

# Leo Baeck College

## Trustees Report

- ❖ Legal and Administrative Information
- ❖ Report of the Board of Governors
- ❖ Treasurer's Report
- ❖ Accounts and Notes
- ❖ Independent Auditors' Statement

for the year ended 30 September 2007

## Legal and Administrative Information

Company Number 626693  
Charity Number 209777

### Board of Governors

#### Voting Governors, Trustees and Directors

Miriam Kramer	Chairman, appointed 1 January 2007
Dr Henry Cohn	Vice-Chairman, appointed 1 August 2005
Robert Graham	Honorary Treasurer, appointed 24 October 2001
Professor Shelley Heard	Additional Honorary Officer, appointed 1 May 2002
David Leibling	Honorary Secretary, appointed 25 May 1995
Alasdair Nisbet	Chairman, Development Board appointed 21 October 2003
Michael Grabiner	Chairman, Movement for Reform Judaism, appointed 1 August 2005
Nigel Cole	Chairman, Liberal Judaism appointed 7 February 2005
Rabbi Jeffrey Newman	Nominee of Assembly of Rabbis, appointed 1 February 2002, resigned 5 November 2007
Rabbi Sybil Sheridan	Nominee of Assembly of Rabbis, appointed 11 February 2008
Rabbi Stephen Howard	Nominee of Rabbinic Conference, appointed 16 May 2005

#### Non-Voting Governors

Rabbi Professor Marc Saperstein	Principal, appointed 1 July 2006
Rabbi Dr Michael Shire	Vice Principal, appointed 23 October 2001
Stephen Ross	Executive Director, appointed Company Secretary 23 October 2001
Rabbi Tony Bayfield	Movement for Reform Judaism, Head and Chief Executive appointed 23 October 2001
Rabbi Danny Rich	Liberal Judaism Chief Executive, appointed 7 February 2005
Dr Moshe Lavee	Nominee of Academic Board, appointed 6 November 2006, resigned 31 August 2007
Dr Annette Boeckler	Nominee of Academic Board, appointed 5 November 2007
Debbie Young-Somers	Nominee of Students' Society appointed, 1 September 2006, resigned 8 July 2007
Charley Baginsky	Nominee of Students' Society appointed 9 July 2007
James Libson	Nominee of UJIA co-opted 1 August 2005

## Management

### Senior Management Team

Principal	Rabbi Professor Marc Saperstein
Vice Principal	Rabbi Dr Michael Shire
Executive Director	Stephen Ross
Director of Department of Education and Professional Development	Dr Helena Miller, resigned 5 October 2007

Head of HR and Support Services	Rhona Lesner
---------------------------------	--------------

## **Registered Office and Operational Address**

Sternberg Centre for Judaism  
80 East End Road,  
London N3 2SY  
Telephone: 020 8349 5600  
Facsimile: 020 8349 5619  
Email: info@lbc.ac.uk  
Website: www.lbc.ac.uk

## **Company Secretary**

Stephen Ross

## **Auditors**

Nyman Libson Paul  
Regina House  
124 Finchley Road  
London NW3 5JS

## **Principal Investment Advisors**

SG Hambros Bank Limited  
Norfolk House  
31 St. James's Square  
London SW1Y 4JJ

## **Solicitors**

Osmond Gaunt & Rose  
Winston House  
49 Regents Park Road  
London N3 1DH

## **Principal Bankers**

National Westminster Bank  
48 Ballards Lane  
London N3 2QZ

## **Report of the Board of Governors**

### **Nature of governing documents**

Leo Baeck College is a charitable company limited by guarantee. The trustees and directors are the voting members of the Board of Governors named on page 2. The original memorandum and articles were dated 24 April 1959, and amended by special resolutions dated 29 November 1990, 11 May 1992, 28 June 1993, April 1997, 23 October 2001, 3 May 2005 and 23 May 2006.

In 2001 the Leo Baeck College assumed the activities previously carried on by the Centre for Jewish Education and a new Board of Governors was appointed.

The Memorandum and Articles of Association allow the charity to undertake any activity covered by its objects with no specific restrictions and limit the liability of the Members in the event of the company being wound up to a sum not exceeding £1 each.

### **Governance and Organisation**

The directors of the company who are also the Trustees of the Charity have overall responsibility for its management and control, although this is effectively delegated to the Board of Governors, which include trustees and various other individuals. The work of implementing the policies is carried out by the Board of Governors in conjunction with the charity's officials.

