

Leo Baeck College

At the Heart of Progressive Judaism



Trustees' Report

for the year ended 30 September 2016

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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)
Rabbi Josh Levy	Rabbinic Vice Chair , appointed 4 November 2013 (appointed as the Nominee of the Assembly of Rabbis 5 September 2011)
David Kirk	Honorary Secretary , appointed 4 November 2013 (appointed as a governor 13 June 2011)
Mark Fox	Appointed 23 June 2015, Retired 3 April 2017
David Hockman	Liberal Judaism representative appointed 18 June 2012
Rabbi Yuval Keren	Nominee of the Rabbinic Conference, appointed 4 November 2013, Retired 1 st Sept 2016
Rabbi Danny Rich	Liberal Judaism Chief Executive, appointed 7 February 2005
Rabbi Dr Michael Hilton	Nominee of the Rabbinic Conference, appointed 4 December 2014
Rabbi Aaron Goldstein	Appointed 1 September 2016
Joanne Masters	Appointed 30 March 2015
Naomi Segal	Appointed 30 March 2015
Geoffrey Marx	Chair of Reform Judaism, co-opted September 2016
Simon Benscher	Chair of Liberal Judaism, co-opted September 2016

Non-voting student representatives

Nathan Godleman	Student representative, 2014/15 academic year
Robyn Ashworth- Steen	Student Representative, 2015/16 academic year
Elliot Karsaedt	Student Representative, 2015/16 academic year

Senior Staff

Rabbi Dr Deborah Kahn-Harris	Principal
Rabbi Dr Charles Middleburgh	Dean
Dr Annette Boeckler	Senior Librarian
Rhona Lesner BA (Hons)	Head of HR and Support Services
Dr Jo-Ann Myers PhD	Director of Jewish Education
Gaby Ruppin MSc	Head of Academic Services

Legal and Administrative Information

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

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 IDH

Principal Bankers

National Westminster Bank
48 Ballards Lane
London N3 2QZ

Report of the Board of Governors



1. 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.

2. Governance and Organisation

The Governors are the directors of the company, and are also the trustees of the charity. The Governors have overall responsibility for the management and control of the organisation with the day-to-day operations being delegated to the professional staff. The work of implementing the policy and strategy is carried out by the Board of Governors in partnership with the Senior Management Team (SMT).

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. Governors are provided with a pack comprising the governing documents, financial information, organisational charts, recent minutes and with a tour of the campus including an introduction to key staff, students and faculty members. In November 2010 the Memorandum and Articles were updated to reflect the role of students and staff on the board. The Principal and student representatives continue to sit on the board in a non-voting capacity. It is proposed that a governance review takes place in the 2016/17 academic year. The Board of Governors have identified the need to establish clear stakeholder relationships, and to fill gaps that currently exist in the skills and expertise available to the board. The implementation of the findings of the review will aim to fill the deficit in skills, ensuring a

strong, sustainable board, able to deal with the challenges and opportunities experienced by an academic institution the size of Leo Baeck College.

Occasional training for governors takes place 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 externally.

The Chair also distributes occasional briefings from the Charity Commission and elsewhere to the Board and where relevant, specifically to the Honorary Officers.

3. Auditors

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

4. Activities, achievements and future plans

Leo Baeck College is a preeminent institution of Jewish scholarship and learning that is open to all. At Leo Baeck College we combine inspirational, high calibre teaching with a commitment to enriching the intellectual and spiritual lives of the Progressive Jewish Community.

Each year the governors review the aims and activities of the College to ensure that 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.

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 objectives of the College are supported by:

- A commitment to training rabbis and Jewish Educators who will ensure a deep understanding and appreciation of authentic, egalitarian, accessible Judaism within our communities.
- Developing rabbis who will build vibrant and sustainable communities whilst being sensitive to the constantly changing needs of contemporary Jewish life and livelihoods.
- A unique opportunity to nurture our students to ensure their personal, academic, vocational and spiritual development.

