

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Report and Financial Statements

Year ended 4 July 2003

Registered Charity no: 235163

Company no: 766699



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LEO BAECK INSTITUTE LIMITED (By Guarantee)

Contents	Page
Legal and administrative information	1
Report of the trustees	2
Report of the auditors	4
Statement of financial activities	5
Balance sheet	6
Note forming part of the financial statements	7 & 8

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Legal and administrative information

Constitution

Leo Baeck Institute Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Charity number: 235163.

Company number: 766699

Directors and trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees are elected annually by the members of the charitable company attending the Annual General Meeting and serve for a period of one year.

The trustees serving during the year and since the year end were as follows:

Prof. J. Grenville
Dr. L. London
Prof. P. Pulzer
Dr. A. Paucker
Dr. D. Rechter

Secretary

Dr. R. Gross

Registered office

4, Devonshire Street, London W1W 5LB

Auditors

Ridley Marreco & Co, Dove House, Mill Lane, Barford St Michael, Oxfordshire OX15 0RH

Bankers

Barclays Bank plc, 50, Pall Mall, London SW1A 1QE

Solicitors

Blount Petre Kramer, 29, Weymouth Street, London W1N 4LQ

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Report of the trustees for the year ended 4 July 2003

The trustees have pleasure to present their report together with the financial statements of the charity for the year ended 4 July 2003.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Objects of the charity.

The objects of the charity are to undertake and promote research into the history of German speaking Jews, and publish learned papers thereon.

The principal activities continued to relate to the publication of the Leo Baeck Institute Year Book, and the organisation of conferences, seminars and lectures.

The Leo Baeck Institute Year Book consists of papers and theses arising from the historical research undertaken during recent years.

Organisation

A board of trustees of up to seven members, who meet quarterly, administers the charity. A Chief Executive and a Treasurer are appointed by the trustees to manage the day-to-day operations of the charity.

Investment powers

Under the memorandum and articles of association, the charity has the power to make any investment which the trustees see fit.

Review of activities and future development

Total incoming resources for the year amounted to £ 174,007, which represents a decrease of 16.26% on the previous year. Included in this figure are donations and interest in respect of restricted funds amounting to £46,797. In the previous year, the charity had the benefit of a grant amounting to £50,000 received in the unrestricted fund from the Rausing Trust giving a total of grants received for the year to 4.7.2002 of £53,624 . Grants this year amounted in total to £11,829.

Resources expended decreased from £ 201,011 to £169,823. The decrease of 15.52% is mainly due to the expenditure on the "Normality" conference in the year to 4.7.2002 which amounted to £41,175 .

Year Book and Bibliography production reflect the rise in production costs, but these costs have been maintained at a reasonable level by a larger amount of formatting and type setting being done in-house.

The trustees also approved a bursary of £5,000 to a post graduate research student. The research material obtained will be made available for inclusion in forthcoming publications of the charity.

After transferring the cost of producing the bibliography the net result for the year was an excess of expenditure on general fund amounting to £11,580. As in previous years, interest on the appeal fund was returned to the restricted fund. The amount available as free reserves of the charity was thus reduced in total by £19,963 to £57,077.

Reserves policy

The major source of funding received by the charity is from the Leo Baeck Institute Central Fund, a foundation based in Germany, which is funded as part of Jewish Restitution payments from the German Central Government. It is not anticipated that this source of funding will cease in the near future.

With regard to this the trustees operate a policy to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately six months expenditure in the unrestricted fund . This will allow the charity to sustain its operation in the event of funding from the Leo Baeck Institute Central Fund being curtailed temporarily.

Risk management

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen those risks.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements which give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to:

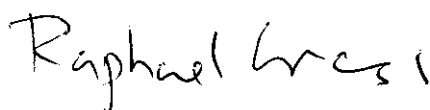
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution will be proposed at the Annual General Meeting that Ridley Marreco & Co be re-appointed as auditors to the charity for the ensuing year.

