistency of the summary financial statement with the full annual financial statements.

I also read other information contained in the summary financial statement and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summary financial information. The other information comprises only the summary financial report.

Basis of opinion

My report on the synagogue's full annual financial statements describes the basis of my opinion on those financial statements.

Opinion

In my opinion the summarised financial statement is consistent with the full annual financial statements of Brighton and Hove Reform Synagogue for the year ended 31 March 2020.

**Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL**

Ian Matthews
On behalf of Moore Kingston Smith LLP
Chartered Accountants

Date:

BRIGHTON AND HOVE REFORM SYNAGOGUE
Summary Financial Report
For the Year Ended 31 March 2020

Achievements and Performance during the year

Adult membership was down 20 to 420 during the 2019 calendar year and child membership increased by 9 to 91. This demonstrates the continuing attractiveness of our Cheder (religion school) and "Kuddle-up" group for the under-fives despite the ongoing demographic challenges for Jewish communities outside London. During the year we gained 22 (2018 - 19) new adult members and lost 42 (2018 - 33), of which 16 (2018 - 11) were as a result of death and the others mostly moved away or lapsed membership for financial reasons. Maintaining membership in an environment where we lose so many each year is challenging and requires tremendous efforts from the Rabbi and the cheder team. Since Rabbi Andrea joined us in 2012 we have had a net reduction of 60 adult members, although we suffered even larger declines in membership in the previous several years.

Rabbi Andrea is now well established and respected in the diverse Jewish community in Sussex, which census data shows is now spread all over the County, with just one third in Brighton and Hove where the community used to be concentrated. The Rabbi continues to participate in inter-faith dialogue and guides the education of our children as well as adults seeking conversion or simply more Jewish knowledge. He is ably supported by his wife Sara, who took over as Head-teacher of the Cheder at the end of last year. Rabbi and the Council continue to build and strengthen our ties to other Reform congregations through Reform Judaism (RJ, and formerly called MRJ), as well as maintaining contact with the three other well-established Jewish communities in the city. He has an international profile on social media and he often takes a pro-Zionist line.

Comments below relate to our activities which were interrupted when the Council decided to close the Synagogue on 20th March 2020 due to the pandemic. We have not yet decided when to reopen the building which remains closed for member activities. However, until closure, in addition to our traditional services, we had a popular and innovative musical Kollot service monthly on Friday evenings, thought-provoking sermons as well as question-time opportunities, and a complete programme of services on all Shabbatot and festivals. Services now continue on-line using Zoom, including those on Shabbat, and attendances are similar to those previously. We find that although the format of services has had to change to reflect the new reality, it has been well accepted as a satisfactory second best. Since lockdown, the Rabbi has additionally introduced a traditional programme of three daily services on Zoom which attracts a small but dedicated attendance.

Our numerous activity groups continued to cater for a growing number of requirements. We had members and others studying religious texts under the Rabbi, a book-club, a group learning to "leyn" (chant in Hebrew from the Torah scroll), another group improving their Hebrew reading and speaking through participation in a community "Ulpan", and a "Rosh Chodesh" women's group. We provided teas for the elderly in cooperation with "Helping Hands", another local charity, and we organised various social events including an annual quiz and musical entertainments. An active Cheder committee acts both as a parents' group and runs fund-raising events. We publish a bi-monthly magazine (Sha'are Shalom), with a colourful High Holy Day "brochure edition" annually.

Members of Council each take responsibility for specific aspects of this activity, and Council receives monthly reports, either orally or in writing, from those responsible. Some activities are organised by members of the community with appropriate experience, but who do not themselves sit on Council. Examples of activities led by non-members of the Council include our Choir, our programme for support of our most elderly members, and the head-teacher of the Cheder who attends Council regularly to report on this most important element of our activities. We continue to prioritise the younger generation in our budgetary decision-making, and we find their activities are the most effective way to bring new members into the community.

Educational activities have continued on-line during the lockdown and teachers have prepared classroom materials suitable for use on Zoom. "Kuddle-up" for the youngest and Cheder for school age children up to Bar/Batmitzvah age have both continued on-line. During lockdown we have continued monthly services for both younger and older children. For the over 13's we have a Youth Leader working in co-operation with RJ Netzer, RJ's youth group, running the new youth club for the 13-15 age group. J-crew, a group for the 15-18s meet occasionally mostly with a youth leader, usually a role taken by a student at Sussex University.

BRIGHTON AND HOVE REFORM SYNAGOGUE
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For the Year Ended 31 March 2020

Financial Review

Our total income in 2020 excluding legacies in both years was £325,588 (2019 - £291,064), up 11.9%. The increase of £35,524 was primarily generated by the expanded investment income, up £21,777 this year because of the 2017 legacy from Moss Murray z"l which is now invested in a charity portfolio managed by Barclays. Funeral related income contributed an additional £16,097 in 2020, although this source of income does tend to vary substantially between years. Subscription and other sources of income were overall virtually unchanged.

Expenses were £374,276 (2019 – £473,834), a decrease which has been driven by the reduced Synagogue redevelopment costs down by £129,307 to £28,517 (2019 - £157,824). The redevelopment project has been in abeyance during lockdown but we expect further progress to be made after restrictions are loosened. Excluding Synagogue redevelopment costs, expenses for the year were up £29,749 to £345,759 (2019 - £316,010). Excluding funerals and related costs the increase was £13,652 or 5.4% at £264,660 (2019 - £251,008). This increase was driven by staff costs, which were up by £5,541, 3.7% (2019 - £10,380, 7.4%) and additional adult education costs, some of which related to 2019. Our investments were evaluated at our balance sheet date at £670,992. This was virtually at the lowest point reached by the markets as a result of the pandemic and by 21 July 2020 the portfolio had recovered to £759,840, up £88,848 from the March close. We booked unrealised losses on investments at £105,957 into the 2020 results as well as investment income of £26,530, so the net loss on investments was £79,427 in the year. That explained the overall deficit for the year of £82,391 which compared with the surplus of £281,213 in 2019 which included part of the large legacy mentioned above.