- A vibrant learning ethos that is imbued with a clear sense of equality, openness to critical thinking, authorship and authenticity and a devotion to God and Torah.
- A faculty who are academically accomplished and inspiring. They demand intellectual rigour and challenge ideas whilst instilling in our students a deep love for Jewish tradition and texts.
- Being the home of Europe's leading Jewish Library that is and will continue to be an irreplaceable resource for scholars, rabbis and students who wish to access these sacred books.
- A commitment to creating a generation of Jewish Educators who teach with knowledge and passion and who cultivate a love of Jewish learning and Jewish tradition that will shape the Jewish experience of our children.
- Having a unique position within the Progressive Jewish community as the best institution to offer excellent adult Jewish study beyond the synagogue, taught by educators who understand the lives and reflect the values and theologies of the people who they teach.

Our vision is: to build a community of skilled, passionate and dedicated rabbis, Jewish Educators and lay leaders who are inspired by Judaism and are inspiring about Judaism.

Highlights of 2015/16 Academic Year:

- 2015/16 is the first year that Leo Baeck College ran all four Higher Jewish Studies awards under the validation of Middlesex University.
- Middlesex University validated two new awards in Jewish education – the MA in Jewish Educational Leadership and the Certificate of Higher Education in Jewish Education – at Leo Baeck College.
- Professor Sarah Pearce of the University of Southampton was appointed the External Examiner for Jewish studies in summer 2016.
- The Leo Baeck College Admissions Board interviewed candidates and agreed to admit two students for the 2016/17 academic year. Additionally, in conjunction with CJL Paris it was agreed that a new programme for French speaking students to train for the rabbinate at Leo Baeck would be created.
- Leo Baeck College held a successful fundraising dinner at the Montcalm Hotel with Professor Mona Siddiqui speaking at the event.
- Leo Baeck College faculty set up a new programme of faculty development, the Academic Salon, enabling faculty to better share their research interests and learn from one another.
- Leo Baeck College hosted a gathering for European rabbis as part of the European Union for Progressive Judaism's [EUPJ] Biennial Conference held in London.
- Leo Baeck College hosted part of the Wilkenfeld International Women's Leadership Seminar run by Women for Reform Judaism (USA) in advance of the EUPJ Biennial Conference.

- The Leo Baeck College Academic Board approved the appointment of a new Research Fellow, Dr Joanna Michlic.
- The Leo Baeck College Academic Board approved the recommendations of the Academic Appointments Committee to promote Dr Alinda Damsma to Senior Lecturer and Rabbi Dr Charles Middleburgh to Reader.

There are currently 22 students on the Rabbinic Programme compared with 18 in the year to 30 September 2015. The College remains the only institution in the UK to offer academically accredited rabbinic ordination.

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. Since September 2013 the Reform and Liberal Movements are the primary providers of scholarships and directly sponsor individual students with scholarships subject to their terms and conditions.

The curriculum for rabbinic and education students and new degree programmes are now fully established. This has created collaborative learning and a strong correlation between the academic and vocational training of our students. It has helped to ensure that the rabbis of the future come out better qualified, more competent and more confident in core rabbinic skills, able to meet the needs of Progressive Jewish communities in the UK and abroad. Almost all (over 90%) of Reform and Liberal communities in the UK are served by graduates of Leo Baeck College.

The College is focused on continuing to provide the best training for rabbis and Jewish educators both in the UK and in Europe, and continues to provide a range of courses that are validated by Middlesex University and offer a variety of learning opportunities for students from the UK and overseas.

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. Our adult learning programme, the *Leo Baeck Lehrhaus*, now in its third year, continues to grow and prosper with more students attending the broad range of courses that are on offer.

Leo Baeck College makes use of the online platform Adobe Connect which was introduced some three years ago. Adobe Connect enables students to participate in classes when they are off-site. This has proved invaluable for courses using blended methods. It also enables students who are unable to attend College to participate in their classes when such an occasion arises.

Funding for the Leo Baeck College comes in the first instance from our two Movement stakeholders, Reform Judaism (RJ) and Liberal Judaism (LJ). The European Union for Progressive Judaism (EUPJ) provides two bursaries for European students. Beyond funding

from the Movement stakeholders, the College is supported by committed Patrons and Friends who generously provide the institution with financial support and advocacy. As well as the Movements, our alumni and the communities and organisations that they serve, the students and our committed faculty are key stakeholders in the work that we do. They contribute significantly to the on-going sustainability of the College. We aim to continue to reach out and ensure that our students and faculty spend as much time as possible within communities, in the delivery of prayer and learning in synagogues and at other community events.