Approved by the trustees and signed on their behalf by:



Dr. R. Gross, Secretary
29 March 2004

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Report of the Auditors

To the members of Leo Baeck Institute Limited

We have audited the financial statements on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

This report is made solely to the charity's members, as a body, in accordance with S235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters that 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 accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, or the opinions we have formed.

Respective responsibilities of the trustees and auditors

As described on page 3 the charity's trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 charity'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 affairs of the charity as at 4 July 2003 and of its incoming resources and application of resources, including income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ridley Marreco

Ridley Marreco & Co
Registered Auditors
Barford St Michael Oxfordshire
13 April 2004

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Statement of Financial Activities
Including Income and Expenditure account
For the Year ended 4th July 2003**

	Unrestricted Funds £	Restricted Funds £	TOTAL FUNDS	
			2003 £	2002 £
INCOMING RESOURCES				
Funding from Leo Baeck Institute Central Fund	94,834		94,834	93,460
Grants received	11,829		11,829	53,624
Incoming Resources from donors	4,887	41,938	46,825	38,386
Income directly attributable to Year Book	2,205		2,205	1,208
Interest on UK cash deposits	13,455	4,859	18,314	21,117
Total Incoming Resources	127,210	46,797	174,007	207,795
RESOURCES EXPENDED				
Year Book production costs	75,278		75,278	70,688
Office salaries	57,991		57,991	54,424
Rent and office expenses	6,554		6,554	5,905
Repairs and maintenance	-		-	-
Postage, stationery & telephone	7,045		7,045	6,730
Conferences, seminars and meetings	11,568		11,568	46,830
Grants & bursaries	5,000		5,000	10,000
Professional charges	5,633		5,633	5,515
Bank charges	754	-	754	919
Total Resources Expended	169,823	-	169,823	201,011
NET INCOMING / (OUTGOING) RESOURCES	(42,613)	46,797	4,184	6,784
OTHER RECOGNISED GAINS AND LOSSES				
Unrealised profit/(loss) on foreign exchange	1,227		1,227	160
TRANSFERS BETWEEN FUNDS				
Transferred to general fund	(8,383)	8,383	-	
Transferred from bibliography Fund	29,806	(29,806)	-	
NET MOVEMENT IN FUNDS (Note 9)	(19,963)	25,374	5,411	6,944
FUND BALANCES BROUGHT FORWARD	77,040	416,283	493,323	486,379
FUND BALANCES CARRIED FORWARD (Note 7)	57,077	441,657	498,734	493,323

LEO BAECK INSTITUTE LIMITED (By Guarantee)

(A registered Charity No: 235163)

Balance Sheet as at 4th July 2003

4.7.2002

FIXED ASSETS - Tangible Assets

Office Furniture & Equipment at cost

less Depreciation (Note 2)

1

1

CURRENT ASSETS

Investments

50,000	National Savings Income Bonds	50,000
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Cash at bank and in hand

25,839	Barclays Bank - current and deposit	20,739
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410,000	Barclays Bank - Money Market Deposits	420,000
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13,892	Cash at Dresdner Bank	14,480
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100	Cash in Hand	100	455,319
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499,831			505,319
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CURRENT LIABILITIES

Amounts falling due within one year:

5,516	Accruals	5,633
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993	Taxation and Social Security	953
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6,509			6,586
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493,322	NET CURRENT ASSETS		498,733
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493,323	TOTAL ASSETS LESS CURRENT LIABILITIES	£	498,734
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UNRESTRICTED FUNDS:

General Fund

77,040	Balance as at 5th July 2002	77,040
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	Deficit for the Year	(11,580)
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65,460

	Transfer to Appeal Fund (Note 5)	8,383	57,077
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RESTRICTED FUNDS:

100,000	Contingency and Staff Reserve Fund (Note 4)	100,000
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197,843	Appeal Fund (Note 5)	216,244
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118,440	Bibliography Fund (Note 6)	125,413
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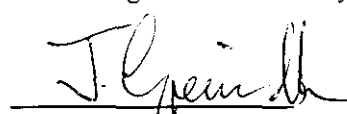
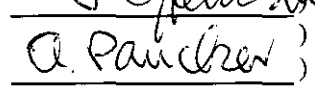
493,323		£	498,734
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These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The accounts were approved by the Board on 29th March 2003 and signed on its behalf by:

Prof. J. Grenville

Dr. A. Paucker



DIRECTORS

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Notes forming part of the financial statements
for the Year ended 4th July 2003**

1. Principal accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and the Companies Act 1985, so far as it is applicable to the company. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice on Accounting by Charities (SORP 2000) issued in October 2000.

