

Leo Baeck College

Europe's premier centre for Progressive Jewish learning

Trustees' Report

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

for the year ended 30 September 2010

Legal and Administrative Information

Company Number 626693
Charity Number 209777

Board of Governors

Voting Governors, Trustees and Directors

Miriam Kramer	Chairman, appointed 1 January 2007
Dr Amanda Grant	Vice-Chairman, appointed 26 May 2009
Robert Graham	Honorary Treasurer, appointed 24 October 2001
Professor Shelley Heard	Additional Honorary Officer, appointed 1 May 2002, resigned 22 March 2010
David Leibling	Honorary Secretary, appointed 25 May 1995
Alasdair Nisbet	Chairman, Development Board appointed 21 October 2003
Michael Francies	Governor appointed 19 October 2009
Ian Karet	Governor appointed 19 October 2009
Dee Lehane	Governor appointed 19 October 2009
Michael Romain	Governor appointed 19 October 2009
Stephen Moss CBE	Chairman, Movement for Reform Judaism, appointed 7 July 2008
Lucian Hudson	Chairman, Liberal Judaism, appointed 19 October 2009
Rabbi Sybil Sheridan	Nominee of Assembly of Rabbis, appointed 11 February 2008
Rabbi Neil Janes	Nominee of Rabbinic Conference, appointed 26 May 2009, resigned 1 September 2010
Rabbi Charlotte Baginsky	Nominee of Rabbinic Conference, appointed 1 November 2010

Non-Voting Governors

Rabbi Professor Marc Saperstein	Principal, appointed 1 July 2006
Rabbi Dr Michael Shire	Vice Principal, appointed 23 October 2001
Stephen Ross	Executive Director, appointed Company Secretary 23 October 2001
Rabbi Shoshana Boyd-Gelfand	Movement for Reform Judaism, Executive Director, appointed 29 April 2008
Rabbi Danny Rich	Liberal Judaism Chief Executive, appointed 7 February 2005
Dr Annette Boeckler	Nominee of Academic Board, appointed 5 November 2007
Lea Muehlstein	Nominee of Students' Society appointed, 26 May 2009, resigned 24 May 2010
Kate Briggs	Nominee of Students' Society appointed, 1 November 2010
Lisa Barrett	Nominee of Students' Society appointed, 1 November 2010
Roy Graham	Nominee of UJIA, co-opted 11 February 2008, resigned 12 July 2010

Management

Senior Management Team

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

Senior Staff

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

Registered Office and Operational Address

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

Company Secretary

Stephen Ross MSc FCII FRSA

Auditors

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

Principal Investment Advisors

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

Solicitors

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

Principal Bankers

National Westminster Bank
48 Ballards Lane
London N3 2QZ

Report of the Board of Governors

Nature of governing documents

Leo Baeck College is a charitable company limited by guarantee. The trustees and directors are the voting members of the Board of Governors named on page 2. The original memorandum and articles were dated 24 April 1959, and 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 directors of the company who are also the Trustees of the Charity have overall responsibility for its management and control, although this is effectively delegated to the Board of Governors, which include trustees and various other individuals. The work of implementing the policies is carried out by the Board of Governors in conjunction with the charity's officials.

Rabbi Professor Marc Saperstein was appointed as Principal in July 2006 and is retiring in July 2011. The Principal is the senior academic and administrative officer of the College and is supported in his role by the Senior Management Team. He regularly reports to the Honorary Officers and Board of Governors. Governors will now 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.

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

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

Following recommendations from an external governance review, an EGM was held on 1 November to amend the articles to allow the appointment of additional Governors, granting voting representation from students and removing the category of non-voting governors. The opportunity was also taken to update the Memorandum and Articles generally. These changes are due to take effect from the AGM 21 March 2011.

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

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

Auditors

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

Activities, achievements and future plans

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

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

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

Each year the trustees review our aims and activities to ensure they continue to reflect our objectives. In carrying out this review the trustees 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 trustees 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, terms and conditions apply. The College policy is 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.

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

Although the strategic plan for 2009-12 was still current, the Governors considered it important to undertake a strategic review of all College activities with the purpose of "Finding a Common Vision". The College has therefore sought input from all our key stakeholders, including the Movement for Reform Judaism and Liberal Judaism, UJIA, rabbis and alumni, rabbinic bodies (Conference/Assembly), synagogues, students and patrons.