The College is involved in continuing discussions with our stakeholder organisations, the Reform and Liberal Movements, about the level of funding that they provide to support the on-going needs of the rabbinic programme and enable the College to continue to train rabbis and Jewish educators who fully understand the Progressive Jewish communities in which they work.

The University of Winchester validated all Jewish Studies and Education courses until the end of the 2014/15 academic year. Since the beginning of September 2015, the Jewish Studies courses have been accredited by Middlesex University, followed by the education courses in September 2016. Our rabbinic students embark on a five year course which results in *Smicha* (ordination) at the end of the programme. The College therefore needs to ensure a sustainable funding programme to support each new intake of students over the five-year cycle of study.

Leo Baeck College is reviewed by the Quality Assurance Agency for Higher Education (QAA). The QAA is an independent body that monitors and advises on standards and quality in UK higher education. It conducts quality assessment reviews and develops reference points and guidance for providers. Every four years the QAA carry out a detailed review of alternate providers in higher education. Leo Baeck College was subject to a review in November 2016. The QAA found that the College met UK expectations in all aspects, particularly 'the maintenance of the academic standard, the quality of student learning opportunities, the quality of the information provided about the College and the enhancement of student learning opportunities'. The College will be submitting the Annual Monitoring Report to the QAA in July 2017.

The Board of Governors and Senior Management Team (SMT) continue to closely monitor expenditure and overhead costs in an on-going commitment to achieving a balanced budget.

Fundraising efforts have been focussed on building on the already firm base of Patrons and increasing the number of 'Friends' who donate regular, smaller amounts to the College. During 2016, the American 'Friends' fund was reinstated and ongoing efforts are being made to encourage Leo Baeck College alumni in America to raise funds on our behalf.

Applications continue to be submitted, with some degree of success, to foundations and grant giving organisations.

In the run up to the 60th anniversary year of Leo Baeck College, a successful fundraising dinner was held in May 2016 and another is planned for June 2017. The dinners will both celebrate the success of the College as a centre of excellence for the training of Rabbis and Jewish educators (both in the UK and Europe) as well as capitalise on the opportunity to raise the funds needed to achieve our fundraising targets.

Many academic institutions have an Endowment Fund to underpin and supplement annual fundraising. We started our own in 2012, with a generous donation from The Suminden Bursary Fund. This has given us a solid basis to build on for the future and is a key fundraising objective.

The College is situated at the Sternberg Centre and along with Reform Judaism, occupies the listed Manor House building. The Sternberg Centre site continues to develop and change. The library is central to the educational activity of the College. Situated in the basement of the Manor House, it is subject to the deterioration of the condition of the building and is no longer able to comfortably house the College's growing number of books and publications.

The Governors are constantly looking for an alternative space in which to house this extensive and valuable Jewish library. In support of this objective, the Governors explored the opportunity to take over the unused space that was previously the New North London Synagogue to develop a new library. The number and complexity of planning issues on the Sternberg Centre site continue to be challenging and have delayed the pursuance of this objective. The Governors will continue to look at the options that are available to them when assessing the viability of continuing this project that will require a sustained fundraising effort.

5. Plans for the coming year:

- Leo Baeck College will undergo a Review of Higher Education Alternate Providers by the QAA [Quality Assurance Agency].
- During 2016/17 the College will continue to celebrate its 60th anniversary year, which began in November 2016 with a Service of Celebration that was held at the Liberal Jewish Synagogue. The celebrations include a fundraising dinner at the Institute of Directors with guest speaker, Diane Lees, OBE, Director General of the Imperial War Museum in June 2017.
- The first Lionel Blue Lecture was held in April 2017 at Alyth Synagogue. The lecture was delivered by the Right Honourable and Right Reverend John Sentamu, Archbishop of York and marks the beginning of an annual lecture to honour Rabbi Lionel Blue.
- As part of the fundraising strategy, the College will focus on endowing faculty chairs for the Rabbi Lionel Blue Chair in the Public Engagement in Progressive Judaism and the Rabbi Sheila Shulman Fellowship in Jewish Feminist Theology.
- The ordination of 7 rabbinic students will be held at West London Synagogue. Six of the ordinands are British students. The final student will be the first Spanish born Progressive rabbi to be ordained in Jewish history.