Rabbi Professor Marc Saperstein was appointed as Principal in July 2006. The Principal is the senior academic and administrative officer of the College and is supported in his role by the Senior Management Team. He regularly reports to the Honorary Officers and Board of Governors. Trustee Governors serve for a period of three years and those retiring by rotation may be eligible for re-election. The Governors are required to meet no less than three times per year.

Whilst some governors are appointed ex officio, the Honorary Officers are appointed on the basis of their standing, experience and skills to provide a balanced Board with the ability to govern effectively.

Trustees are recruited through networks in the communities the College serves by identifying any skill shortage created by the departing trustee and targeting suitably qualified individuals to approach. Induction is provided to new trustees by the Company Secretary who supplies a pack comprising the governing documents, financial information, organisational charts, recent minutes etc and follows up with a tour of the campus and introduction to key staff, students and faculty members.

Training for trustees takes place approximately once a year usually in the form of a development session to examine an area of College activity or more generally to review future strategy. These sessions are typically facilitated by an external consultant.

The Company Secretary distributes occasional briefings from the Charity Commission and elsewhere to the Board and where relevant, selectively to particular Honorary Officers.

#### **Auditors**

Messrs Nyman Libson Paul were re-appointed auditors at the Annual General Meeting.

#### **Activities and achievements**

The objects of the College are the promotion and furtherance of Jewish religious and educational instruction and fostering and advancing the study of the classical texts of the Jewish tradition (Bible and rabbinic literature in the original languages), the study of Jewish history, literature, religious thought, education and culture, both religious and secular. The College sees itself as Europe's premier centre for Progressive Jewish learning.

The College seeks to achieve these objectives by pursuing its Mission as follows:

- To train rabbis and teachers for Jewish congregations, communities and schools
- To promote the study of Judaism in a spirit of reverence for Jewish tradition combined with scholarly enquiry and academic freedom
- To instill the love of learning in the Jewish community by raising the level of Jewish knowledge
- To stimulate Progressive Jewish thought, expand its vision and deepen its values
- To advance mutual understanding and respect within the Jewish people and amongst the religions, cultures and peoples of the world

The main goals for the year included the appointment of a new Librarian, Dr Annette Boeckler, a consultation process as the basis for progressing the 2007-2012 strategic plan, securing funding for a new Summer Institute, appointing a PR and marketing professional to ensure recruitment, retention and development of new supporters and students. The required year in Israel has now been successfully moved to the first year of the rabbinic programme under an arrangement with the Hebrew Union College. Academic accreditation for the MA in Hebrew and Jewish Studies will be moving from the Open University Validation Service to Kings College, London.

The activities used to achieve these goals and objectives included ordaining a new class of rabbis, training teachers for communities and recruiting students for the new academic year.

Work was carried out in the communities by supporting religion schools, day schools and offering public lectures. A professional development programme was designed for communal professional staff as part of a new qualification. In addition, a range of informal educational opportunities was made available.

Academic standards were maintained and improved through oversight by College course team committees, the Academic Board and our validating bodies: the Open University and London Metropolitan University. There is also regular interaction with our external reviewer and observation of classes by the Principal.

The establishment of a new monthly programme enables members of the teaching staff to present current research for feedback and critique by colleagues. The teaching staff are encouraged to participate actively in academic conferences on local, national, and international level.

The Library continued to receive donations of books and support to acquire the latest version of Encyclopaedia Judaica in electronic and printed form. Joint Jewish-Christian-Muslim activities took place organised by the Interfaith Committee. Development work continues to establish the first cross-communal Jewish day school.

The schedule for completing the Strategic Plan has been extended beyond the original timeframe. Despite the work completed last year in soliciting input from various groups of College constituents, the final formulation of the plan has been delayed because of ongoing questions including:

- the number of incoming students resulting from a major recruitment effort,
- full-time faculty appointments,
- the desirability of continuing to offer the BA degree in Hebrew and Jewish Studies,
- the future of Department of Education and Professional Development administration,
- resource requirements to support the work required once negotiations have been concluded for College facilities in the re-developed Sternberg Centre site.

The College provides for learners in a variety of different ways:

#### **Students enrolled on full or part time validated study programmes, leading to a degree or certificate**

The College remains the only Institution in the UK to offer rabbinic ordination, Master's Degree in Jewish Education and Professional Development diplomas.

