

THE UNITED SYNAGOGUE KASHRUT BOARD (Company limited by guarantee)

Trustees' Report and Annual Accounts

Annual report and financial statements for the year ended 31st December 2004

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Company number 2089374.

Registered charity number 296057.

Auditors	Bankers	Actuaries	Charity Solicitors
Deloitte & Touche LLP	Royal Bank of Scotland	Aon Consulting	Farrer & Co
180 Strand London WC2R 1BL	Corporate Banking London 8th Floor 280 Bishopsgate London EC2M 4RB	Carnegie House 21 Peterborough Road Harrow HA1 2AJ	65 Lincoln's Inn Fields London WC2A 3LH

THE UNITED SYNAGOGUE KASHRUT BOARD

Report of the Board of Trustees for the year ended 31st December 2004

The Board of Trustees presents its report together with the audited financial statements for the year ended 31st December 2004.

Governance and internal control

The Charity was constituted under a Memorandum and Articles of Association incorporated on 14th January 1987. These articles determine that the Charity and its property are to be administered and managed by the members of the Association who are the Honorary Officers of the United Synagogue elected by the Council of the United Synagogue at its triennial election.

Results

The statement of financial activities is set out on page 5 and shows the net incoming resources for the year under review.

Principal activities, review of business and future prospects

The principal activities of the charity are the provision of religious supervision for the manufacture and the supply of food products, and operating the London Beth Din, Court of the Chief Rabbi.

Income increased slightly on 2003 to £2,420,958 while resources expended in the same period period have increased by some 10% reflecting business growth, the benefits of which will be felt from 2005.

The number of factories certified by the Kashrut Board in 2004 was 579 located in 39 countries as far apart as Scandinavia, Mexico, Indonesia and Australia.

The Trustees expect profitability to increase even further in the future as certification of factories spreads into new areas, particularly in the People's Republic of China.

Statutory Matters

Risk Management

The Trustees have, with advice from their auditors, introduced a formal risk management process to assess business risks and implement risk management strategies. This has involved identifying the types of risks the Charity faces, prioritising them in terms of both potential impact and likelihood of occurrence and identifying means of mitigating the risks.

Reserves Policy

It is anticipated that the Kashrut Board will continue to run with negative reserves but within the parameters set by the charity trustees as being acceptable within the parent charity's overarching reserves policy.

Company number 2089374.

Charity number 296057.

The ultimate parent charity is United Synagogue, a charity registered in England.

Board of Trustees

The following served as members of the Board throughout the year :

P. Sheldon
S. Hochhauser
S. Taylor
B. J. Wolkind
G. Hartnell
D. Cramer

THE UNITED SYNAGOGUE KASHRUT BOARD

Report of the Board of Trustees (continued)

Trustees' responsibilities

The Trustees are required 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 financial activities of the charity for that period. In preparing those financial statements, the Trustees are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

ensure that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

and 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 which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Secretary


S. Lightman, LLB

Registered office

735, High Road, London, N12 0US

Signed by Order of the Board of Trustees

S. Lightman

27th June 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE UNITED SYNAGOGUE
KASHRUT BOARD (Company limited by guarantee)**

We have audited the financial statements of the United Synagogue Kashrut Board for the year ended 31 December 2004 which comprise the statement of financial activities, the balance sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the statement of trustees' responsibilities, the charitable company's trustees are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the trustees' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed

We read the trustees' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

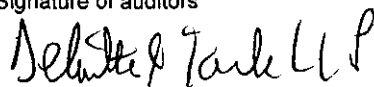
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 December 2004 and of the incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Signature of auditors



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

28th June 2005

THE UNITED SYNAGOGUE KASHRUT BOARD

Statement of Financial Activities for the year ended 31st December 2004

	Note	2004 £	2003 £
Income and Expenditure			
Incoming Resources			
Income from charitable trading activities		2,420,958	2,368,995
Sundry income		-	800
Total incoming resources		<u>2,420,958</u>	<u>2,369,795</u>
Resources expended			
Direct charitable expenditure			
Direct costs of charitable trading activities	2	1,673,816	1,531,910
Support costs	3	669,552	590,571
Total resources expended		<u>2,343,368</u>	<u>2,122,481</u>
Net incoming / (outgoing) resources	6	77,590	247,314
Fund balance brought forward at 1 January - deficit		(290,075)	(537,389)
Fund balance carried forward at 31 December - deficit		<u>(212,485)</u>	<u>(290,075)</u>

All recognised gains and losses are included in the statement of financial activities.
All amounts relate to continuing activities.

Balance Sheet as at 31st December 2004

	Note	2004 £	2003 £
Fixed assets:			
Tangible assets	7	7,019	15,671
Current assets :			
Cash at bank		525	-
Debtors	8	<u>580,419</u>	<u>674,854</u>
		<u>580,944</u>	<u>674,854</u>
Current liabilities:			
Bank overdraft		-	(37,503)
Creditors : Amounts falling due within one year :	9	<u>(800,448)</u>	<u>(943,097)</u>
		<u>(800,448)</u>	<u>(980,600)</u>
Net liabilities		<u>(212,485)</u>	<u>(290,075)</u>
Represented by:			
Unrestricted funds		<u>(212,485)</u>	<u>(290,075)</u>

B. J. Wolkind



) These financial statements were approved and signed
) on behalf of the Board of Trustees
) 27th June 2005

G. Hartnell



The notes on pages 6 to 9 form part of these financial statements

THE UNITED SYNAGOGUE KASHRUT BOARD

Notes to the financial statements for the year ended 31st December 2004

1 Accounting policies :

These financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the Statement of Recommended Practice - Accounting and Reporting by Charities" (SORP). The following principal accounting policies have been applied:

Income and expenditure

All incoming resources are accounted for on a receivable basis. Income from charitable trading activities represents license and other fees receivable for the provision of religious supervision

All resources expended are accounted for gross when incurred and on an accruals basis. Direct charitable expenditure includes the direct costs of the organisation's activities.