- Four MA students in Jewish Educational Leadership will continue their studies towards this new award in 2016/17 academic year.
- Leo Baeck College will host a 'viva' day to celebrate the research undertaken by the MA in Applied Rabbinic Theology students to which faculty, alumni, and Patrons will be invited.
- A group of theology graduate students from the University of Paderborn (Germany) will join rabbinic students at the college for a seminar in June 2017.
- Representatives of the College, including students, will attend the World Union for Progressive Judaism's Connections conference in Jerusalem in May 2017.

6. Results for the year

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities': Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective January 2015).

The College incurred an operating loss (Net Expenditure) of £106,650 in the year to 30 September 2016, compared to a loss of £220,624 the previous year. After allowing for other recognised gains and losses from the endowment and investment portfolio, the Colleges Funds decreased by £14,729 compared to a decrease of £213,137 in the prior year.

6.1 Investment Policy

The College's investment manager is Investec Wealth & Investment Limited. The Finance Report on page 22 deals with the performance of the investment 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 any time. There is a target 'balanced' return between income and capital with a 'medium' risk criterion.

The Finance and Resources Committee (FRC) comprises up to five members and is chaired by the Honorary Treasurer or Honorary Secretary 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.

6.2 Pay Policy for Senior Staff

The directors consider that the board of directors, who are the Trust's trustees, and senior management are responsible for directing, controlling, running and operating the Trust on a day to day basis. All directors give of their time freely and no director received remuneration in the year. Details of directors' expenses and related party transactions are disclosed in note 7 to the accounts.

The pay of senior staff is reviewed annually and the directors benchmark against pay levels in other similar organisations.

6.3 Designated funds

Designated funds totalling £357,255 (2015: £357,255) 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.

6.4 Restricted and Endowment funds

Restricted and endowment funds totalled £883,768 at year end (2015: £785,872).

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.

6.5 Reserves

The level of unrestricted reserves at 30 September 2016 was £1,081,183 (2015: £1,193,808) Although there is a budget deficit projected for the year ending 30 September 2017, the trustees, as part of the current financial strategy, are working towards a balanced budget

6.6 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 (FRC), assisted by Senior 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. Attention has been focused on non-financial risks arising from fire, health and disaster recovery. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place and providing regular awareness training for staff working in these operational areas.

7. Trustee 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.

8. 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) 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.

On behalf of the Board of Governors, I would like to thank Rabbi Dr Deborah Kahn-Harris, the professionals and dedicated staff team, as well as the members of our outstanding faculty, for their dedication and continued commitment to the College and its students.

The Honorary Officers and Board of Governors continue to focus on ensuring the sustainability of the institution and provide managerial and strategic support to the professional team. I would like to thank each of them for their support and guidance this past year.

The report was approved by the Board of Governors on 25 May 2017 and signed on its behalf by:



Noeleen Cohen, Chair
25 May 2017

8. Financial Report 2015/16

I am pleased to present the Financial Report for the year to 30 September 2016.

The College incurred an operating loss (Net Expenditure) of £106,650 in the year to 30 September 2016, compared to a loss of £220,624 in the previous year. After allowing for other recognised gains and losses from the endowment and investment portfolio, the College's Funds decreased by £14,729 compared to a decrease of £213,137 in the prior year.

The College's income increased £133,855 to £1,034,968, a 15% increase compared to 2015. The increase was due to a successful fundraising dinner and increases from Sponsors and general donations. Total expenditure increased by £19,881 to £1,141,618 largely due to the cost of the fundraising dinner. The College realised gains of £46,827 on its investment portfolio in the year (2015: £45,898). Unrealised gains on Investments totalled £45,095 (2015: Loss £38,411) reflecting the effect of variations in the Stock Market and investment values over the past year.

In 2015/16 financial year the College utilised £325,000 (2014/15 £100,000) of investments to ensure sufficient cash reserves were available for day to day operations.