Strategies for the coming period to include:

- Focus on recruitment of UK rabbinic students
- Increase numbers of Education degree students
- Increase numbers of Professional Development students on two pathways: Community and Informal Education
- Focus on attracting research students
- Increase numbers of auditing students
- Development of a CPD qualification for rabbis

#### **Continuing professional development (CPD) for teachers, rabbis and professionals in the Jewish community**

Strategies for the coming period to include:

- Resources to be available to cope with increased demand for day school work
- Development needs of community professionals, rabbis and lay leaders
- Continued diversification and provision of variety of opportunities for teachers and educators in the communities
- Integration of RIST (Rabbinic In-Service Training) work into the administration of the College and support for the Graduates' Association
- Implementation of the Faith Capacities Grant for training of clergy of all faiths (to April 2008)
- Consider the possibility of a para-rabbinic course of study

#### **Study programmes and lectures held at the College and in the community, open to all**

Strategies for the coming period to include:

- Clear remit for adult education to focus on developing and supporting work in the communities
- Continue to provide in-house programmes where support and funding is given
- Use technology, for example e-learning, to increase opportunities for learning in the communities
- Development of new opportunities that particularly support recruitment and learning for our current clients, e.g. Summer Institute, *d'var* torah, use of the library etc

## Results of the year

The Trustees have adopted the provisions of the SORP “Accounting and Reporting by Charities” in preparing the annual review and the financial statements of the charity which comply with current statutory requirements and the charity’s governing document.

The net outgoing resources were £(92,954) (2006 (£50,794)) of which £41,743 was used for restricted projects, (2006, £77,391).

## Investment Policy

The College’s investment manager is SG Hambros Bank Limited. The Treasurer’s Report on page 8 deals with the performance of the portfolio.

SG Hambros Bank Limited manage a UK portfolio on behalf of the Board of Governors on a discretionary basis in accordance with the investment policy that the portfolio should be divided approximately 70%:30% between equities and bonds with a view to maximising long-term returns taking a low risk approach. However, in view of market volatility, low returns and significant management charges for the size of portfolio it was considered more appropriate to make an orderly liquidation of the portfolio at optimum price and place the proceeds into a high interest account.

The Finance and Investment Committee comprises five members and is chaired by the Honorary Treasurer of the Board of Governors. It formulates and monitors the investment strategy and appoints fund managers to implement their recommendations. It meets six times a year.

## Restricted funds

Restricted and endowment funds totalled £593,118 at year end (2006, £535,324).

Although no formal legal restrictions are understood to have been placed on the funds now classified as general, a number of the fund donors or their relatives had previously entered into discussion with the College as to the use of the monies. To respect the intentions of these donors, a number of the funds have been designated by the trustees for these purposes. The designated funds form part of the general funds but are separately identified in the notes to the accounts.

## Reserves

The current level of general unrestricted reserves is £543,044. Of this, £277,088 is represented by long leasehold and freehold property and the remainder is held as working capital and cash. The trustees consider the reserves are adequate for the foreseeable future. Although there is a budget deficit projected for the current year ended 30 September 2008 the trustees are working towards a balanced budget for the year to 30 September 2010.

## Risk Management

The Board of Governors of the College is responsible for the management of the risks faced by the College. Detailed considerations of risk are delegated to the Finance and Investment Committee, assisted by the members of staff. Risks are identified and assessed as part of the management process and controls are established to manage the risks. A formal review of the College’s risk management processes is undertaken each year.

The key controls used by the College are:

- Formal agendas and minutes for Board of Governors’ meetings and academic and administrative meetings
- Detailed job descriptions for the management team and terms of reference for the academic and administrative committees
- Annual budgets and regular management accounts
- Formal written policies, including authority limits

Through the risk management processes established for the College, the members of Board of Governors, as Trustees, are satisfied that the major risks identified have been adequately mitigated

where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately identified and so mitigated.

### **Governance and internal control**

Company and charity law 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 surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which 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 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.

### **Disclosure of information to auditors**

In accordance with company law, as the company's directors, we certify that:

(a) So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**The report was approved by the Board of Governors on 25 February 2008 and signed on its behalf by:**



**David Leibling, Honorary Secretary**

## Treasurer's Report

I am pleased to present my Treasurer's Report for the year to 30 September 2007.

The College suffered a net operating deficit of £92,954 in the year to 30 September 2007 which represented an increase over the equivalent net deficit of £50,794 incurred in the previous year. After allowing for realised and unrealised gains and losses on investments, the overall reduction in the College's net funds during the year fell to £51,798 as compared to the decrease of £18,018 last year.

