

Leo Baeck College

At the Heart of Progressive Judaism

Trustees' Report

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for the year ended 30 September 2014

Legal and Administrative Information

Company Number 626693
Charity Number 209777

Board of Governors

Governors, Trustees and Directors

Noeleen Cohen	Chair , appointed 31 March 2014 (originally appointed as Movement for Reform Judaism board representative, 12 December 2011)
Alasdair Nisbet	Chair, appointed 21 March 2011 (appointed as a Governor 21 October 2003) resigned 31 March 2014
Rabbi Dr Deborah Kahn-Harris	Principal , appointed 5 September 2011, resigned as a governor 8 September 2014
Rabbi Josh Levy	Vice Chair , appointed 4 November 2013 (appointed as the Nominee of the Assembly of Rabbis 5 September 2011)
Robert Graham	Honorary Treasurer , appointed 24 October 2001
David Kirk	Honorary Secretary , appointed 4 November 2013 (appointed as a governor 13 June 2011)
Rabbi Charlotte Baginsky	Nominee of the Rabbinic Conference, appointed 1 November 2010, resigned 4 November 2013
Michael Francies	Governor, appointed 19 October 2009, resigned 3 February 2014
Pam Goldsmith	Movement for Reform Judaism Director of Community Development, appointed 18 April 2013, resigned 8 September 2014
David Hockman	Liberal Judaism representative appointed 18 June 2012
Ian Karet	Governor, appointed 19 October 2009
Rabbi Yuval Keren	Nominee of the Rabbinic Conference, appointed 4 November 2013
Dee Lehane	Governor, appointed 19 October 2009, resigned 28 January 2015
Rabbi Danny Rich	Liberal Judaism Chief Executive, appointed 7 February 2005
Michael Romain	Governor, appointed 19 October 2009, resigned 4 December 2014
Rabbi Dr Michael Hilton	Nominee of the Assembly of Rabbis, appointed 4 December 2014

Non-voting student representatives

Kath Vardy	Student representative, appointed 4 December 2014
Nathan Godleman	Student representative, appointed 4 December 2014

Senior Staff

Rabbi Dr Deborah Kahn-Harris	Principal
Rabbi Dr Charles Middleburgh	Dean
Stephen Ross MSc FCII DChA	Executive Director and Secretary to the board
Dr Annette Boeckler	Senior Librarian
Rhona Lesner BA (Hons)	Head of HR and Support Services
Jo-Ann Myers MA	Director of Jewish Education
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 DChA

Auditors

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

Principal Investment Advisors

Investec Wealth & Investment Limited
2 Gresham Street
London, EC2V 7QN

Solicitors

OGR Stock Denton LLP
Winston House
349 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 members of the Board of Governors named on page 2. The original memorandum and articles were dated 24 April 1959, and have been amended by special resolutions since then, the latest being 1 November 2010.

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 Governors are the directors of the company, who are also the trustees of the charity, have overall responsibility for its management and control which on a day-to-day basis is effectively delegated to the professional staff. The work of implementing the policies is carried out by the Board of Governors in conjunction with the charity's staff.

Rabbi Dr Deborah Kahn-Harris was appointed as Principal in September 2011. The Principal is the senior academic and administrative officer of the College and is supported in her role by the Senior Management Team (SMT). The Principal regularly reports to the Honorary Officers and Board of Governors. Governors serve for a period of four 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.

While some governors are appointed ex officio, others are appointed on the basis of their standing, experience and skills to provide a balanced board with the ability to govern effectively.

Governors are recruited through networks in the communities the College serves by identifying any skill shortage created by the departing governors and targeting suitably qualified individuals to approach. Induction is provided to new governors 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.

Following recommendations from an external governance review, an EGM was held on 1 November 2010 to amend the articles to allow the appointment of additional governors, granting voting representation from students, faculty and staff and removing the category of non-voting governors. The opportunity was also taken to update the Memorandum and Articles generally. These changes took effect from the AGM on 21 March 2011. However, further improvements have been identified and the current governance structure is under review. In the interim, the

Principal, student, faculty and staff governors have stood down but the Principal and student representatives continue to sit on the board in a non-voting capacity.

Occasional training for governors takes place usually in the form of a development session to examine particular areas of College activity or more generally to review future strategy. These sessions are typically facilitated by an external consultant.

The Company Secretary also 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 liturgy, history, literature, theology, philosophy, education and culture, both religious and secular. The College sees itself as the beating heart of Progressive Judaism in the UK and Europe.

