

Leo Baeck College

Europe's premier centre for Progressive Jewish learning

Trustees' Report

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for the year ended 30 September 2008

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, resigned 26 May 2009
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, resigned 29 April 2008
Stephen Moss CBE	Chairman, Movement for Reform Judaism, appointed 7 July 2008
Nigel Cole	Chairman, Liberal Judaism appointed 7 February 2005
Rabbi Sybil Sheridan	Nominee of Assembly of Rabbis, appointed 11 February 2008
Rabbi Stephen Howard	Nominee of Rabbinic Conference, appointed 16 May 2005, resigned 14 January 2009

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, resigned 11 February 2008
Rabbi Shoshana Boyd-Gelfand	Movement for Reform Judaism, Executive Director, appointed 29 April 2008
Rabbi Danny Rich	Liberal Judaism Chief Executive, appointed 7 February 2005
Dr Annette Boeckler	Nominee of Academic Board, appointed 5 November 2007
Charley Baginsky	Nominee of Students' Society appointed 9 July 2007, resigned 29 April 2008
David Mitchell	Nominee of Students' Society appointed 7 July 2008
James Libson	Nominee of UJIA, co-opted 1 August 2005, resigned 5 February 2007
Roy Graham	Nominee of UJIA, co-opted 11 February 2008

Management

Senior Management Team

Rabbi Professor Marc Saperstein	Principal
Rabbi Dr Michael Shire	Vice Principal and Director of the Department of Jewish Education
Stephen Ross MSc, FCII, FRSA	Executive Director

Senior Staff

Jo-Ann Myers	Head, Department of Jewish Education
Rhona Lesner BA (Hons)	Head of HR and Support Services
Irit Burkeman MA	Head of Student Services
Gaby Ruppin MSc	Head of Academic Services

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 MSc, FCII, FRSA

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 as of 1 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, achievements and future plans

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

The main goals for the year included the completion of the strategic plan for 2009-12, training more rabbis and teachers, enhanced programmes in Jewish Education, recognition of alumni, raising more funds, and reviewing management and staff costs.

The activities used to achieve these goals and objectives included ordaining a new class of six rabbis, training teachers for communities and recruiting students for the new academic year, streamlined management of the Department of Jewish Education, formation of a Graduates' Association and award of sixty Honorary Fellowships, continued interfaith programmes, a successful fundraising dinner and a re-structured Patrons programme. The Summer Institute again proved popular with attendees and the annual teachers' conference attracted over 200 delegates. Work was carried out in the communities by supporting religion schools, day schools and offering public lectures. Development work continues to establish the first cross-communal Jewish day school.

Academic standards were maintained and improved through oversight by College course team committees, the Academic Board and our validating bodies: the Open University (moving to Kings College London) and London Metropolitan University. Our application is pending with the British Accreditation Council awaiting their report following an inspection and review. There is also regular interaction with our external reviewer and observation of classes by the Principal.

Work in the library on the large number of non-catalogued books continued, with the help of young volunteers who chose to have their "work experience" there. The Hyams Collection arrived on long-term loan. It is a unique collection of 600 books for and about Jewish children printed between the 18th and 20th centuries, many of them in the 1930s under the Nazi regime. The growing challenge of the library will be finding the resources required to host its 60,000 volume collection.

We are continuing to explore alternative proposals to secure premises for the College on the site and undertaking a review of the service charges which is one of our largest overheads.

This Strategic Plan, responding to the needs of the College stakeholders, will in 2009-12:

1. Produce 16 high quality community rabbis to drive forward Progressive Judaism in the UK and Europe by:
 - a. Sending all students for their first year in Israel, we seek to increase the Hebrew capability of rabbis both in Modern spoken Hebrew and in Hebrew skills for the rabbinate
 - b. Training Rabbis in the multiple skills for the rabbinate including practical, pastoral, spiritual and leadership skills through the new Practical Rabbinics and Placement programme
 - c. Partnering Kings College London in instructing students in Jewish studies at MA level, and so preparing them for graduate study and research at the highest level
 - d. Placing greater emphasis, urgency and focus on the recruitment of UK rabbis from our own Movements who have graduated from our youth Movements, students and young adult programming
 - e. Establishing Continuing Professional Development as a norm for the British rabbinate, raising the level of skills and capacity of the Progressive rabbinate
2. Strengthen the capability of Synagogues and Schools to inspire and educate life-long learners by training 50 senior educators and enriching the educational quality of teaching and learning in all educational environments:
 - a. As the variety of choices for Jewish Education increases, we will support the linking of the silos of Jewish learning (School, Synagogue, Youth) through innovative programming and local area advice and consultation
 - b. Learning without walls requires development and support through Skype, videoconferences, pod casts, webinars, etc. We will pilot and promote such learning to provide greater ease of access and opportunities to build on-line learning communities
 - c. Timely and effective curricula and resources published and supported for the use of congregational, early childhood, day school and adult educators in the areas of Hebrew, Jewish Studies and Progressive Judaism
 - d. The reinvigoration of learning in synagogues in all regions, especially for isolated and small communities
 - e. Providing induction and training to full-time teachers working in day schools as well as professional qualifications to synagogue educators, youth workers, community workers and adult educators
3. Develop 100 Jewish Leaders passionate about the principles of Progressive Judaism and enriched in their capacity to meet the needs of their communities:
 - a. Preparation for Synagogue leadership through exposure to exciting and influential Jewish leaders in intensive and transformational programmes such as the Summer Institute and Partners in Leadership
 - b. Developing skills and Jewish knowledge for community leaders to lead and transform their communities
 - c. Create a structured programme for the development of Synagogue leadership more fully embedded in Progressive Jewish principles and practice
 - d. Provide deep and lasting influence on clergy and religious leaders through inter-religious dialogue for leaders of all faiths through the study of comparative scriptures and contemporary issues
4. Promote the values of Progressive Judaism through rabbinic scholarship, active study of Jewish Community issues and the provision of a premier rabbinic library with access to all:
 - a. Promoting research and scholarship amongst our rabbinic and education faculty and graduates including a PhD programme, research review opportunities and publication of a leading academic journal of Jewish life, *European Judaism*
 - b. Provide for a full-time lecturer in Rabbinic Literature promoting serious Jewish learning throughout our Movements and engaging in teaching and study of Jewish texts for all alongside

- a part-time faculty combining rabbinic practice with academic pursuit of specialist subject matter such as liturgy, biblical interpretation, historical consciousness, rabbinic thinking, modern Jewish thought and personal theology
 - c. Broadening the use of our comprehensive specialist Jewish library for study and research with wider and on-line access for individuals and communities seeking their own learning or engaged in teaching others
 - d. A unique collection of British and European Progressive Judaism's thought, liturgy and history reflecting the changes in Jewish life as well as the development of Progressive Judaism in this country
 - e. Visiting Professors of Jewish Studies of international repute enriching teaching and knowledge for students and communities alike
5. Ensuring long-term financial stability incorporating a balanced operating budget by sustaining fundraising income at around 30% of budget, increasing revenue income by 10%, initiating a staff realignment programme to save costs and reducing costs of accommodation on the Sternberg Centre site:
- a. Promoting the work of the College widely through public leadership and community teaching and presentations
 - b. Developing the donor base by increasing the number of College Patrons and Friends and initiating a Legacy campaign and an American Friends programme
 - c. Increasing revenue for programmes and developing new income revenue programming
 - d. Reviewing the financial aid and fee structure in order to reduce costs in the light of available resources and the importance of increased recruitment

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 £(179,178) (2007 £(92,954)) of which £38,553 was used for restricted projects, (2007, £41,743).

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 at least four times a year.

Restricted funds

Restricted and endowment funds totalled £540,603 at year end (2006, £593,118).

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 £386,424. Of this, £235,662 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 2009 the trustees are working towards a balanced budget for the year to 30 September 2011.

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 regularly.

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 26 February 2009 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 2008.

The College suffered a net operating deficit of £179,178 in the year to 30 September 2008 which represented an increase over the equivalent net deficit of £92,954 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 increased to £209,135 as compared with the decrease of £51,798 last year.

The College's income decreased by £210,207 (or 12%) during the year, from £1,695,731 to £1,485,524 mainly as a consequence of decreases in tuition fees, accommodation fees and investment income.

Total expenditure decreased slightly during the year, from £1,788,685 to £1,664,702, mainly due to the decreased cost of charitable activities partly offset by increased fundraising and publicity costs.