The College's income increased slightly by £75,036 (or 5%) during the year, from £1,620,695 to £1,695,731, mainly as a consequence of increases in tuition fees and income generated from the College's programmes, which has been sufficient to offset some reductions in the donations and grants received.

Total expenditure increased slightly during the year, from £1,671,489 to £1,788,685, mainly due to the increased cost of providing support services and professional fees.

The College's 50<sup>th</sup> Anniversary celebrations culminated in the successful Gala Dinner that took place in November. The dinner generated significant income for the College and will be applied partly to fund a lectureship in Jewish Thought and Ethics.

The College realised a profit of £19,059 on its investment portfolio, compared to a profit of £2,024 in 2006. Unrealised gains in the College totalled £22,097 as compared to the gain of £30,752 produced last year, reflecting the effect of disposals during the year and the increase in Stock Market and investment values over the past year. The College continues to keep its investment strategy under review in conjunction with SG Hambros Bank Limited, the College's investment advisers.

In overall terms, the financial performance achieved better income, but the increased expenditure as compared to the previous year resulted in the increase in the net deficit referred to above. The College remains committed to working progressively towards the elimination of its operating deficit but this has now become a short term imperative as its investments are now having to be sold to finance the reduction in net funds. The College is therefore carefully reviewing all aspects of its operations with a view to developing a coherent plan for achieving this financial objective in a manner that still permits us to secure the objectives set out in the Strategic Plan.

It is appropriate again to acknowledge the invaluable support provided by the Movement for Reform Judaism, Liberal Judaism and the UJIA in facilitating the continued development of the College. I would also wish to recognise the increasing value of the support that the College receives from its growing number of supporters and benefactors in the form of donations and legacies.

The College remains committed to expanding the range of courses and educational programmes offered, and this will only be possible if we can attract new and sustainable sources of funding. If the College is to realise the ambitious strategic objectives it has set out for itself, it will have to broaden its appeal to potential supporters throughout the Progressive Jewish Community.

In conclusion, I should like to thank Stephen Ross, the College's Executive Director, and his team for all their hard work, and for the support and encouragement they have given to all the Honorary Officers over the past year.



**Robert Graham**  
Honorary Treasurer  
25 February 2008



# Leo Baeck College

## Accounts

### STATEMENT OF FINANCIAL ACTIVITIES

YEAR TO 30TH SEPTEMBER 2007

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Fund 2006/7	Total Fund 2005/6
		£	£	£	£	£
<b>Income and Expenditure Account:</b>						
<b><u>INCOMING RESOURCES</u></b>						
<b><u>Incoming resources from generated funds</u></b>						
<b><i>Voluntary income</i></b>						
Movement for Reform Judaism		380,000			380,000	384,901
Liberal Judaism		161,000			161,000	161,465
UJIA		75,000	25,000		100,000	140,000
Other donations and grants		145,964	154,878		300,842	227,307
Legacies		-			-	76,276
<b><i>Activities for generating funds</i></b>						
Income from patrons and friends		97,366			97,366	119,697
Investment income and interest	2	11,961	5,960	1,687	19,608	25,530
		<b>871,291</b>	<b>185,838</b>	<b>1,687</b>	<b>1,058,816</b>	<b>1,135,176</b>
<b><u>Incoming resources from charitable activities</u></b>						
Tuition fees		267,816			267,816	227,786
Student and other accommodation fees		37,446			37,446	45,136
Income from programmes		261,239			261,239	177,465
Sundry sales income		70,414			70,414	35,132
<b>Total Incoming Resources</b>		<b>1,508,206</b>	<b>185,838</b>	<b>1,687</b>	<b>1,695,731</b>	<b>1,620,695</b>
<b><u>RESOURCES EXPENDED</u></b>						
<b><i>Cost of Generating Funds</i></b>						
Fundraising and publicity	3	61,761			61,761	67,850
Other Costs		18,723			18,723	18,546
<b>Charitable Activities</b>	4	1,516,065	141,498	4,284	1,661,847	1,550,632
Governance costs	5	46,354			46,354	34,461
<b>Total resources expended</b>		<b>1,642,903</b>	<b>141,498</b>	<b>4,284</b>	<b>1,788,685</b>	<b>1,671,489</b>
<b>Net incoming/ (outgoing) resources</b>		<b>(134,697)</b>	<b>44,340</b>	<b>(2,597)</b>	<b>(92,954)</b>	<b>(50,794)</b>
<b>Other recognised gains and losses</b>						
Realised gains on investments		11,045	7,433	581	19,059	2,024
Unrealised gains on investments		14,060	5,076	2,961	22,097	30,752
<b>Net movement in funds</b>		<b>(109,592)</b>	<b>56,849</b>	<b>945</b>	<b>(51,798)</b>	<b>(18,018)</b>
<b><u>RECONCILIATION OF FUNDS</u></b>						
Fund balances brought forward						
- at 1st October 2006		652,636	417,192	118,132	1,187,960	1,205,978
Fund balances carried forward						
at 30th September 2007		543,044	474,041	119,077	1,136,162	1,187,960