(b) Tangible fixed assets and depreciation

All assets individually costing more than £1,500 are capitalised.

Furniture & equipment is written off on a straight-line basis over their estimated useful life of four years.

(c) Foreign currencies

Income and expenditure and assets and liabilities denominated in foreign currencies are reported at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates from the previous year end is reported in the Statement of Financial Activities.

(d) Donations and grants

Donations grants and similar income are recognised as incoming resources when receivable.

(e) Interest on UK cash deposits

Incoming resources from UK cash deposits is recognised in the period in which the charity is entitled to receipt.

(f) Resources expended

Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of any VAT, which cannot be recovered.

(g) Fund accounting

Details of the nature and purpose of each fund are set out in notes 4 to 6

(h) Corporation tax

No provision has been made for UK Taxation as the company is a registered charity and has carried on no activity which may make it liable to UK taxation.

2. Tangible fixed assets (see also Note 1(b) above)

Cost 5.7.2002 and 4.7.2003	2,104
Aggregate depreciation at 5.7.2002 and 4.7.2003	2,103
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Written down value at 5.7.2002 and 4.7.2003	£ 1
	<hr/>

There were no additions to tangible fixed assets during the year (2002 - nil)

3. Staff costs and trustees' remuneration.

	<u>2003</u>	<u>2002</u>
Salaries	69,678	51,073
Social security costs	3,313	3,351
	<hr/>	<hr/>
	72,991	54,424

The average weekly number of employees during the year, calculated on a full time equivalent basis, was:

3	3
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No employee received remuneration amounting to more than £50,000 in either year.

The Trustees received no remuneration or expenses during the year.

4. Contingency and staff reserve fund

Balance 5.7.2002	100,000
Transfer from general fund	-
	<hr/>
Balance at 4.7. 2003	£ 100,000

The above Fund is specifically to fund any future extraordinary payments in relation to staff and other costs.

5. Appeal fund

Balance 5.7.2002	197,844
Donations	10,017
Transfer bank interest from general fund	8,383
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Balance at 4.7.2003	£ 216,244

The above fund is to meet the expenses of removal, and new premises when the current lease of the offices occupied by the charity comes to an end.

The Capital amount of the Appeal Fund is not available for the running expenses of the charity or for the Year Book expenses. The charity is entitled to the benefit of the Interest earned by the Fund. The interest to which the charity was so entitled during the year amounted to £8,383 (2002 - £8,184). This amount has been transferred back from the General Fund to the Appeal Fund in order to increase the Appeal Fund Capital.

6. Bibliography fund

Balance at 5.7.2002	118,439
Donations	31,921
Bank interest	4,859
	<hr/>
	155,219
Less: Bibliography production costs transferred	(29,806)
	<hr/>
Balance at 4.7.2003	£ 125,413

The Bibliography Fund was set up specifically to accept donations for the purpose of funding the Year Book Bibliography. Neither the capital nor the income of this Fund are available to the charity for any other purpose.

7. Analysis of net assets by fund

	Unrestricted	Restricted	Total
Fixed assets	1	-	1
Current assets	63,662	441,657	505,319
Current liabilities	(6,586)		(6,586)
	<hr/>	<hr/>	<hr/>
	£ 57,077	£ 441,657	£ 498,734
	<hr/>	<hr/>	<hr/>

8. Restricted funds

Contingency and staff reserve fund	100,000
Appeal fund	216,244
Bibliography fund	125,413
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	£ 441,657
	<hr/>

9. Net movement in funds for the year

	2003	2002
Stated after charging:		
Auditor's remuneration - external audit	£ 2,233	£ 2,115
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