The College is grateful for the invaluable assistance provided by our Movement partners, Reform Judaism and Liberal Judaism. Their continued financial support is critical to the continued sustainability of Leo Baeck College. The College also recognises the value of the support received from its growing number of supporters, Patrons and benefactors. Leo Baeck College has over 30 annual commitments from Patrons of between £1,000 and £10,000.



David Kirk
Honorary Secretary
25 May 2017

Leo Baeck College
Statement of Financial Activities (Incorporating Income and Expenditure Account)
For the Year ended 30 September 2016

Unrestricted

	Notes	General Funds	Revaluation Reserve	Designated Funds	Restricted Funds	Endowment Funds	Total Funds 2015/16	Total Funds 2014/15
		£	£	£	£	£	£	£
Income and Expenditure Account:								
<u>INCOME FROM:</u>								
Income from Sponsors	2	515,409	-	-	-	-	515,409	474,591
Voluntary Income	3	311,999	-	-	74,506	-	386,505	275,889
Income from Investments	4	3,174	-	-	-	22,498	25,672	28,732
Other Charitable Activities		107,382	-	-	-	-	107,382	121,901
Total Income and Endowments		937,964	-	-	74,506	22,498	1,034,968	901,113
<u>EXPENDITURE ON:</u>								
Raising Funds	5	104,132	-	-	-	-	104,132	55,872
Charitable Activities	6	982,487	-	-	47,497	7,502	1,037,486	1,065,865
Total		1,086,619	-	-	47,497	7,502	1,141,618	1,121,737
Net Expenditure		(148,655)	-	-	27,009	14,996	(106,650)	(220,624)
Realised gains on investments		5,619	-	-	-	41,208	46,827	45,898
Unrealised gains/(losses) on investments		5,411	-	-	-	39,683	45,094	(38,411)
		11,030	-	-	-	80,891	91,921	7,487
Net Expenditure after realised and unrealised gains/(losses)		(137,625)	-	-	27,009	95,887	(14,729)	(213,137)
Transfers		25,000	-	-	-	(25,000)	-	-
Net Movement in Funds		(112,625)	-	-	27,009	70,887	(14,729)	(213,137)
Total Funds brought forward at 1 October 2015		363,089	473,464	357,255	144,640	641,232	1,979,680	2,192,817
Total Funds carried forward 30th September 2016		250,464	473,464	357,255	171,649	712,119	1,964,951	1,979,680

The Notes on pages 18 to 26 form part of these Financial Statements.

Leo Baeck College
Statement of Financial Position
As at 30th September 2016
Registered Number 626693

	Notes	2016 £	2015 £
Fixed assets			
Tangible fixed assets	8	289,812	300,764
Investment Properties	9	700,000	700,000
Investments	10	694,194	935,230
		<u>1,684,006</u>	<u>1,935,994</u>
Current assets			
Debtors	11	49,533	31,364
Cash at bank and in hand		307,095	137,048
		<u>356,628</u>	<u>168,412</u>
Creditors			
Amounts falling due within one year	12	75,683	124,726
		<u>280,945</u>	<u>43,686</u>
Net Current Assets			
		<u>1,964,951</u>	<u>1,979,680</u>
Net Assets			
Funds			
General funds	13	250,464	363,089
Revaluation Reserve	13	473,464	473,464
Designated funds	13	357,255	357,255
		<u>1,081,183</u>	<u>1,193,808</u>
Total unrestricted funds			
Restricted funds	13	171,649	144,640
Endowment funds	13	712,119	641,232
		<u>883,768</u>	<u>785,872</u>
		<u>1,964,951</u>	<u>1,979,680</u>

These accounts were approved by the voting members of the Board of Governors
(the Trustees of the Charity and the Directors of the Company) on 25 May 2017 and signed on their behalf by:



The notes on pages 18 – 26 form part of these financial statements

Leo Baeck College
Statement of Cash Flow

	2016	2015
	£	£
Cashflow from operating activities		
Net Movement in Funds	(14,729)	(213,137)
Adjustments for:		
Depreciation of tangible assets	10,952	<i>10,952</i>
(Increase)/decrease in debtors	(18,168)	<i>23,366</i>
Increase/ (Decrease) in creditors	(49,043)	<i>29,758</i>
Unrealised gains and losses	(45,094)	<i>38,411</i>
Net cash absorbed by operating activities	(116,082)	(110,650)
Cash flows from investing activities		
Purchase of tangible assets	-	<i>(11,796)</i>
Net proceeds from investments	286,130	<i>60,307</i>
Net Cash from investing activities	286,130	48,511
Net increase in cash and cash equivalents in the year	170,048	(62,139)
Cash and cash equivalents at the beginning of the year	137,048	<i>199,187</i>
Cash and cash equivalents at the end of the year	£ 307,096	£ 137,048

The notes on pages 18 – 26 form part of these financial statements

Notes to the Accounts

1. Accounting Policies and Details of Estimates

1.1 Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

The Leo Baeck College meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company information

The Leo Baeck College is a private company limited by guarantee and incorporated in England. The address of its registered office and principal place of business is The Sternberg Centre for Judaism, 80 East End Road, Finchley, London, N3 2SY.

1.3 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 funds 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 costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Transfer between funds occur for a number of reasons including when funds are closed on completion of a project, when fixed assets are purchased or when Trustees decide to release funds from a designated fund.

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 Expenditure

Expenditure is charged to the Statement of Financial Activities on an accruals basis as a liability is incurred and is classified as follows:

- i. Cost of Raising Funds – this comprises all costs incurred with attracting voluntary income to finance the charitable objectives.
- ii. Charitable Expenditure – this comprises all expenditure incurred in the delivery of activities and services.
- iii. Support Costs – this comprises central costs which are allocated to the charitable activities and governance costs on a basis consistent with the use of the resources.
- iv. Governance Costs – this comprises all costs associated with meeting constitutional and statutory requirements.

1.6 **Going concern**

The Trustees have reviewed the current financial position of the College. Having regard to the cash flow projections for the next year, the emphasis on increasing revenues and reducing costs and the value of the investments and investment property, the trustees consider that the Charity has adequate financial resources to fund the activities of the College for the foreseeable future. Furthermore, in the absence of increased fundraising over the coming months, the Trustees would seek to liquidate the investments and investment property.

1.7 **Tangible fixed assets and depreciation**

Building development

Improvements are for the charity's share of a major site development project that was completed in 2012. The improvements are stated at cost less accumulated depreciation.

Furniture and equipment

Furniture and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation and residual values

Tangible assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and equipment - 20% reducing balance

Building development - 2% straight line

1.8 **Investments and Investment Property**

Investments are measured at fair value using the closing quoted market price at reporting date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investment property is initially recognised at cost. After Recognition it is carried at fair value. No depreciation is provided. Changes in fair value are recognised through profit or loss.

1.9 **Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount repaid net of any trade discounts due.

1.10 **Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 **Creditors**

Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.12 **Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Accruals

The company makes an estimate of accruals at the year-end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

Tangible Assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

2. Income from Sponsors	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Movement for Reform Judaism	308,996	-	-	308,996	306,410
Liberal Judaism	188,413	-	-	188,413	168,181
European Union for Reform Judaism	18,000	-	-	18,000	-
	515,409	-	-	515,409	474,591

The income from sponsors is £515,409, (2015: £474,591) and represents student sponsorship and a contribution to the running costs of the college.

3. Voluntary Income	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Donations and Legacies	311,999	74,506	-	386,505	275,889
	311,999	74,506	-	386,505	275,889

The income from donations and legacies is £386,505, (2015: £275,889) of which £311,999 was unrestricted (2015: £243,783) and £74,506 was restricted (2015: £32,106). The restricted income includes funds from grants and Trusts in support of the academic future of the college and its students.

4. Income from Investments	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Interest on cash deposits	-	-	-	-	70
Dividends from investments	3,174	-	22,498	25,672	28,662
Total	3,174	-	22,498	25,672	28,732

Income from Investments and Interest is £25,672 (2015: £28,732) of which £3,174 is unrestricted (2015: £13,541) and £22,498 is allocated to endowment funds (2015: £15,191). This income has been apportioned in line with the split of unrestricted investments and the endowment fund.

