

**LEO BAECK INSTITUTE LIMITED (By Guarantee)**

**Report and Financial Statements**

**Year ended 4 July 2006**

**Registered Charity no: 235163**

**Company no: 766699**

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## **LEO BAECK INSTITUTE LIMITED (By Guarantee)**

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## **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  
Adam Freudenheim  
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 Ltd, 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

## Report of the trustees for the year ended 4 July 2006

The trustees who are also directors of the charity for the purposes of the Companies Act, present their report together with the audited financial statements for the year ended 4 July 2006. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the charity.

### Structure, governance and management.

The charity is constituted as a company limited by guarantee, and is therefore governed by a memorandum and articles of association.

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.

All directors of the company are also trustees of the charity, and there are no other trustees. All of the trustees named on page 2 served throughout the year.

### Risk management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining reserves at current levels, combined with an annual review of the controls over key financial systems, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks faced by the charity and confirm that they have established systems to mitigate the significant risks.

### Objectives and activities

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.

### Achievements and performance

The programme of research commenced in previous years continued and the year book and bibliography were published as scheduled.

The charity continued to promote and fund a series of lectures and projects on various aspects of the history of German speaking Jews.

### Financial review

Total incoming resources for the year amounted to £306,732, which represents a decrease of £45,295 on the previous year. Included in this figure are donations and interest in respect of restricted funds amounting to £187,957. During the year, the charity continued to receive funding from one donor to specifically finance a project researching the historical significance of Jews in science and the humanities, this project is operated from the restricted fund designated as the Academia Project. This is a major ongoing project and is not expected to be completed for approximately ten more years. The same donor has pledged to finance this project in full, initially, for the first five years three of which remain. The funding received for the Academia Project during the year amounted to £147,936. Resources expended increased from £341,286 to £363,166. This increase is due mainly to the expenditure incurred in the Appeal Fund for the 50th Anniversary Fund raising dinner and lecture.

Year Book and Bibliography production costs have continued to be maintained at a reasonable level by continuing the process of having a large amount of formatting and type setting being done in-house.

The net result for the year was an excess of expenditure on general fund amounting to £29,526. The amount available as free reserves of the charity was thus decreased in total to £29,179.

Restricted funds resulted in a net outflow of funds for the year of £26,908 which decreased the restricted fund balances from £454,085 to £427,177.

**Report of the trustees for the year ended 4 July 2006 (continued)**

**Investment policy and performance**

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

The investment strategy has not changed and the bulk of cash reserves are invested in National savings certificates and fixed deposits with Barclays bank

**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. The present level of funding is adequate to support the continuation of operations for the medium term, and the trustees consider the financial position of the charity to be satisfactory.

**Trustees' responsibilities in relation to the financial statements**

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources of the charity for that period.

In preparing those financial statements 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 UK Accounting Standards have been followed, subject to any material 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 operation.

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 Ltd be re-appointed as auditors to the charity for the ensuing year.

Approved by the board of directors/trustees on 20th March 2007 and signed on its behalf by



Dr A Paucker  
Director and Trustee

## LEO BAECK INSTITUTE LIMITED (By Guarantee)

### Report of the Independent Auditors to the Members of Leo Baeck Institute limited

We have audited the financial statements of Leo Baeck Institute for the year ended 4th July 2005 on pages 5 to 8 which have been prepared under the historical cost convention and 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 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 company and the company's members as a body, for our audit work, for this report, or the opinions we have formed.

#### Respective responsibilities of the trustees and auditors

As described on page 3 the charity's trustees (who are also the directors of Leo Baeck Institute Limited for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Standards) are set out in the Statement of Trustees' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Trustees is consistent with the financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

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

#### Basis of opinion

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

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

#### Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 4 July 2006 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 the Companies Act 1985, and the information given in the Report of the Trustees is consistent with the financial statements.

*Ridley Marreco & Co Ltd*

Ridley Marreco & Co Ltd  
Registered Auditors  
Barford St Michael Oxfordshire

*4 June* 2007

**LEO BAECK INSTITUTE LIMITED (By Guarantee)**

**Statement of Financial Activities  
For the Year ended 4th July 2006**

**SUMMARY INCOME AND EXPENDITURE ACCOUNT**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>TOTAL FUNDS</b>	
			<b>2006 £</b>	<b>2005 £</b>
<b>INCOMING RESOURCES</b>				
Incoming resources from generated funds				
<b>Voluntary income</b>				
Leo Baeck Institute Central Fund	99,038		99,038	118,932
Incoming Resources from donors	976	185,813	186,789	216,361
<b>Investment income</b>				
Interest on cash deposits	18,290	2,144	20,434	15,504
<b>Incoming resources from charitable activities</b>				
Income directly attributable to Year Books	471		471	1,250
<b>Other incoming resources</b>			-	-
<b>Total Income</b>	<u>118,775</u>	<u>187,957</u>	<u>306,732</u>	<u>352,047</u>
<b>RESOURCES EXPENDED</b>				
Costs of generating funds				
Fundraising dinner & lecture		24,296	24,296	-
Other fundraising costs	7,283		7,283	7,056
<b>Charitable activities</b>				
Year Book	104,490		104,490	105,796
Bibliography		33,147	33,147	30,273
Projects & seminars	27,997	157,442	185,439	190,169
			-	
<b>Governance costs</b>	8,531		8,531	7,992
<b>Total resources expended</b>	<u>148,301</u>	<u>214,885</u>	<u>363,186</u>	<u>341,286</u>
<b>Net (outgoing) incoming resources before other recognised gains and losses</b>	(29,526)	(26,928)	(56,454)	10,761
<b>Other recognised gains and losses</b>				
Unrealised profit (loss) on foreign exchange	291		291	(707)
<b>NET MOVEMENT IN FUNDS (Note 11)</b>	<u>(29,235)</u>	<u>(26,928)</u>	<u>(56,163)</u>	<u>10,054</u>
<b>FUND BALANCES BROUGHT FORWARD</b>	<u>58,414</u>	<u>454,085</u>	<u>512,499</u>	<u>502,445</u>
<b>FUND BALANCES CARRIED FORWARD (Note 9)</b>	<u>29,179</u>	<u>427,157</u>	<u>456,336</u>	<u>512,499</u>