The College realised a profit of £1,143 on its investment portfolio, compared to a profit of £19,059 in 2007. Unrealised losses in the College totalled £31,100 as compared with the gain of £22,097 produced last year, reflecting the effect of disposals during the year and the decrease 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.

The reduction in income referred to above was only partially offset by the lower expenditure, resulting in an overall increase in the net operating deficit. 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 improving the quality 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
26 February 2009

Leo Baeck College

Accounts

STATEMENT OF FINANCIAL ACTIVITIES

YEAR TO 30TH SEPTEMBER 2008

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Fund 2007/8	Total Fund 2006/7
		£	£	£	£	£
Income and Expenditure Account:						
INCOMING RESOURCES						
<u>Incoming resources from generated funds</u>						
<i>Voluntary income</i>						
Movement for Reform Judaism		380,000			380,000	380,000
Liberal Judaism		158,000			158,000	161,000
UJIA		67,917	25,000		92,917	100,000
Other donations and grants		102,013	82,478		184,491	300,842
<i>Activities for generating funds</i>						
Income from patrons and friends		117,010			117,010	97,366
Investment income and interest	2	6,859	4,785	1,202	12,846	19,608
		831,799	112,263	1,202	945,264	1,058,816
<u>Incoming resources from charitable activities</u>						
Tuition fees		193,473			193,473	267,816
Student and other accommodation fees		25,650			25,650	37,446
Income from programmes		251,590			251,590	261,239
Sundry sales income		69,547			69,547	70,414
Total Incoming Resources		1,372,059	112,263	1,202	1,485,524	1,695,731
RESOURCES EXPENDED						
<i>Cost of Generating Funds</i>						
Fundraising and publicity	3	120,420			120,420	61,761
Other Costs		30,863			30,863	18,723
Charitable Activities	4	1,315,554	152,018	-	1,467,572	1,661,847
Governance costs	5	45,847			45,847	46,354
Total resources expended		1,512,684	152,018	-	1,664,702	1,788,685
Net incoming/(outgoing) resources		(140,625)	(39,755)	1,202	(179,178)	(92,954)
Other recognised gains and losses						
Realised gains on investments		912	637	(406)	1,143	19,059
Unrealised (losses)/gains on investments		(16,907)	(11,796)	(2,397)	(31,100)	22,097
Net movement in funds		(156,620)	(50,914)	(1,601)	(209,135)	(51,798)
RECONCILIATION OF FUNDS						
Fund balances brought forward						
- at 1st October 2007		543,044	474,041	119,077	1,136,162	1,187,960
Fund balances carried forward at 30th September 2008		386,424	423,127	117,476	927,027	1,136,162

Balance Sheet

As at 30 September 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible fixed assets	7	565,352	579,726
Investments	8	193,618	423,305
		<u>758,970</u>	<u>1,003,031</u>
Current assets			
Debtors	9	210,092	124,117
Stock		5,000	5,000
Cash at bank and in hand		183,382	188,722
		<u>398,474</u>	<u>317,839</u>
Creditors			
Amounts falling due within one year	10	230,417	184,708
Net current assets		<u>168,057</u>	<u>133,131</u>
Total assets less current liabilities		<u>927,027</u>	<u>1,136,162</u>
Represented by:			
General funds	11	9,562	77,671
Designated funds	11	376,862	465,373
Total unrestricted funds		<u>386,424</u>	<u>543,044</u>
Restricted funds	11	423,127	474,041
Endowment funds	11	117,476	119,077
		<u>540,603</u>	<u>593,118</u>
		<u>927,027</u>	<u>1,136,162</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 2007).

These Financial Statements were approved by the Board of Governors (the Trustees of the Charity and the Directors of the Company) on 26 February 2009 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 2007).