# Balance Sheet

## As at 30 September 2007

	Notes	2007 £	2006 £
<b>Fixed assets</b>			
Tangible fixed assets	7	579,726	594,103
Investments	8	423,305	556,468
		<u>1,003,031</u>	<u>1,150,571</u>
<b>Current assets</b>			
Debtors	9	124,117	180,151
Stock		5,000	5,000
Cash at bank and in hand		188,722	181,520
		<u>317,839</u>	<u>366,671</u>
<b>Creditors</b>			
Amounts falling due within one year	10	184,708	329,282
<b>Net current assets</b>		<u>133,131</u>	<u>37,389</u>
<b>Total assets less current liabilities</b>		<u>1,136,162</u>	<u>1,187,960</u>
Represented by:			
General funds	11	77,671	183,763
Designated funds	11	465,373	468,873
<b>Total unrestricted funds</b>		<u>543,044</u>	<u>652,636</u>
Restricted funds	11	474,041	417,192
Endowment funds	11	119,077	118,132
		<u>593,118</u>	<u>535,324</u>
		<u>1,136,162</u>	<u>1,187,960</u>

These accounts are prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small entities and the Financial Reporting Standards for Smaller Entities (January 2005).

These Financial Statements were approved by the Board of Governors (the Trustees of the Charity and the Directors of the Company) on 25 February 2008 and signed on their behalf by:



**Robert Graham** Honorary Treasurer

The notes on the following pages form part of these financial statements.

## Notes to the accounts

### 1. Accounting Policies

#### a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Companies Act 1985, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued 2005 and the Financial Reporting Standard for Smaller Entities (effective January 2005).

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

#### b) Fund Accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

Endowment funds represent those funds which must be held permanently by the charity. Income arising on the endowment funds is used in accordance with the wishes of the donors.

Investments are treated on a pooled basis and are not allocated to individual funds. Therefore all investment income and capital gains or losses arising on the investments are apportioned between the endowment, restricted and general funds in proportion to the opening balance of those funds respectively. Investment management charges are included within the cost of generating funds.

#### c) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

#### d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Charitable Activities Costs represent the cost of running the four charitable activities and include the direct costs and an allocation of support costs.

Governance Costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**e) Tangible Fixed Assets**

All assets costing more than £1,000 are capitalised and depreciated on a straight line basis as follows:

Freehold land and buildings	50 years
Long leasehold land and buildings	50 years
Office equipment	4 years
Computer equipment	3 years

**f) Investments**

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

**g) Stock**

Stock comprises books for resale and is stated at the lower of cost and net realisable value.

**h) Pensions**

The company operates a defined contribution scheme for the benefit of its employees. The costs of contributions are written off against profits in the year they are payable. The pensions are held in separately administered funds with insurance companies

**i) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All differences are taken to the SOFA.

## 2. Investment Income and Interest

	2007	2006
	£	£
Interest on cash deposits	4,169	22,310
Dividends from investments	13,215	1,320
Interest from Bonds	2,224	1,900
<b>Total</b>	<b>19,608</b>	<b>25,530</b>

## 3. Fundraising and Publicity

	Unrestricted	Restricted & Endowment	Total 2007	Total 2006
	£	£	£	£
Staff costs	23,684	0	23,684	22,988
Publicity, advertising and rabbinic recruitment	32,800	0	32,800	40,495
Annual review	5,277	0	5,277	4,367
<b>Total</b>	<b>61,761</b>	<b>-</b>	<b>61,761</b>	<b>67,850</b>

## 4. Charitable Activities

	Unrestricted	Restricted & Endowment	Total 2007	Total 2006
	£	£	£	£
Tuition	790,971	76,881	867,852	802,973
Student Accommodation	21,928	378	22,306	23,067
Programmes, Jewish Lifelong Learning & interfaith	610,986	66,912	677,898	626,920
Library and Sundries	92,184	1,607	93,791	97,672
<b>Total</b>	<b>1,516,069</b>	<b>145,778</b>	<b>1,661,847</b>	<b>1,550,632</b>