5. Raising Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Staff costs	57,175	-	-	57,175	44,551
Publicity, advertising and rabbinic recruitment	46,957	-	-	46,957	11,321
Total	104,132	-	-	104,132	55,872

Expenditure on raising funds was £104,132 (2015: £55,872). This expenditure includes the cost of fundraising events and publicity.

6. Charitable Activities

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Tuition	628,792	28,498	4,501	661,791	673,278
Student Accommodation	9,825	-	-	9,825	10,678
Programmes, Jewish Lifelong Learning & Interfaith	255,446	-	-	255,446	262,167
Library and Sundries	88,424	18,999	3,001	110,424	119,742
Total	982,487	47,497	7,502	1,037,486	1,065,865

was £1,037,486 (2015: £1,065,865)

Note Charitable Activities include the following allocation of support costs

Analysis of Support Costs	2016 £	2015 £
Support Staff Costs	110,423	170,368
Training Costs	-	156
Rent	34,016	44,953
Insurance	7,139	8,202
Printing, postage, stationery	9,486	4,761
Telephone	2,595	2,356
Computer Costs	20,093	19,392
Travelling	8,135	4,451
Depreciation	7,020	7,023
Governance Costs	42,845	40,716
Other Costs	18,974	27,882
Total	260,726	330,260

The support costs are allocated across the Charitable Activities. Auditors remuneration for the year totalled £6,660 (2015: £6,540).

7. Analysis of Total Staff Costs

	2016 £	2015 £
Wages and salaries including visiting lecturers	493,847	517,700
Social security costs	32,991	35,208
Pension costs	25,122	26,138
Total	551,960	579,046
Academic	6	6
Support and Fund Raising	5	5
Library	1	1
Average Monthly Number of Employees	12	12
Average Full Time Equivalents	12	12

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

	2016	2015
£60,000-£70,000	1	1

Key Management Compensation

Key management compensation include Trustees and members of senior management. The compensation paid and payable to key management for employee services is shown

	2016 £	2015 £
Salaries and other short term benefits	250,024	242,357
Pension Costs	12,501	12,118
Total	262,525	254,475

During the year no Trustees received any remuneration or benefits.

8. Fixed Assets

	Leasehold Property and Improvements	Computer Equipment	Total
	£	£	£
Cost			
Cost at 1 October 2015	351,104	11,796	362,900
Additions	-	-	-
Cost at 30th September 2016	<u>351,104</u>	<u>11,796</u>	<u>362,900</u>
Depreciation			
At 1 October 2015	58,204	3,932	62,136
Charge for the year	7,020	3,932	10,952
At 30th September 2016	<u>65,224</u>	<u>7,864</u>	<u>73,088</u>
Net book value at 30th September 2016	<u>285,880</u>	<u>3,932</u>	<u>289,812</u>
<i>Net book value at 30th September 2015</i>	<u>292,900</u>	<u>7,864</u>	<u>300,764</u>

All Tangible Fixed Assets are used in the furtherance of the Charity's objectives.

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.

9. Investment Property

	Freehold Investment Property £
Valuation brought forward	700,000
Disposal	-
Valuation carried forward	<u>700,000</u>

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

The trustees consider that this value continues to represent fair value at 30 September 2016 and accordingly no adjustment is required to the carrying value.

10. Investments	At 30th Sept 2016	At 30th Sept 2015
Market value	£	£
UK Fixed Interest	84,052	109,388
UK Equities	328,386	453,732
Overseas Equities	171,172	244,012
Emerging Economies	13,812	-
Property	60,870	85,216
Alternatives	19,254	26,209
UK Cash	16,648	16,673
Listed investments dealt with on a recognised stock exchange:	694,194	935,230
Quoted Investments	At 30th Sept £	At 30th Sept £
Market value at 1 October 2015	935,230	1,033,948
Net realised investment gains	46,827	19,632
Net unrealised investment gains/(losses)	45,095	(12,144)
Transfer to cash at bank	(350,000)	(125,000)
Income reinvested	25,261	27,636
Interest Income reinvested	306	1,026
Investment Managers charges	(8,525)	(9,868)
	694,194	935,230
Historical cost	585,413	871,154
11. Debtors	At 30th Sept 2016	At 30th Sept 2015
	£	£
Trade debtors	32,533	23,114
Other debtors	17,000	8,250
	49,533	31,364
12. Creditors : Amounts falling due within one year	At 30th Sept 2016	At 30th Sept 2015
	£	£
Trade creditors	19,614	19,073
Other creditors	14,465	15,084
Accruals	8,000	64,869
Deferred Income	33,604	25,700
	75,683	124,726