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

Each year the governors review our aims and activities to ensure they continue to reflect our objectives. In carrying out this review the governors have considered the Charity Commission's general guidance on public benefit and in particular its supplementary public guidance on the advancement of religion for public benefit. The governors believe that the activities, achievements and future plans described here, demonstrate the public benefit that the College brings to the wider community, especially in relation to activities such as those outlined in the last point of our Mission above.

All students are eligible for various scholarships in support of their studies. Most students on the rabbinic programme receive scholarships to cover their fees and a contribution to living expenses subject to terms and conditions. The College policy is to try to ensure that no eligible and promising student is rejected for financial reasons and much fundraising effort goes into ensuring adequate funds are set aside for this purpose. Since September 2013 the Reform and Liberal movements directly sponsor individual students with scholarships subject to their terms and conditions.

Our curriculum for rabbinic and education students and our new degree programmes are now fully established. This has created ever closer links between academic and vocational training of our students and helped to ensure that the rabbis of the future come out better qualified, more competent and more confident in core rabbinic skills.

The College is focused on continuing to provide the best training for rabbis and Jewish teachers in Europe. Under our Principal, Rabbi Dr Deborah Kahn-Harris, we provide a range of courses that are validated and offer a variety of learning opportunities for students from the UK and overseas. In 2012, the College attained 'commendable progress' which is the highest level outcome that can be achieved in a Review for Educational Oversight by the Quality Assurance Agency. The College subsequently maintained this high level in the annual monitoring process which followed in 2013 and 2014. Rabbi Maurice Michaels was appointed as the first Head of Vocational Studies, a post named in honour of the College's founder, Rabbi Dr Werner Van der Zyl z"l.

The ordination ceremony was held on Sunday 6 July 2014 at Edgware and District Reform Synagogue. Dr Kate Briggs, Julia Grishchenko and Dr René Pfterzel received *Semicha* (ordination) and an Honorary Fellowship was bestowed on Alasdair Nisbet, former Chair of the College. There are currently 15 students on the Rabbinic Programme compared with 15 in the year to 30 September 2014.

The College remains the only institution in the UK to offer academically accredited rabbinic ordination.

The MA in Jewish Education is uniquely offered through blended learning making it accessible to students from all over Europe and beyond; its international and comparative orientation distinguishes it from other MAs in Jewish Education in the UK. We had three students on the MA in the year to 30 September 2014, two British and one French who continued on to their second year of studies into the year to 30 September 2015. We recruited three new students for the year to 30 September 2015.

Building on last year's course in Jewish music, a new evening adult learning programme, the Leo Baeck Lehrhaus make a successful start in September 2014 with over 50 participants.

The College has many stakeholders. These include the Movement for Reform Judaism (MRJ), Liberal Judaism (LJ), synagogues, our rabbinic alumni, faculty staff, students, Patrons and Friends. We aim to recognise the importance of all these groups and to try to meet their sometimes competing needs. We aim to continue to reach out and plan that our Students and Faculty spend as much time as possible with synagogues and other community events.

The College is involved in continuing discussions with the MRJ and LJ to ensure that the rabbinic programme meets their needs as well as the needs of their rabbis, most of whom were trained at the College, and their synagogues.

The SMT has also been implementing a significant cost cutting programme, reducing our administration overhead and shifting resources to teaching. We believe that it is vital to make the cost of our courses as competitive as we can.

We are reviewing our fundraising activities and investing considerable time, effort and resources to expand our fundraising and achieve a balanced budget. This includes appointing an external consultant to make applications to grant-making organisations and appointing a new Head of Fundraising.

Many academic institutions have an Endowment to supplement their annual fundraising campaign. We started our own Endowment fund in 2012 with a generous donation from The Suminden Bursary Fund that gave us a solid basis to build on for the future. This represents one of our major objectives for fundraising.

The Sternberg Centre site has been through considerable change in the last five years. The College remains at its centre and, along with the MRJ, occupies the Manor House. During 2013 the derelict rooms in the link block once used for student accommodation were refurbished with the assistance of grants from the Manor House Trust and a private donor. This wing now provides new resources including a faculty common room, teaching rooms, an archive room and kitchen.