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

	2008	2007
	£	£
Interest on cash deposits	4,958	4,169
Dividends from investments	3,389	13,215
Interest from Bonds	4,499	2,224
Total	12,846	19,608

3. Fundraising and Publicity

	Unrestricted	Restricted & Endowment	Total	Total
	£	£	£	£
Staff costs	81,194	-	81,194	23,684
Publicity, advertising and rabbinic recruitment	34,626	-	34,626	32,800
Annual Review	4,600	-	4,600	5,277
Total	120,420	-	120,420	61,761

4. Charitable Activities

	Unrestricted	Restricted & Endowment	Total	Total
	£	£	£	£
Tuition	698,042	72,749	770,791	867,852
Student Accommodation	19,827	377	20,204	22,306
Programmes, Jewish Lifelong Learning & interfaith	490,496	74,313	564,809	677,898
Library and Sundries	107,189	4,579	111,768	93,791
Total	1,315,554	152,018	1,467,572	1,661,847

Note - Charitable Activities include the following allocation of Support Costs

5. Support Costs	Tuition	Programmes	Student Accommodation	Library & Sundries	Governance Costs	Total 2008	Total 2007
	£	£	£	£	£	£	£
Support Staff Costs	110,642	88,513	6,638	15,490	-	221,283	257,212
Training Costs	767	613	46	107	-	1,533	2,415
Rent	28,556	22,844	1,713	3,998	-	57,111	48,910
Insurance	1,750	1,400	105	245	-	3,500	3,510
Printing, postage, stationery	3,696	2,958	222	518	-	7,394	10,686
Telephone	1,104	883	66	155	-	2,208	1,405
Computer Costs	10,849	8,680	651	1,519	-	21,699	28,820
Travelling	1,496	1,198	90	210	-	2,994	1,442
Conference Costs	-	-	-	-	-	-	3,456
Catering costs	-	-	-	-	-	-	2,520
Depreciation	7,188	5,750	431	1,006	-	14,375	14,375
Accountancy, Legal & Audit Fees	-	-	-	-	45,847	45,847	46,354
Other Costs	20,092	16,074	1,206	2,813	-	40,185	12,396
Total	186,140	148,913	11,168	26,061	45,847	418,129	433,501

6. Analysis of Total Staff Costs

Staff Costs:	Total 2008	Total 2007
	£	£
Wages and salaries including visiting lecturers	612,582	677,617
Social security costs	62,845	69,406
Pension costs	32,755	36,907
Total	708,182	783,930

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

	2008	2007
£80,000-£90,000	1	1
£60,000-£70,000	1	1

In addition pension contributions of £13,617 (2007 £13,235), were made in respect of these employees

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

Academic	9	11
Support and Fund Raising	5	6
Library	3	3
Totals:	17	20

Salaries include £26,757, (2007, £28,794) relating to visiting lecturers 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 £6,556 as an employee.

7. Fixed Assets	Freehold land and buildings	Long Leasehold	Total 2008
Cost			
Cost at 1 October 2007 and 30 September 2008	618,749	100,000	718,749
Depreciation			
At 1 October 2007	111,022	28,000	139,022
Charge for the year	12,375	2,000	14,375
at 30th September 2008	123,397	30,000	153,397
Net book value at 30th September 2008	495,352	70,000	565,352
Net book value at 30th September 2007	507,728	72,000	579,728

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 60,000 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 a sum in excess of £2m. which is an estimate of the replacement cost.

8. Investments

Market value	2008 £	2007 £
Listed investments dealt with on a recognised stock exchange:	193,618	423,305
Investments representing over 5% in value:	%	%
16,970 Artemis Income Fund Units	13	14
25,000 Inter-Amer Dev Bank 5.75%	13	5
15,000 Artemis UT UK Special Solutions	9	13
11301 Artemis European Growth Fund	9	-
1,737 Schroder US Smaller Companies	8	-
9,241 Axa Framlington American Growth Fund	8	-
8,657 Jupiter UK Growth Fund	6	-
8,581 Thames River Preference Shares	6	-
1,002 Fidelity (UK) European Fund	5	-
7,488 Dexion Absolute Ord GBP 0.01	5	-
3,000 UK Coal Ord GBP 0.01	5	-
36,250 Liontrust Investment First Income	-	16
35,000 Transco 5.625% Bonds	-	8
20,000 Blackrock AM UK	-	8
100,000 Fidelity Investor Services	-	5
7,286 Gartmore UK Equity	7	-

Quoted Investments

	£	
Market value at 1 October 2007	423,305	556,468
Acquisition cost	191,894	115,760
Disposals during the year	(391,625)	(290,079)
Net realised investment gains/ (losses)	1,709	19,059
Net unrealised investment gains/ (losses)	(31,665)	22,097
Market Value at 30 September 2008	193,618	423,305
Historical cost as at 30 September 2008	212,330	332,547