Four working groups focusing on different aspects of the College were established: Rabbis, Academic Resources, Department of Jewish Education (DJE), and Finance & Resources. Each group has been chaired by a member of the Senior Management Team and has had members of the Board of Governors and all the other stakeholders. The working groups have met several times and input has been sought from other key users. The next stage is for consultation to allow stakeholders to review the Draft Strategic Review and provide comments by spring of 2011 with the aim of finalising the review by June 2011.

The College is beginning a search for a new Principal following the retirement of Rabbi Professor Marc Saperstein. Prospective candidates will be given the Draft review and asked to comment as part of their interviews.

The initial findings were presented to the Governors at a special board meeting held in January 2011 in the form of an Executive Summary of the Draft Strategic Review together with the draft reports from all the sub groups.

Though still work-in-progress at the time of writing and pending wider consultation, the Review identified the following main Strategic Objectives:

- To train 3-4 Rabbis per annum on average for UK affiliated synagogues, train an additional 3-4 overseas rabbis per annum on average, providing diversity and additional funding
- 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
- To provide a professionally resourced Specialist Judaica and Jewish Education library for students, faculty, researchers, alumni and community individuals
- Work towards the best solution for relocating the library as part of the site development
- To build a partnership of all Progressive Jewish Education providers in order to plan and implement strategic direction for Progressive Jewish Education
- Undertake a cost analysis of the College's contribution to Progressive Jewish Education with new possibilities for fundraising initiatives and alternative revenue streams
- Harness the power of modern communication technology throughout the College
- Ensure smooth transition to new leadership (Chairman and Principal) and new governance arrangements
- Work towards agreement with the Movements for a funding formula including the basis of providing student scholarships
- Break-even within the next 3 - 5 years with a combination of savings from site Service Charges, senior management cost and generating additional income

Results of the year

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

The net outgoing resources were £20,051 (2009 incoming £358,093) including a deficit of £62,454 for restricted projects, (2009, deficit (12,048)).

Investment Policy

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

SG Hambros Bank Limited manage a UK portfolio on behalf of the Board of Governors on a discretionary basis in accordance with the investment policy that the portfolio should be divided approximately 70%:30% between equities and bonds with a view to maximising long-term returns taking a low risk approach. In October 2010 to be more cost effective, funds were transferred into the Hambros Micro Portfolio Capital Growth Fund which is approximately divided between equities and bonds on a 80%:30% basis and historically gave a better return.

The Finance and Investment Committee comprises five members and is chaired by the Honorary Treasurer of the Board of Governors. It formulates and monitors the investment strategy and appoints fund managers to implement their recommendations. It meets at least four times a year. Under the new governance arrangements this committee is planned to become part of a Finance and Resources committee with a broader remit.

Designated funds

Designated funds 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 funds

Restricted and endowment funds totalled £467,447 at year end (2009, £527,139).

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

Reserves

The current level of unrestricted reserves is £802,922. Of this, £339,127 is represented by long leasehold and freehold property and the remainder is held as working capital and cash. The trustees consider the reserves are adequate for the foreseeable future. Although there is a budget deficit projected for the current year ended 30 September 2011 the trustees, as part of the current Strategic Review are working towards a balanced budget within the next 3 - 5 years.

Risk Management

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

The key controls used by the College are:

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

Through the risk management processes established for the College, the members of 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.

Governance and internal control

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

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

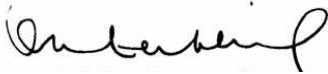
The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 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 25 January 2011 and signed on its behalf by:



David Leibling, Honorary Secretary

Treasurer's Report

I am pleased to present my Treasurer's Report for the year to 30 September 2010.

The College made a net operating deficit of £20,051 in the year to 30 September 2010 which represented a decrease over the equivalent net surplus of £358,093 achieved in the previous year. After allowing for realised and unrealised gains and losses on investments, the overall effect on the College's net funds during the year was a decrease of £(12,041) as compared with the increase of £355,383 last year.

The College's income decreased by £582,247 (or 30%) during the year, from £1,960,777 to £1,378,530 mainly as a result of exceptional donations and the sale of art works in the previous year.

However, total expenditure decreased again during the year, from £1,602,684 to £1,398,581, mainly due to the decreased cost of charitable activities.

The College realised a £8,103 profit on its investment portfolio, compared to no realised profit in 2009. Unrealised loss in the College totalled £93 as compared with the loss of £2,710 produced last year, reflecting the effect of variations in the Stock Market and investment values over the past year. To seek a better return, the Finance and Investment Committee has now transferred the investment portfolio into the Hambros Micro Portfolio Capital Growth Fund.