On behalf of the Board of Governors, the College wants to thank our staff and faculty for managing the changes that have taken place with good will and hard work, to the students for their enthusiasm and for being excellent ambassadors of the college, to the Movement for Reform Judaism, Liberal Judaism, and their respective individual synagogues for their continuing financial support and to our Patrons and Friends whose total support is on course to become one of our most important sources of funding.

Though subject to the continuing consultation and new initiatives as described above we remain focussed on the implementation of the following main Strategic Objectives identified in our last Strategic Review:

- To train 3-4 Rabbis per annum on average for UK affiliated synagogues, train an additional 1-2 overseas rabbis per annum on average, benefitting their communities and providing diversity
- Evolve the rabbinic programme to reflect the needs of our community and the opportunities of modern technology
- To drive forward a vision for progressive Jewish learning throughout the progressive Movements
- Develop a programme of Higher Jewish Studies for lay leaders related to the Rabbinic Course and academic research centre
- Develop the adult learning programme
- To provide a professionally resourced Specialist Judaica and Jewish Education library for students, faculty, researchers, alumni and community individuals
- Harness the power of modern communication technology throughout the College by upgrade our IT system including improved distance learning facilities
- Break-even within the next 3 – 5 years with a combination of savings from site service charges and generating additional income

In support of the library objective above, the governors are proposing to take over a convenient unused space on the site to convert to a new library. Once this is agreed and sufficient funding has been secured, work will commence with a view to the new facilities being available as soon as practicably possible.

Results of the year

The Governors 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 documents.

The net outgoing resources before other gains and losses were £151,067 (2013, *outgoing* £185,636) including a deficit of £46,542 for restricted projects (2013, *deficit* £31,335) and a deficit of £3,790 for designated projects (2013 *deficit* £50,794).

Investment Policy

The College's investment manager is Investec Wealth & Investment Limited. The Treasurer's Report on page 8 deals with the performance of the portfolio.

Investec Wealth & Investment Limited manages a UK portfolio representing our endowment fund on behalf of the Board of Governors on a discretionary basis. The fund is managed in accordance with the investment policy that the portfolio should operate with no initial investment exceeding 10% of the total value of the funds under management and the total sum of all equity holdings in excess of 5% must not be equal to or exceed 40% of the fund's value at anytime. There is a target 'balanced' return between income and capital with a 'medium' risk criterion.

The Finance and Resources Committee comprises up to five members and is chaired by the Honorary Treasurer of the Board of Governors. In addition to overseeing the resources of the College, it formulates and monitors the investment strategy and appoints fund managers to implement their recommendations. It meets at least four times a year.

Designated funds

Designated funds totaling £357,255 (2013, £361,045) form part of the general funds. These funds have been designated by the Directors for particular purposes and are separately identified in the notes to the accounts. The directors may remove any particular designation and returned them to general funds if required.

Restricted and Endowment funds

Restricted and endowment funds totalled £839,062 at year end (2013, £885,196).

Although no formal legal restrictions 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 governors for these purposes.

Reserves

The level of unrestricted reserves was £1,353,755 (2013, £1,315,041). This is entirely represented by long leasehold and freehold properties, less a proportional allocation of the College's net current assets and liabilities. Although there is a budget deficit projected for the current year ended 30 September 2015 the trustees, as part of the current financial strategy, are working towards a balanced budget within the shortest possible time.

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 Resources 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 periodically.

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 the 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.

Trustees responsibilities statement

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 2006. 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 28 January 2015 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Noeleen Cohen', with a horizontal line underneath the name.

Noeleen Cohen, Chair

Treasurer's Report

I am pleased to present my Treasurer's Report for the year to 30 September 2014.

The College made a net operating deficit of £151,067 in the year to 30 September 2014 which represented a decrease from the net deficit of £185,636 in the previous year. After allowing for other recognised gains and losses, including the net gain on sale of £111,637 on one of the investment properties, the overall effect on the College's net funds during the year was a decrease of £7,420 compared with the decrease of £130,662 that arose last year.

The College's income has decreased by £66,670 (or 6%) during the year, from £1,096,382 to £1,029,712. Total expenditure decreased from £1,282,018 to £1,180,778 mainly due to economies achieved in the year.

The College realised a profit of £9,577 on its investment portfolio in the year, compared with a £2,666 realised profit in 2013. Unrealised profit in the College totalled £22,433 as compared with the profit of £52,307 produced last year, reflecting the effect of variations in the Stock Market and investment values over the past year.