Note - Charitable Activities include the following allocation of Support Costs

5. Support Costs	Student			Library & Sundries	Governance Costs	Total 2007	Total 2006
	Tuition	Programmes	commodation				
	£	£	£	£	£	£	£
Support Staff Costs	128,606	102,885	7,716	18,005	0	257,212	200,845
Training Costs	1,208	966	72	169	0	2,415	2,504
Rent	24,455	19,564	1,467	3,424	0	48,910	49,315
Insurance	1,755	1,404	105	246	0	3,510	1,596
Printing, postage, stationery	5,343	4,274	321	748	0	10,686	11,298
Telephone	703	562	42	98	0	1,405	2,295
Computer Costs	14,410	11,528	865	2,017	0	28,820	20,470
Travelling	721	577	43	101	0	1,442	1,381
Conference Costs	1,728	1,382	104	242	0	3,456	3,955
Catering costs	1,260	1,008	76	176	0	2,520	1,395
Depreciation	7,188	5,750	431	1,006	0	14,375	14,387
Accountancy, Legal & Audit Fees		0	0	0	46,354	46,354	34,461
Other Costs	6,198	4,958	372	868	0	12,396	27,319
<b>Total</b>	<b>193,575</b>	<b>154,858</b>	<b>11,614</b>	<b>27,100</b>	<b>46,354</b>	<b>433,501</b>	<b>371,221</b>

## 6. Analysis of Total Staff Costs

Staff Costs:	Total 2007	Total 2006
	£	£
Wages and salaries including temporary staff and outside consultants	677,617	591,230
Social security costs	69,406	63,904
Pension costs	36,907	33,700
<b>Total</b>	<b>783,930</b>	<b>688,834</b>

The emoluments of higher paid employees fell within the following range:

	2007	2006
£90,000-£100,000	0	0
£70,000-£90,000	1	1
£60,000-£70,000	1	1
£50,000-£60,000	1	2

In addition pension contributions of £13,235 (2006 £11,173), were made in respect of these employees

The full time equivalent average of employees, analysed by function was :

Academic	11	12
Administration and fund raising	6	6
Library	3	3
<b>Totals:</b>	<b>20</b>	<b>21</b>

Salaries include £28,794, (2006, £31,825) relating to outsource contractors who are not included in the average number of employees.

The Trustees did not receive any remuneration or reimbursement of expenses. The spouse of a trustee was paid £6,736 as an employee.

7. Fixed Assets	Freehold land and buildings	Long Leasehold	Total 2007
<b>Cost</b>			
Cost at 1 October 2006 and 30 September 2007	618,749	100,000	718,749
<b>Depreciation</b>			
At 1 October 2006	98,646	26,000	124,646
Charge for the year at 30th September 2007	12,377	2,000	14,377
	<b>111,021</b>	<b>28,000</b>	<b>139,021</b>
Net book value at 30th September 2007	<b>507,726</b>	<b>72,000</b>	<b>579,726</b>
Net book value at 30th September 2006	<b>520,103</b>	<b>74,000</b>	<b>594,103</b>

The fixed assets comprise a long leasehold interest in the Manor House at the Sternberg Centre from where the Charity operates and has a library. Also the Charity owns two freehold houses located close to the College. These assets are stated at cost less depreciation although in the opinion of the trustees the market value exceeds this.

### Historic asset

The College owns a library housed at the Sternberg Centre. It comprises about 55,000 volumes, a Rare Book collection including books held in trust on long-term loan and sundry artefacts. Many items have been donated over a period of 25 or more years and others have been purchased. The original cost of the assets has not been included in the balance sheet. They are insured for £2,000,000 which is an estimate of the replacement cost.