Fund accounting

Unrestricted funds comprise accumulated deficits on general funds.

Fixed Assets

Tangible fixed assets are stated at cost. Depreciation is provided to write off the cost less estimated residual values, of all fixed assets over their expected useful lives.

It is calculated at the following rates:

Office equipment 33.33% per annum

Pension Costs

With effect from 1 July 2001 the Kashrut Board has paid contributions for its employees on a monthly basis to a defined contribution scheme set up by the parent charity.

The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments on the balance sheet.

As an alternative, contributions are also paid over monthly for those employees within the occupational pension scheme operated by the Jewish Memorial Council Pension Fund.

	2004 £	2003 £
2 Direct costs of charitable trading activities		
Payroll	719,434	707,385
Shomrim and supervision salaries	663,748	509,675
Contract supervision	130,590	104,161
Sub-contractors	102,909	96,730
Provision for doubtful debts	26,588	50,934
Conjoint expenses	5,000	6,097
Passover advertising	7,616	7,750
Passover labels	2,922	4,312
Other labels	147	65
RJFG advertising	-	14,665
RJFG printing	(1,018)	25,254
Other printing	14,630	4,000
Other	1,250	882
	<u>1,673,816</u>	<u>1,531,910</u>

THE UNITED SYNAGOGUE KASHRUT BOARD

Notes to the financial statements for the year ended 31st December 2004 (continued)

3		2004 £	2003 £
	Support costs		
	Payroll	274,505	269,908
	Travel and expenses	231,131	188,429
	Equipment and repairs	11,707	8,417
	Printing, stationery and postage	24,074	17,127
	Advertising, promotion and publications	1,000	1,053
	Marketing	20,724	11,482
	Miscellaneous	25,293	10,690
	Telephone	40,657	46,248
	Depreciation	33,076	27,259
	Professional fees	(1,000)	2,707
	Bank charges & interest	2,895	2,640
	Insurance	5,490	4,611
		<u>669,552</u>	<u>590,571</u>

4		2004 £	2003 £
	Employee costs :		
	Wages and salaries	1,429,538	1,281,316
	Social security costs	138,934	123,595
	Other pension scheme contributions	89,215	82,058
		<u>1,657,687</u>	<u>1,486,968</u>
	allocated to :		
	Direct costs of charitable trading activities	1,383,182	1,217,060
	Support costs	274,505	269,908
		<u>1,657,687</u>	<u>1,486,968</u>

	2004 Number	2003 Number
The average number of employees during the year was as follows :		
Kashrut supervision	32	30
Support	15	11
Beth Din	11	11
	<u>58</u>	<u>52</u>

The number of employees whose emoluments for the year fell within the following bands were:

£90,001 to £100,000	1	-
£80,001 to £90,000	1	2
£70,001 to £80,000	1	1
£60,001 to £70,000	2	2
£50,001 to £60,000	-	-

THE UNITED SYNAGOGUE KASHRUT BOARD

Notes to the financial statements for the year ended 31st December 2004 (continued)

5 Trustees emoluments and reimbursed expenses

The Trustees received no remuneration for their services, nor were any expenses reimbursed.

6	Net incoming / (outgoing) resources:	2004	2003
		£	£
	This is stated after charging :		
	Auditors' remuneration	<u>1,800</u>	<u>1,800</u>

7 Tangible Assets :

Office
Equipment
£

Cost

At 1 January 2004	146,776
Additions during the year	1,400
Disposals during the year	<u>(78,432)</u>
At 31 December 2004	<u>69,744</u>

Depreciation

At 1 January 2004	131,105
Charge for the year	10,052
Disposals during the year	<u>(78,432)</u>
At 31 December 2004	<u>62,725</u>

Net Book Value at 31 December 2004

7,019

Net Book Value at 31 December 2003

15,671

8 Debtors :

	2004	2003
	£	£
Trade debtors	817,876	919,593
less provision for doubtful debts	<u>(272,957)</u>	<u>(250,306)</u>
	544,919	669,287
Prepayments and accrued income	<u>35,500</u>	<u>5,567</u>
	<u>580,419</u>	<u>674,854</u>
All debtors fall due for payment within one year		

THE UNITED SYNAGOGUE KASHRUT BOARD

Notes to the financial statements for the year ended 31st December 2004 (continued)

9	Creditors - Amounts falling due within one year :	2004 £	2003 £
	Amount due to Parent Charity	224,673	327,143
	VAT	49,444	44,388
	Deferred income	274,081	318,092
	Accruals and other creditors	<u>252,250</u>	<u>253,474</u>
		<u>800,448</u>	<u>943,097</u>

10 Contributions from members :

In the event of the company being wound up, each member's liability to contribute is limited to £1.

11 The Trustees regard United Synagogue, a Charity registered in the U.K. as the ultimate parent body and the ultimate controlling party. Group accounts are available from the United Synagogue, which is the largest and smallest group for which consolidated accounts are prepared. These accounts are available from: United Synagogue, Adler House, 735 High Road, London N12 0US.

12 The United Synagogue Kashrut Board is a registered charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.