Net operating income, before the investment losses, was £23,566 (2019 - £278,204) or, on a consistent "repeatable" basis before those elements of income and cost which are one-off or uncontrollable (funerals, legacies and redevelopment costs), the operating deficit in 2020 was £31,313 (2019 - £39,318 and 2018 - £38,517). This consistent basis is what we use internally to track our activity and the improvement of £8,005 in 2020 includes investment income, which was budgeted at the level received.

Reserves

Cash balances decreased this year by £23,520 to £72,259 (2019 – 95,779) because of the cash cost of the operating deficit. Free (General) reserves after deduction of fixed assets yet to be depreciated have fallen to £668,229 (2019 - £750,299). The Council still considers that the Synagogue should retain cash reserves of at least £100,000 to cover emergencies and cushion against large swings and seasonality in income and expenditure, not least from unpredictable funerals and legacies which we have always experienced. We expect that our redevelopment project, which is still in the planning stage, will require us to spend some of these reserves but will eventually provide a cash benefit from reduced expenditures to aid recovery of our reserves.

Going concern

The Trustees have considered the impact of the coronavirus pandemic, and the measures taken to contain it, on the synagogue and its ability to continue as a going concern. Although the ultimate impact cannot be reliably determined, the Synagogue was required to close as a result of containment measures and it is not yet clear when it will be able to reopen. The Trustees have taken steps to mitigate the impact of the closure, including the introduction of regular services conducted online, as discussed above.

Due to the current situation it is very difficult for the Trustees to form reliable estimates of forecast income and expenditure and some by its nature, such as legacies, is inherently uncertain. However, the Trustees have concluded that due to various factors including the Synagogue's level of cash and investments, there is a reasonable expectation that the Synagogue has adequate resources to continue in operational existence for the foreseeable future. Consequently, the financial statements are prepared on a going concern basis.

The coming year

The Council have not been able to prepare a budget for 2021 (the year to March 2021) because of the enormous uncertainty wrought by the closure of the building during the pandemic. We know that elements of our income such as legacies and funerals are anyway uncertain, but of course this degree of unpredictability is quite exceptional. Hence the Council is unable to give guidance on expectations for the 2021 year.

By Order of the Council

Palmeira Avenue
Hove
East Sussex
BN3 3GE

Michael Harris
Joint Chair

Date:

BRIGHTON AND HOVE REFORM SYNAGOGUE
Unaudited Statement of Financial Activities
For the Year Ended 31 March 2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
INCOME AND ENDOWMENTS				
Donations, gifts and legacies	96,029	4,974	101,003	487,222
Other Trading Activities				
Trading activities	37,003	1,546	38,549	42,031
Charitable Activities	162,544	69,216	231,760	218,032
Investment Income	26,530	-	26,530	4,753
Total Operating Income	<u>322,106</u>	<u>75,736</u>	<u>397,842</u>	<u>752,038</u>
EXPENDITURE				
Raising Funds				
Generating Voluntary Income	-	4,337	4,337	4,481
Goods sold and services provided	1,606	-	1,606	2,414
Total cost of raising funds	1,606	4,337	5,943	6,895
Charitable Activities	297,214	71,119	368,333	466,939
Total Operating Expenditure	<u>298,820</u>	<u>75,456</u>	<u>374,276</u>	<u>473,834</u>
Net Operating Income	23,286	280	23,566	278,204
Unrealised gains/(losses) on Investments	<u>(105,957)</u>	-	<u>(105,957)</u>	<u>3,009</u>
Net Movement in Funds	(82,671)	280	(82,391)	281,213
Total Funds Brought Forward	<u>914,258</u>	<u>98,074</u>	<u>1,012,332</u>	<u>731,119</u>
Total Funds Carried Forward	<u><u>831,587</u></u>	<u><u>98,354</u></u>	<u><u>929,941</u></u>	<u><u>1,012,332</u></u>

BRIGHTON AND HOVE REFORM SYNAGOGUE
Unaudited Balance Sheet
As at 31 March 2020

	2020		2019	
	£	£	£	£
Fixed Assets				
Tangible Assets		163,358		163,959
Investments		<u>670,992</u>		<u>769,119</u>
		834,350		933,078
Current Assets				
Judaica Shop Stock	1,341		1,750	
Funeral Plots	558		558	
Debtors and Prepayments	63,571		30,423	
Cash at Bank and in Hand	<u>72,259</u>		<u>95,779</u>	
	137,729		128,510	
Current Liabilities				
Creditors: Amounts falling due within one year		<u>(42,138)</u>		<u>(49,256)</u>
Net Current Assets		<u>95,591</u>		<u>79,254</u>
Total Net Assets		<u><u>929,941</u></u>		<u><u>1,012,332</u></u>
Accumulated Funds				
Restricted Funds		98,354		98,074
Unrestricted Funds - Designated	163,358		163,959	
Unrestricted Funds - General	<u>668,229</u>		<u>750,299</u>	
		<u>831,587</u>		<u>914,258</u>
		<u><u>929,941</u></u>		<u><u>1,012,332</u></u>