13. Statement of funds

	Movement in Funds:					Balance at 30 Sept 2016 £
	Balance at 1 Oct 2015 £	Income £	Expenditure £	Gains /(losses) £	Transfers £	
General reserve	363,089	948,995	(1,086,620)		25,000	250,464
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	26,676	-	-	-	-	26,676
The Sidney Kingsley Trust	93,457	-	-	-	-	93,457
Total designated funds	357,255	-	-		-	357,255
Revaluation Reserve	473,464	-	-	-	-	473,464
Total unrestricted funds	1,193,808	948,995	(1,086,620)		25,000	1,081,183
Restricted funds						
Eastern European fund	7,731	-	(7,731)	-	-	-
Interfaith fund	7,326	-	-	-	-	7,326
Pamela and Anthony Littman book fund	13,432	-	(744)	-	-	12,688
Progressive Judaism Library fund	3,023	-	-	-	-	3,023
Windermere Avenue Appeal fund	275	-	-	-	-	275
Rabbinic Students Support Fund	52	9,000	(9,000)	-	-	52
Library Judaica fund	7,706	-	-	-	-	7,706
NLPS Trust for Progressive Judaism	-	8,174	(8,174)	-	-	-
The Rothschild Foundation Europe	-	26,049	(17,088)	-	-	8,961
Lectureship in Jewish Thought and Ethics	59,753	-	-	-	-	59,753
Michael Goulston Education Foundation	13,969	-	-	-	-	13,969
Gertrud Stein-Liberal Jewish Synagogue Teaching Fund	19,723	-	-	-	-	19,723
Professor Ludwik Finkelstein Student Prize	200	-	-	-	-	200
Lech Lecha	935	-	-	-	-	935
RIF Italianer Conference Fund	417	-	-	-	-	417
Koi Chai - 3rd Year Students Vocational Classes	625	-	-	-	-	625
WRJ Funds	9,473	3,733	(4,760)	-	-	8,446
Rothman Rabinic Fund	-	1,550	-	-	-	1,550
Didymus Fund	-	1,000	-	-	-	1,000
Suminden Bursary Fund	-	25,000	-	-	-	25,000
Total restricted funds	144,640	74,506	(47,497)	-	-	171,649
Endowment Funds						
Arthur and Sybil Simon bursary fund	16,880	-	-	-	-	16,880
Bechler Charitable Trust	99,600	-	-	-	-	99,600
Suminden Bursary Fund	524,752	22,498	(7,502)	80,891	(25,000)	595,639
Total endowment funds	641,232	22,498	(7,502)	80,891	(25,000)	712,119
Total funds	1,979,680	1,045,999	(1,141,619)	80,891	-	1,964,951

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

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

The Ruth Ivor Foundation (RIF) provided funds for the Italian Conference which took 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.

The Rothman Rabbinic Fund is to support the training of future religious and spiritual leadership of the community.

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/ Endowments	Net current assets	Total 2016	Total 2015
Unrestricted Funds	289,812	700,000	-	91,372	1,081,184	1,193,808
Restricted Funds	-	-	-	171,648	171,648	144,640
Endowment Funds	-	-	694,194	17,925	712,119	641,232
	289,812	700,000	694,194	280,945	1,964,951	1,979,680

15. Connected Charities

The Leo Baeck College has some governors in common with 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).

16. First time adoption of FRS 102

It is the first year that the charity has presented its financial statements under SORP 2015 and FRS 102.

The last financial statements prepared under previous UK GAAP were for the year ended 30 September 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 October 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the charity's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net expenditure.

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 2016 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of cash flow 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 13, 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 2016, 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 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
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NW3 5JS

25 May 2017