The exceptional income referred to above achieved last year allows us to review our financial position and we plan to eliminate our projected operating deficit in an orderly fashion over the next 3 to 5 years. As part of the current Strategic Review, the College is therefore carefully reviewing all aspects of its operations with a view to developing a coherent plan for achieving this financial objective in a manner that still permits us to secure the objectives being finalised.

It is appropriate again to acknowledge the invaluable assistance provided by the Movement for Reform Judaism, Liberal Judaism and the UJIA, their continued support at current levels is important to our plans for achieving the 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 Stephen Ross, the College's Executive Director, and his 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
25 January 2011

Leo Baeck College

Accounts

Year to 30 September 2010

Statement of Financial Activities

Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Designated Funds	Total Fund 2009/10	Total Fund 2008/9
	£	£	£	£	£	£
Income and Expenditure Account:						
<u>INCOMING RESOURCES</u>						
<u>Incoming resources from generated funds</u>						
<i>Voluntary income</i>						
	371,352				371,352	379,812
Movement for Reform Judaism					161,150	162,400
Liberal Judaism	161,150					
UJIA	52,853	25,000			77,853	128,446
Other donations and grants	164,009	55,865			219,874	468,698
<i>Activities for generating funds</i>						
	112,890			50,000	162,890	141,441
Income from patrons and friends					3,347	2,709
Investment income and interest	2,168	919	260			
Proceeds from Art Sale					-	215,000
	864,422	81,784	260	50,000	996,466	1,498,506
<u>Incoming resources from charitable activities</u>						
	140,972				140,972	227,920
Tuition fees					19,908	35,113
Student and other accommodation fees	19,908					
Income from programmes	173,915				173,915	146,049
Sundry sales income	47,269				47,269	53,189
Total Incoming Resources	1,246,486	81,784	260	50,000	1,378,530	1,960,777
<u>RESOURCES EXPENDED</u>						
<i>Cost of Generating Funds</i>						
	134,939				134,939	126,012
Fundraising and publicity					32,634	32,106
Other Costs	32,634					
Charitable Activities	970,805	143,675	882	69,497	1,184,859	1,403,566
Governance costs	46,149				46,149	41,000
Total resources expended	1,184,527	143,675	882	69,497	1,398,581	1,602,684
Net incoming/(outgoing) resources	61,900	(61,832)	(622)	(19,497)	(20,051)	358,093
<i>Other recognised gains and losses</i>						
	5,249	2,232	622	-	8,103	-
Realised gains on investments	(60)	(33)			(93)	(2,710)
Unrealised losses on investments	67,089	(59,633)	-	(19,497)	(12,041)	355,383
Net movement in funds						
<u>RECONCILIATION OF FUNDS</u>						
Fund balances brought forward						
- at 1st October 2009	(176,391)	410,659	116,480	931,662	1,282,410	927,027
Fund balances carried forward						
at 30th September 2010	(109,243)	350,967	116,480	912,165	1,270,369	1,282,410

Balance Sheet

As at 30 September 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible fixed assets	7	536,602	555,218
Investments	8	149,328	165,904
		<u>685,930</u>	<u>721,122</u>
Current assets			
Debtors	9	143,397	162,351
Stock		-	5,000
Cash at bank and in hand		531,267	481,057
		<u>674,664</u>	<u>648,408</u>
Creditors			
Amounts falling due within one year	10	90,225	87,120
Net current assets		<u>584,439</u>	<u>561,288</u>
Total assets less current liabilities		<u>1,270,369</u>	<u>1,282,410</u>
Represented by:			
General funds	11	(109,243)	(176,391)
Designated funds	11	912,165	931,662
Total unrestricted funds		<u>802,922</u>	<u>755,271</u>
Restricted funds	11	350,967	410,659
Endowment funds	11	116,480	116,480
		<u>467,447</u>	<u>527,139</u>
		<u>1,270,369</u>	<u>1,282,410</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 Standards 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 25 January 2011 and signed on their behalf by:



Robert Graham
Honorary Treasurer

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

Notes to the accounts

1. Accounting Policies

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Companies Act 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 trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