### 8. Investments

Market value	2007 £	2006 £
Listed investments dealt with on a recognised stock exchange:	423,305	556,468
<b>Investments representing over 5% in value:</b>		
	%	%
52,352 Lazard Investment Fund UK Alpha	14	14
36,250 Liontrust Investment First Income	12	12
20,000 Artemis UT UK Special Situations	11	11
41,000 Artemis Income Fund Units	13	13
35,000 Total Capital SA 5% Bonds	6	6
35,000 Barclays Bank 4.875% Bonds	6	6
35,000 Transco 5.625% Bonds	6	6
35000 Anglo American Capital 5.125%	6	6
25000 Inter-Amer Dev Bank 5.75%	5	5
<b>Quoted Investments</b>	£	£
Market value at 1 October 2006	556,468	654,150
Acquisition cost	115,760	79,512
Disposals during the year	(290,079)	(209,969)
Net realised investment gains/(losses)	19,059	2,024
Net unrealised investment gains/(losses)	22,097	30,751
Market Value at 30 September 2007	<b>423,305</b>	<b>556,468</b>
Historical cost as at 30 September 2007	<b>332,547</b>	<b>654,147</b>

<b>9. Debtors</b>	<b>2007</b>	<b>2006</b>
	£	£
Trade debtors	103,599	160,790
Other debtors	20,518	19,361
	<b>124,117</b>	<b>180,151</b>

<b>10. Creditors</b>	<b>2007</b>	<b>2006</b>
	£	£
Trade creditors	32,235	32,308
Other creditors	13,699	7,848
Taxation and social security	19,865	20,216
Accruals	39,467	88,695
Deferred Income	79,442	180,215
	<b>184,708</b>	<b>329,282</b>

#### 11. Statement of funds

	Balance at 1 Oct 2006	Income	Expenditure	Balance at 30 Sept 2007
	£	£	£	£
<b>General reserve</b>	<b>183,763</b>	<b>1,533,311</b>	<b>(1,639,403)</b>	<b>77,671</b>
<b>Designated funds</b>				
Rabbi R Shafritz memorial fund for post graduate rabbinic education or sabbaticals	7,011		(3,500)	3,511
Dr Hans Bach fund for archiving his Materials for the library	14,314			14,314
Manor House Repair Fund	76,789			76,789
Development Fund	280,269	0		280,269
Pamela (Leila) Littman Scholarship Fund	90,490	0		90,490
<b>Total designated funds</b>	<b>468,873</b>	<b>0</b>	<b>(3,500)</b>	<b>0</b>
<b>Total unrestricted funds</b>	<b>652,636</b>	<b>1,533,311</b>	<b>(1,642,903)</b>	<b>0</b>
<b>Restricted funds</b>				
Ascher bequest for lectureship in Talmud	234,225	10,367	(10,004)	234,588
Eastern European fund	2,480	19,269	(19,816)	1,933
European rabbinic students fund	878	39	(905)	12
Interfaith fund	18,073	3,050	(5,432)	15,691
Pamela and Anthony Littman book fund	15,551	688	(625)	15,614
Progressive Judaism Library fund	3,084	137	(100)	3,121
Student welfare fund for college students	107	8,005	(8,000)	112
UJIA fund for fellow in education	(45)	25,000	(24,955)	0
Windermere Avenue Appeal fund	29,066	1,287	(3,500)	26,853
Library Judaica fund	7,371	326	0	7,697
NLPS Trust for Progressive Judaism	3,363	149	(3,363)	149
Rabbi Professor Magonet Scholarship Fund	92,290	4,085	(15,698)	80,677
Rabbinic Student Dependent Fund	7,008	8,881	(7,000)	8,889
North East England Student Fund	3,741	166	(3,907)	(0)
The Rothschild Foundation Europe	0	25,000	(25,000)	0
Fatih and Communities Capacity Building Fund	0	12,600	(12,600)	0
International Rabbinic Conference	0	593	(593)	0
Van der Zyl Statue Fund	0	1,375	0	1,375
The Humanitarian Trust	0	0	0	0
Lectureship in Jewish Thought and Ethics	0	72,330	0	72,330
Summer Institute Fund	0	5,000	0	5,000
<b>Total restricted funds</b>	<b>417,192</b>	<b>198,347</b>	<b>(141,498)</b>	<b>474,041</b>
<b>Endowment funds</b>				
Arthur and Sybil Simon bursary fund	19,384	858	(2,986)	17,256
Bechler Charitable Trust	98,748	4,371	(1,298)	101,821
<b>Total endowment funds</b>	<b>118,132</b>	<b>5,229</b>	<b>(4,284)</b>	<b>119,077</b>
<b>Total funds</b>	<b>1,187,960</b>	<b>1,736,887</b>	<b>(1,788,685)</b>	<b>1,136,162</b>

There are total investment management fees of £8,765 included within the cost of generating funds.

## Purposes of designated funds

Designated funds are not legally restricted but the original donors or their relatives had previously entered into discussion with the College as to the use of the monies. It is intended to respect the wishes of these donors but the use of these designated funds is subject to the discretion of the Governors.