It is worth highlighting the fact that, notwithstanding next year's anticipated budget deficit, the College has a strong asset base and continues to benefit from long-term donor commitments. We had net assets totalling £2.2m at 30 September 2014 which included the long leasehold interest in the Sternberg Centre and a freehold property.

Though not reflected in the accounts, the library contents including its collections of rare books are valued at over £2m. The College also holds details of substantial legacy pledges and over 30 four-year annual commitments from Patrons of between £2,000 and £10,000. The College is building an endowment fund which is already producing a reliable income for the future.

It is appropriate again to acknowledge the invaluable assistance provided by the Movement for Reform Judaism and Liberal Judaism, their continued support at current levels is important to our plans for achieving a break even operating position. I would also wish to recognise the increasing value of the support that the College receives from its growing number of supporters, Patrons 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 is planning for itself, it will have to broaden its appeal to potential supporters throughout the Progressive Jewish Community.

In conclusion, I should like to thank Rabbi Dr Deborah Kahn-Harris, Principal, Stephen Ross, Executive Director, and their team for all their hard work, efficient organisation, success in fundraising and for the support and encouragement they have given to all the Governors over the past year.



Robert Graham
Honorary Treasurer
28 January 2015

Leo Baeck College

Accounts

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

YEAR TO 30TH SEPTEMBER 2014

Notes	Unrestricted Revaluation					Total Fund 2013/14	Total Fund 2012/13
	General Funds	Reserve	Designated Funds	Restricted Funds	Endowment Funds		
	£	£	£	£	£	£	£
Income and Expenditure Account:							
<u>INCOMING RESOURCES</u>							
<u>Incoming resources from generated funds</u>							
<i>Voluntary income</i>							
	314,209	-	-			314,209	312,875
Movement for Reform Judaism							
Liberal Judaism	158,047	-	-			158,047	151,280
UJIA	5,000	-	-			5,000	-
Other donations and grants	60,422	-	-	79,303	-	139,725	110,282
<i>Activities for generating funds</i>							
	150,102	-	-			150,102	159,611
Income from patrons and friends							
Investment income and interest	2 8,962	-	-	-	11,825	20,787	9,481
	696,742	-	-	79,303	11,825	787,870	743,529
<u>Incoming resources from charitable activities</u>							
	69,282	-	-			69,282	169,123
Tuition fees							
Student and other accommodation fees	49,878	-	-			49,878	61,955
Income from programmes	106,238	-	-			106,238	102,477
Sundry sales income	16,444	-	-			16,444	19,298
Total Incoming Resources	938,584	-	-	79,303	11,825	1,029,712	1,096,382
<u>RESOURCES EXPENDED</u>							
<i>Cost of Generating Funds</i>							
	101,999	-	-			101,999	80,965
Fundraising and publicity							
Other Costs	-	-	-			-	3,191
Charitable Activities	4 911,280	-	3,790	125,845	4,635	1,045,550	1,155,862
Governance costs	5 33,229	-	-	-	-	33,229	42,000
Total resources expended	1,046,508	-	3,790	125,845	4,635	1,180,778	1,282,018
Net incoming/(outgoing) resources	(107,924)	-	(3,790)	(46,542)	7,189	(151,067)	(185,636)
<i>Other recognised gains and losses</i>							
	4,126	-	-	-	5,451	9,577	2,666
Realised gains on investments							
Unrealised gains/(losses) on investments	9,665	-	-	-	12,768	22,433	52,307
Realised gain on sale of Investment Property	111,637	-	-	-	-	111,637	-
	125,428	-	-	-	18,219	143,647	54,973
Net movement in funds before transfers	17,504	-	(3,790)	(46,542)	25,408	(7,420)	(130,662)
Transfers	498,465	(473,465)	-	-	(25,000)	-	-
Net Movement in funds after transfers	515,969	(473,465)	(3,790)	(46,542)	408	(7,420)	(130,662)
<u>RECONCILIATION OF FUNDS</u>							
Fund balances brought forward							
- at 1st October 2013	7,067	946,929	361,045	233,303	651,893	2,200,237	2,330,899
Fund balances carried forward							
at 30th September 2014	523,036	473,464	357,255	186,761	652,301	2,192,817	2,200,237