9. Debtors	2008	2007
	£	£
Trade debtors	170,854	103,599
Other debtors	39,238	20,518
	210,092	124,117

10. Creditors	2008	2007
	£	£
Trade creditors	24,161	32,235
Other creditors	1,023	13,699
Taxation and social security	0	19,865
Accruals	68,164	39,467
Deferred Income	137,069	79,442
	230,417	184,708

11. Statement of funds

	Balance at 1 Oct 2007	Income	Expenditure	Transfers	Balance at 30 Sept 2008
	£	£	£	£	£
General reserve	77,671	1,356,064	(1,509,173)	85,000	9,562
Designated funds					
Rabbi R Shafritz memorial fund for post graduate rabbinic education or sabbaticals	3,511		(3,511)		0
Materials for the library	14,314				14,314
Manor House Repair Fund	76,789			(30,000)	46,789
Development Fund	280,269			(55,000)	225,269
Pamela (Leila) Littman Scholarship Fund	90,490				90,490
Total designated funds	465,373	-	(3,511)	(85,000)	376,862
Total unrestricted funds	543,044	1,356,064	(1,512,684)	0	386,424
Restricted funds					
Ascher bequest for lectureship in Talmud	234,588	(3,154)	(2,500)		228,934
Eastern European fund	1,933	25,362	(19,911)		7,384
European rabbinic students fund	12	(0)	0		12
Interfaith fund	15,691	2,169	(5,247)		12,613
Pamela and Anthony Littman book fund	15,614	(210)	(100)		15,304
Progressive Judaism Library fund	3,121	(42)	(100)		2,979
Student welfare fund for college students	112	7,998	(7,911)		199
UJIA fund for fellow in education	0	25,000	(25,000)		0
Windermere Avenue Appeal fund	26,853	(361)	(3,500)		22,992
Library Judaica fund	7,697	(103)	0		7,594
NLPS Trust for Progressive Judaism	149	(2)	0		147
Rabbi Professor Magonet Scholarship Fund	80,677	(1,085)	(21,052)		58,540
Rabbinic Student Dependent Fund	8,889	(120)	(8,250)		519
The Rothschild Foundation Europe	0	32,000	(32,000)		0
Fatih and Communities Capacity Building Fund	0	12,560	(12,560)		0
Van der Zyl Statue Fund	1,375	32	0		1,407
Lectureship in Jewish Thought and Ethics	72,330	(973)	(6,844)		64,513
Summer Institute Fund	5,000	(67)	(4,943)		(10)
The Humanitarian Trust	0	2,100	(2,100)		0
Total restricted funds	474,041	101,104	(152,018)	-	423,127
Note : Negative income arises from allocation of investment losses to restricted funds					
Endowment funds					
Arthur and Sybil Simon bursary fund	17,256	(232)			17,024
Bechler Charitable Trust	101,821	(1,369)			100,452
Total endowment funds	119,077	(1,601)	0	-	117,476
Total funds	1,136,162	1,455,567	(1,664,702)	-	927,027

There are total investment management fees of £4,503 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 z"l 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 Foundation also supported the Summer Institute Fund.

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 50th Anniversary Gala Dinner and expenditure during the year related to a visiting lecturer.

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.

The Humanitarian Trust provided funding for fees of students on education programmes and was fully expended for this purpose during the year.

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 2008
Total restricted and endowment funds	329,690	112,910	98,003	-	540,603
Total unrestricted funds	235,662	80,708	70,054	-	386,424
	565,352	193,618	168,057	-	927,027

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).

14. Post Balance Sheet Events

The trustees resolved to auction a small collection of art works held by the library. A value has not been reflected in the Balance Sheet at any time. The collection comprised some fifty drawings in books which were gifted to the College many years ago and do not form part of the academic library holdings. The auction took place at the end of January 2009 and the proceeds, net of all costs are anticipated to be in excess of £200,000.

A donation of £250,000 was received from a trust in January 2009 to provide facilities for students in support of their studies including scholarships.

15. Capital Commitment

The College has a capital commitment for its share of repair costs to the listed wall on the front boundary of the Sternberg Centre site. The amount payable by the College is £60,000 and the work commenced in February 2009.

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 2008 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 Review 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 2008 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
26 February 2009

Regina House
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