The Manor House Repair Fund has been set aside by the Governors for the refurbishment of the premises used for teaching, the library and offices.

The Development Fund was established by the Governors to set aside any unbudgeted legacy income for specific projects in furtherance of the future development of the College.

The Pamela (Leila) Littman Scholarship Fund has been created partly out of the proceeds of a fund established by the donor's father who was connected to the St. Georges Settlement and North Western Reform Synagogue. The balance of the Fund was contributed from monies Mrs Pamela Littman earned as a solicitor carrying out legal aid work. The donor has chosen to make this donation that will make a very real and significant difference to the future of Progressive Jewry out of her commitment to Judaism and to further Jewish education for the benefit of future generations.

## Purposes of restricted funds

The Ascher Bequest was received in 1989 for the purposes of founding and endowing a lectureship in the College. Unspent income must be accumulated but the trustees may spend the income and capital to set up this lectureship. Currently the income is used for the Ascher Lecturer in Talmud.

The Eastern European Fund is used for scholarships to students from the former Soviet Union.

European Rabbinic Student Fund is to support European students.

The Interfaith Fund is used to support a variety of Interfaith activities run by the College, including the annual Jewish-Christian-Muslim Student Conference, Jewish-Christian Bible Week, the Jewish-Muslim lecture series and occasional publications.

The Pamela and Anthony Littman Book Fund is to provide core books particularly to rabbinic students with limited financial resources.

The Progressive Judaism Library Fund was donated to develop a library of progressive Judaism.

The Students Support Fund is largely received from the Jewish Joint Burial Society to enable assistance to be given to support rabbinic students in their studies.

The Director of the Department of Education and Professional Development is the current UJIA Fellow of Education.

The Windermere Avenue Appeal Fund was raised to provide capital to purchase two houses close to the College. The remaining Fund will be used for capital repairs.

Library Judaica Fund was raised to purchase books relating to the Beth Din or other rare Judaica.

The Rabbi Professor Jonathan Magonet Scholarship fund was established to provide for promising students to attend the college who may otherwise be unable to do so.

The Rothschild Foundation Europe provided support towards the establishment of a full time lectureship in rabbinic studies and was fully expended for this purpose during the year.

The NLPS (North London Progressive Synagogue) Trust for Progressive Judaism Fund provided funding for capital and other projects at the College which promote Progressive Jewish values.

The Rabbinic Student Dependents Fund provides supplementary scholarships for students with dependents.

The North East England Rabbinic Scholarship Fund provides a supplementary scholarship to students serving a Northern community as part of their training.

The Van der Zyl Statue Fund is collecting donations to create a memorial of the College founder, Rabbi W. Van der Zyl.

The Lectureship in Jewish Thought and Ethics was created with proceeds for the 50<sup>th</sup> Anniversary Gala Dinner.

The Faith and Communities Capacity Building Fund provided seminars aimed at bringing together the religious leaders, and those who train to be religious leaders, of the three Abrahamic faiths.



## Purposes of Endowment Funds

The Arthur and Sybil Simon Scholarship Fund was received in 1993 to provide scholarships for overseas rabbinic students. The income only may be used for this purpose.

The Bechler Charitable Trust was received in 1995 to provide for the training of European rabbinic students. The income only may be used for this purpose.

### 12. Analysis of Net Assets between Funds:

	Property	Investments	Net current assets	Creditors due After more than one year	Total 2007
Total restricted and endowment funds	302,638	220,981	69,499		593,118
Total unrestricted funds	277,088	202,324	63,632	0	543,044
	<u>579,726</u>	<u>423,305</u>	<u>133,131</u>	<u>0</u>	<u>1,136,162</u>

### 13. Connected Charities

The Leo Baeck College has some trustees in common with the Movement for Reform Judaism and Liberal Judaism (grants have been received from both these organisations as shown in the SOFA) and the Manor House Trust (to whom service charge payments were made during the year).

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF LEO BAECK COLLEGE**

---

We have audited the financial statements of Leo Baeck College for the year ended 30 September 2007 set out on pages 9 to 17. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditors**

The responsibilities of the trustees (who are also the directors of Leo Baeck College for the purpose of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 30 September 2007 and of their incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- \* the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- \* the information provided in the Trustees' Annual Report is consistent with the financial statements.



**NYMAN LIBSON PAUL**  
Chartered Accountants  
Registered Auditors  
25 February 2008

**Regina House**  
124 Finchley Road  
London NW3 5JS