Balance Sheet

As at 30th September 2014
REGISTERED NUMBER : 626693

	Notes	2014 £	2013 £
Fixed assets			
Tangible fixed assets	7	299,920	306,942
Investment Properties	8	700,000	1,400,000
Investments	9	1,033,948	535,413
		<u>2,033,868</u>	<u>2,242,355</u>
Current assets			
Debtors	10	54,730	15,097
Cash at bank and in hand		199,187	248,359
		<u>253,917</u>	<u>263,456</u>
Creditors			
Amounts falling due within one year	11	94,968	104,098
Net current assets		<u>158,949</u>	<u>159,358</u>
Amounts falling due in more than one year	12	-	201,476
Net Assets		<u>158,949</u>	<u>(42,118)</u>
Total assets less current liabilities		<u>2,192,817</u>	<u>2,200,237</u>
Represented by:			
General funds	13	523,036	7,067
Revaluation Reserve	13	473,464	946,929
Designated funds	13	357,255	361,045
Total unrestricted funds		<u>1,353,755</u>	<u>1,315,041</u>
Restricted funds	13	186,759	233,303
Endowment funds	13	652,303	651,893
		<u>839,062</u>	<u>885,196</u>
		<u>2,192,817</u>	<u>2,200,237</u>

These accounts have been prepared in accordance with the special provisions relating to small entities within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These Financial Statements were approved by the Board of Governors (the Trustees of the Charity and the Directors of the Company) on 28 January 2015 and signed on their behalf by:



Robert Graham
Honorary Treasurer

The notes on pages 11 - 18 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 2006, the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' issued 2005 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

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 governors 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 and endowment 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 fund is set out in the notes to the financial statements.

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.

Fundraising 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

Assets are capitalised and depreciated on a straight line basis as follows:

Leasehold property and improvements 50 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) Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that the fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

h) Stock

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

i) 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

j) 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

	2014	2013
	£	£
Interest on cash deposits	60	164
Dividends from investments	20,727	9,317
Total	20,787	9,481

3. Fundraising and Publicity

	Unrestricted	Restricted & Endowment	Total	Total
	£	£	£	£
Staff costs	79,544	-	79,544	55,651
Publicity, advertising and rabbinic recruitment	22,184	-	22,184	24,005
Annual Review	271	-	271	1,309
Total	101,999	-	101,999	80,965

4. Charitable Activities

	Unrestricted	Restricted & Endowment	Total	Total
	£	£	£	£
Tuition	591,136	58,196	649,332	694,085
Student Accommodation	10,939	-	10,939	34,712
Programmes, Jewish Lifelong Learning & Interfaith	241,924	-	241,924	320,370
Library and Sundries	71,066	72,289	143,355	106,695
Total	915,065	130,485	1,045,550	1,155,862

Note - Charitable Activities include the following allocation of Support Costs

5. Support Costs					Library & Governance	Total 2014	Total 2013
	Student Tuition	Programmes	Accommodation	Sundries	Costs		
	£	£	£	£	£	£	£
Support Staff Costs	81,726	65,380	4,904	11,442	-	163,452	166,971
Training Costs	171	136	10	24	-	341	156
Rent	20,403	16,322	1,224	2,856	-	40,805	44,953
Insurance	4,250	3,400	255	595	-	8,500	8,202
Printing, postage, stationery	2,754	2,203	165	385	-	5,507	4,761
Telephone	1,297	1,037	78	182	-	2,594	2,356
Computer Costs	8,334	6,667	500	1,167	-	16,668	19,392
Travelling	2,668	2,134	160	374	-	5,336	4,451
Depreciation	3,511	2,809	211	492	-	7,023	6,162
Accountancy, Legal & Audit Fees	-	-	-	-	33,229	33,229	42,000
Other Costs	7,396	5,916	444	1,035	-	14,791	27,882
Total	132,510	106,004	7,951	18,552	33,229	298,246	327,286

6. Analysis of Total Staff Costs

Staff Costs:

Wages and salaries including visiting lecturers
Social security costs
Pension costs

Total

Total 2014 Total 2013

£	£
501,348	516,284
40,840	42,466
28,391	28,051
570,579	586,801

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

£60,000-£70,000

2014	2013
2	2

In addition pension contributions of £3,000 (2013 £3,000), were made in respect of these employees

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

Academic
Support and Fund Raising
Library

Totals:

6	6
5	5
1	1
12	12

Salaries include £41,709 (2013, £18,811) relating to visiting lecturers not included in the average number of employees.

The Trustees did not receive any remuneration or reimbursement of expenses.