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

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

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

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

c) Incoming resources

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

d) Resources expended

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

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

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

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

f) Investments

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

g) Stock

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

h) Pensions

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

i) Foreign currencies

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

2. Investment Income and Interest

	2010	2009
	£	£
Interest on cash deposits	1,077	1,567
Dividends from investments	2,270	-
Interest from Bonds	-	1,142
Total	3,347	2,709

3. Fundraising and Publicity

	Unrestricted	Restricted & Endowment	Total 2010	Total 2009
	£	£	£	£
Staff costs	90,955	-	90,955	77,191
Publicity, advertising and rabbinic recruitment	36,264	-	36,264	43,043
Annual Review	7,720	-	7,720	5,778
Total	134,939	-	134,939	126,012

4. Charitable Activities

	Unrestricted	Restricted & Endowment	Total 2010	Total 2009
	£	£	£	£
Tuition	531,419	103,165	634,584	719,240
Student Accommodation	12,443	-	12,443	22,083
Programmes, Jewish Lifelong Learning & interfaith	403,224	34,998	438,222	558,961
Library and Sundries	93,210	6,400	99,610	103,282
Total	1,040,296	144,563	1,184,859	1,403,566

Note - Charitable Activities include the following allocation of Support Costs

5. Support Costs	Student					Total 2010	Total 2009
	Tuition	Programmes	Accommodation	Library & Sundries	Governance Costs		
	£	£	£	£	£	£	£
Support Staff Costs	104,343	83,474	6,261	14,608	-	208,686	209,520
Training Costs	1,774	1,419	106	248	-	3,547	1,620
Rent	24,119	19,295	1,447	3,377	-	48,238	47,880
Insurance	1,555	1,244	93	218	-	3,110	3,873
Printing, postage, stationery	714	571	43	100	-	1,428	544
Telephone	856	685	51	120	-	1,712	(1,032)
Computer Costs	6,203	4,962	372	868	-	12,405	25,060
Travelling	2,074	1,659	124	290	-	4,147	3,607
Depreciation	9,555	7,644	573	1,338	-	19,110	14,375
Accountancy, Legal & Audit Fees	-	-	-	-	46,149	46,149	41,000
Other Costs	4,888	3,910	293	684	-	9,775	82,613
Total	156,081	124,863	9,363	21,851	46,149	358,307	429,060

6. Analysis of Total Staff Costs

Staff Costs:	Total 2010	Total 2009
	£	£
Wages and salaries including visiting lecturers	636,216	608,332
Social security costs	53,434	56,544
Pension costs	31,605	31,948
Total	721,255	696,824

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

	2010	2009
£80,000-£90,000	1	1
£60,000-£70,000	1	1

In addition pension contributions of £11,112 (2009 11,082), were made in respect of these employees

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

7. Fixed Assets	Freehold land and buildings	Long Leasehold	Office Equipment	Total 2010
Cost				
Cost at 1 October 2009 and at 30 Sept 2010	618,749	100,000	4,241	722,990
Depreciation				
At 1 October 2009	135,772	32,000		167,772
Charge for the year at 30th September 2010	12,375	2,000	4,241	18,616
	148,147	34,000	4,241	186,388
Net book value at 30th September 2010	470,602	66,000	-	536,602
Net book value at 30th September 2009	482,977	68,000	4,241	552,218

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

Historic asset

The College owns a library housed at the Sternberg Centre. It comprises approximately 60,000 volumes, a Rare Book collection including books held in trust on long-term loan and sundry artefacts. Many items have been donated over a period of 25 or more years and others have been purchased. The original cost of the assets has not been included in the balance sheet. They are insured for a sum in excess of £2m. which is an estimate of the replacement cost.

8. Investments

Market value	2010 £	2009 £
Listed investments dealt with on a recognised stock exchange:	149,328	165,904
Investments representing over 5% in value:		
	%	%
16,970 Artemis Income Fund Units		16
6,100 Artemis UT UK Special Solutions		11
11301 Artemis European Growth Fund		11
1,737 Schroder US Smaller Companies		10
9,241 Axa Framlington American Growth Fund		10
8,657 Jupiter UK Growth Fund		9
8,581 Thames River Preference Shares		7
1,002 Fidelity (UK) European Fund		6
7,286 Gartmore UK Equity		8
The Global Growth Portfolio	81	
Quoted Investments	£	£
Market value at 1 October 2009	165,904	193,618
Acquisition cost	141,875	17,541
Disposals during the year	(166,461)	(42,544)
Net realised investment gains/(losses)	8,103	-
Net unrealised investment gains/(losses)	(93)	(2,711)
Market Value at 30 September 2010	149,328	165,904
Historical cost as at 30 September 2010	151,461	193,618