7. Fixed Assets

Cost

Cost at 1 October 2013

Additions

Cost at 30th September 2014

Depreciation

At 1 October 2013

Charge for the year

at 30th September 2014

Net book value at 30th September 2014

Net book value at 30th September 2013

Leasehold Property and Improvement	Total
351,104	351,104
0	0
351,104	351,104
44,162	44,162
7,022	7,022
51,184	51,184
299,920	299,920
306,942	306,942

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.

Historic asset

The College owns a library housed at the Sternberg Centre. It comprises approximately 60,000 volumes, Rare Book collections 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. Investment Property - Revaluation

Valuation brought forward

Disposal

Cost or Valuation

Freehold Investment Property	£
1,400,000	1,400,000
(700,000)	(700,000)
700,000	700,000

On 29 February 2012 the property was valued by Gleny LLP, on an open market value for existing use basis.

On a historical cost basis this property would have been included at an original cost of £309,375

9. Investments

Market value	£	£
UK Fixed Interest	106,956	49,941
Overseas Fixed Interest	18,495	9,832
UK Equities	509,410	282,729
Overseas Equities	211,374	98,962
Investment Trusts	52,837	30,690
Property	75,967	45,781
UK Cash	36,582	17,478
Listed investments dealt with on a recognised stock exchange:	1,033,948	535,413

Investments representing over 5% in value:

	£	£
Jupiter Unit Trust Managers UK Special Situations I Inc	90,564	
Ishares FTSE 100 Ucits Etf (Inc) GBP	61,228	
M&G Investment Man Recovery sterling I Inc	60,697	43,248
Schroder UK Growth Ord GBP 0.25	-	33,026
Artemis Fd mngrs income I Inc	62,814	52,329
Capita Finl Mngrs Lindsell Train UK Eqty inc	74,325	39,177
Threadneedle Inv UK Eqty Income ZNI	61,221	29,839
Findlay Park Funds Plc American USD Dis	59,798	

Quoted Investments

	£	£
Market value at 1 October 2013	535,413	499,774
Acquisition cost	578,891	-
Disposals during the year	-	-
Net realised investment gains/(losses)	9,577	2,666
Net unrealised investment gains/(losses)	22,433	52,307
Transfer to cash at bank	(125,000)	(25,000)
Income reinvested	20,746	9,317
Interest Income reinvested	31	49
Investment Managers charges	(8,143)	(3,700)
Market Value at 30 September 2014	1,033,948	535,413
Historical cost as at 30 September	959,315	483,060

10. Debtors

	2014	2013
	£	£
Trade debtors	42,287	5,418
Other debtors	12,443	9,669
	54,730	15,087

11. Creditors : Amounts falling due within one year

	2014	2013
	£	£
Bank Loan	-	29,928
Trade creditors	12,415	45,137
Other creditors	14,042	3,253
Accruals	16,643	16,891
Deferred Income	51,868	8,889
	94,968	104,098

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

	2014	2013
	£	£
Bank Loans	-	201,476
The bank loan is secured by a fixed charge over one of the charity's investment properties		
Amounts repayable by installments:		
In 1-2 years	-	29,928
In 2-5 years	-	89,784
In over 5 years	-	81,764
	-	201,476

There are total investment management fees of £8,143 included within the cost of generating funds.