9. Debtors	2010	2009
	£	£
Trade debtors	118,751	129,698
Other debtors	24,646	32,653
	<u>143,397</u>	<u>162,351</u>

10. Creditors	2010	2009
	£	£
Trade creditors	27,057	29,927
Other creditors	-	2,483
Accruals	33,841	40,805
Deferred Income	29,327	13,905
	<u>90,225</u>	<u>87,120</u>

11. Statement of funds

	Balance at 1 Oct 2009	Income	Expenditure	Balance at 30 Sept 2010
	£	£	£	£
General reserve	(176,391)	1,251,675	(1,184,527)	(109,243)
Designated funds				
Materials for the library	14,314			14,314
Manor House Repair Fund	46,789			46,789
Development Fund	540,269			540,269
Pamela (Leila) Littman Scholarship Fund	80,290		(14,497)	65,793
The Sidney Kingsley Trust	250,000	50,000	(55,000)	245,000
Total designated funds	931,662	50,000	(69,497)	912,165
Total unrestricted funds	755,271	1,301,675	(1,254,024)	802,922
Restricted funds				
Ascher bequest for lectureship in Talmud	224,832	1,213	(37,721)	188,324
Eastern European fund	11,388	5,061	(16,449)	-
Interfaith fund	9,752	2,777	(5,000)	7,529
Pamela and Anthony Littman book fund	15,279	83	-	15,362
Progressive Judaism Library fund	2,979	16	-	2,995
Rabbinic Students Support Fund	1,772	8,011	(9,299)	484
UJIA fund for fellow in education	-	25,000	(25,000)	-
Windermere Avenue Appeal fund	21,028	114	(6,400)	14,742
Library Judaica fund	7,594	41	-	7,635
NLPS Trust for Progressive Judaism	(2)	4,000	(3,998)	-
Rabbi Professor Magonet Scholarship Fund	37,540	202	(32,000)	5,742
Rabbinic Student Dependent Fund	(5)	500	(495)	-
Van der Zyl Statue Fund	3,548	661	-	4,209
Lectureship in Jewish Thought and Ethics	61,188	330	(2,313)	59,205
Summer Institute Fund	-	5,000	(5,000)	-
Michael Goulston Education Foundation	13,766	74	-	13,840
Community Development Foundation Grant Fund	-	5,900	-	5,900
Gertrud Stein-Liberal Jewish Synagogue Teaching Fund	-	25,000	-	25,000
Total restricted funds	410,659	83,983	(143,675)	350,967
Endowment funds				
Arthur and Sybil Simon bursary fund	16,880	128	(128)	16,880
Bechler Charitable Trust	99,600	754	(754)	99,600
Total endowment funds	116,480	882	(882)	116,480
Total funds	1,282,410	1,386,540	(1,398,581)	1,270,369

There are total investment management fees of £2,680 included within the cost of generating funds.

Purposes of designated funds

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

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

The Development Fund was established by the Governors to set aside any unbudgeted legacy 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 trustees may spend the income and capital to set up this lectureship. Currently the income is used for the Ascher Lecturer in Talmud.

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

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 Head of the Department of Jewish Education is the current UJIA Fellow of Education.

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

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

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

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

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

The Van der Zyl Statue Fund is collecting donations to create a memorial of the College founder, Rabbi Van der Zyl and create a scholarship in his name.

The Lectureship in Jewish Thought and Ethics was created with proceeds for the 50th Anniversary Gala Dinner and expenditure during the year related to a visiting lecturer.

The 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 Summer Institute Fund comprises grants received from The Rothschild Foundation Europe as a contribution towards the cost of running this annual event for lay leaders, rabbis and students.

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.

Purposes of Endowment Funds

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

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

12. Analysis of Net Assets between Funds:

	Property	Investments	Net current assets	Total 2010
Total restricted and endowment funds	197,475	54,955	215,017	467,447
Total unrestricted funds	339,127	94,373	369,422	802,922
	<u>536,602</u>	<u>149,328</u>	<u>584,439</u>	<u>1,270,369</u>

13. Connected Charities

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LEO BAECK COLLEGE

We have audited the financial statements of Leo Baeck College for the year ended 30 September 2010 set out on pages 9 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with sections 495 and 496 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 to them 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 opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's affairs as at 30 September 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.

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

Date: 25 January 2011