13. Statement of funds

	Balance at 1 Oct 2013	Income	Expenditure	Gains /(losses)	Transfers	Balance at 30 Sept 2014
	£	£	£		£	£
General reserve	7,067	1,064,013	(1,046,509)		498,465	523,036
Designated funds						
Materials for the library	10,064					10,064
Manor House Repair Fund	46,789					46,789
Development Fund	180,269					180,269
Pamela (Leila) Littman Scholarship Fund	27,126		(450)			26,676
The Sidney Kingsley Trust	96,797		(3,340)			93,457
Total designated funds	361,045	-	(3,790)		-	357,255
Revaluation Reserve	946,929				(473,465)	473,464
Total unrestricted funds	1,315,041	1,064,013	(1,050,299)		25,000	1,353,755
Restricted funds						
Ascher bequest for lectureship in Talmud	63,453	-	(36,124)			27,329
Eastern European fund	-	33,155	(16,424)			16,731
Interfaith fund	10,843	-	(3,517)			7,326
Pamela and Anthony Littman book fund	13,758	-	(230)			13,528
Progressive Judaism Library fund	3,023	-	-			3,023
Rabbinic Students Support Fund	372	9,000	(9,320)			52
Windermere Avenue Appeal fund	545	-	(270)			275
Library Judaica fund	7,706	-	-			7,706
NLPS Trust for Progressive Judaism	-	9,000	(9,000)			-
The Rothschild Foundation Europe	-	-	-			-
Van der Zyl Statue Fund	1,981	450	(2,431)			-
Lectureship in Jewish Thought and Ethics	59,753	-	-			59,753
The Community Development Foundation Grant Fund	871	-	(871)			-
Michael Goulston Education Foundation	13,969	-	-			13,969
Gertrud Stein-Liberal Jewish Synagogue Teaching Fund	19,723	-	-			19,723
Professor Ludwik Finkelstein Student Prize	100	100	-			200
European Union for Progressive Judaism	-	15,000	(15,000)			-
Lech Lecha	9,935	-	-			9,935
RIF Italianer Conference Fund	23,443	7,432	(30,458)			417
Koi Chai - 3rd Year Students Vocational Classes	625	-	-			625
Women for Reform Judaism Funds	3,201	2,966	-			6,167
Rothman Rabbinic Fund	-	2,200	(2,200)			-
Total restricted funds	233,301	79,303	(125,845)			186,759
Arthur and Sybil Simon bursary fund	16,880					16,880
Bechler Charitable Trust	99,600					99,600
Suminden Bursary Fund	535,413	11,826	(4,635)	18,219	(25,000)	535,823
Total endowment funds	651,893	11,826	(4,635)	18,219	(25,000)	652,303
Total funds	2,200,235	1,155,142	(1,180,779)	18,219	-	2,192,817

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 and other 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 Sidney Kingsley Trust established a Fund at the College to provide facilities for students in support of their studies, including the award of named scholarships.

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 governors 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.

The Interfaith Fund is used to maintain 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. Interfaith projects are supported by The Spalding Trust and the Bridging Trust.

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 Rabbinic 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 Windermere Avenue Appeal Fund was raised to provide capital to purchase property close to the College. The remaining Fund is used for capital repairs and maintenance.

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

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

The Van der Zyl fund originally collected donations to create a memorial of the College founder, Rabbi Van der Zyl and create a scholarship in his name but is now used to fund the post of Head of Vocational Studies.

The Lectureship in Jewish Thought and Ethics was created with proceeds for the 50th Anniversary Gala Dinner to provide for visiting lecturers.

The Michael Goulston Education Foundation was a separate charity merged into the College on 15 June 2009. Its only asset was a bank account which is now held in a fund on the same terms i.e. advancement of Jewish education in particular assistance for teaching resources.

The Community Development Foundation Grant Fund was received from their "Faiths in Action" programme for an interfaith project.

The Gertrud Stein-Liberal Jewish Synagogue Teaching Fund was established in support of the academic programme.

The Professor Ludwik Finkelstein Student Prize commemorates his significant contribution to the academic life of College.

The Lech Lecha Fund provides continuing professional development opportunities for recently ordained rabbis.

The European Union for Progressive Judaism (EUPJ) Fund is used for scholarships to students from European countries.

The Ruth Ivor Foundation (RIF) provided funds for Italianer Conference funds – the conference will take place in 2014.

The Kol Chai 3rd Year Students Vocational Classes Fund is to provide additional support for those students.

The Women for Reform Judaism Fund supports rabbinic student outside the US and UK with scholarships subject to conditions.

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.

The Suminden Bursary Fund known as 'The Suminden Fund' was created as an expendable endowment subject to certain guidelines to reflect the donors' love of Judaism and to further Jewish education for the benefit of future generations.

14. Analysis of Net Assets between Funds:

	Tangible Fixed Assets	Investment Property	Investments	Net current assets	Total 2013
Unrestricted Funds	299,920	700,000	498,125	(144,290)	1,353,755
Restricted Funds	-	-	-	186,759	186,759
Endowment Funds	-	-	535,823	116,480	652,303
	299,920	700,000	1,033,948	158,949	2,192,817

15. Proceeds on sale of investment property

During the year one of the charity's investment properties, 10 Windermere Avenue, London, which historically cost £309,375, was sold for £825,000. In 2012 the property was re-valued at £700,000. This sale resulted in a net gain of £111,637, after sales costs of £13,363.

16. Connected Charities

The Leo Baeck College has some governors 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 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'S) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2014, and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Jennifer Pope (Senior statutory auditor)

for and on behalf of
Nyman Libson Paul



Chartered Accountants & Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

17 February 2015