The notes on pages 7 to 10 form part of these accounts

**LEO BAECK INSTITUTE LIMITED ( By Guarantee)**

**(A registered Charity No 235163)**

**Balance Sheet as at 4th July 2006**

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<b>FIXED ASSETS - Tangible Assets</b>			
	Office Furniture & Equipment at cost		
1	less Depreciation ( Note 2)		1
<b>CURRENT ASSETS</b>			
	Investments		
50,000	National Savings Income Bonds	50,000	
	Cash at bank and in hand		
63,085	Barclays Bank - current and deposit	34,338	
398,074	Barclays Bank - Money Market Deposits	363,435	
14,205	Cash at Dresdner Bank	14,984	
100	Cash in Hand	100	412,857
<u>525,464</u>			<u>462,857</u>
<b>CURRENT LIABILITIES</b>			
	Amounts falling due within one year		
5,967	Accruals	6,522	
6,999	Taxation and Social Security	-	
<u>12,966</u>			<u>6,522</u>
512,498	<b>NET CURRENT ASSETS</b>		456,335
<u>512,499</u>	<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	£	<u>456,336</u>
<b>UNRESTRICTED FUNDS</b>			
	General Fund		
58,414	Balance as at 5th July 2005	58,414	
	Net outflow of funds for the Year	<u>(29,235)</u>	
	Balance at 4th July 2006		29,179
<b>RESTRICTED FUNDS</b>			
100,000	Contingency and Staff Reserve Fund (Note 5)	100,000	
266,044	Appeal Fund (Note 6)	279,625	
13,823	Bibliography Fund (Note 7)	43,215	
74,218	Academia Project (Note 8)	4,317	
<u>512,499</u>			£ <u>456,336</u>

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 20th March 2007 and signed on its behalf by

Dr A Paucker



Director and Trustee



**LEO BAECK INSTITUTE LIMITED ( By Guarantee )**

**Notes forming part of the financial statements  
for the Year ended 4th July 2005**

**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 January 2005) 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 2005) issued in March 2005 and applicable UK accounting Standards and the Charities Act 1993.

**(b) Allocation of overhead and support costs**

Overhead and support costs have been allocated between charitable activity and governance. The allocation of overhead and support costs is analysed in note 4.

**(c) Costs of generating funds**

Other fundraising costs consist of the allocation of salaries, on a time basis, where staff have been engaged in fundraising.

**(d) Governance costs**

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees.

**(e) 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 its estimated useful life of four years.

**(f) 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.

**(g) Incoming resources**

Donations, grants and similar income are recognised as incoming resources once the charity has entitlement, it is certain that the resources will be received, and the monetary value of the incoming resource can be measured with sufficient reliability.

**(h) Interest on UK cash deposits**

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

**(i) Resources expended**

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

**(j) Funds structure**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose.

Details of the nature and purpose of each fund are set out in notes 5 to 8.

**(k) 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.

**LEO BAECK INSTITUTE LIMITED ( By Guarantee )**

**Notes forming part of the financial statements  
for the Year ended 4th July 2005  
(continued)**

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

Cost 5 7 2005 and 4 7 2006	2,104
Aggregate depreciation at 5 7 2005 and 4 7 2006	2,103
Written down value at 5 7 2005 and 4 7 2006	£ 1

There were no additions to tangible fixed assets during the year (2005 - nil)

**3 Staff costs and trustees' remuneration.**

	<u>2006</u>	<u>2005</u>
Salaries	193,465	178,124
Social security costs	19,472	17,033
	£ 212,937	£ 195,157

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

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The Trustees received no remuneration or expenses during the year

Employees receiving in excess of £50,000 per annum fell into the following bands

£50,000 - £60,000	-	1
£60,001 - £70,000	1	-

**4 Allocation of support costs and overheads**

The breakdown of support costs and how these were allocated between governance and charitable activities is shown in the table below

	Total allocated	Govern'ce	Year Book	Fund raising	Projects & seminars	Restricted funds	Basis of allocation
Staff costs	212937		52895	7283	15935	129541	Staff time
Office rental & costs	15937	600	7087			8250	Staff time
Audit & accountancy	5967	5967					Actual
Bank charges	905		905				Actual
Expenses of meetings	1964	1964					Actual
<b>Overhead &amp; support</b>	<b>237710</b>	<b>8531</b>	<b>60887</b>	<b>7283</b>	<b>15935</b>	<b>137791</b>	
Fundraising dinner	24296					24296	
Year book costs	43603		43603				
Projects & seminars	31713				12062	19651	
Bibliography	33147					33147	
<b>Total expended</b>	<b>370469</b>	<b>8531</b>	<b>104490</b>	<b>7283</b>	<b>27997</b>	<b>214885</b>	

**LEO BAECK INSTITUTE LIMITED ( By Guarantee )**

**Notes forming part of the financial statements  
for the Year ended 4th July 2005  
(continued)**

**5 Contingency and staff reserve fund**

Balance 5 7 2005 & 4 7 2006	£	100,000
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The above Fund is specifically to fund any future extraordinary payments in relation to staff and other costs. There were no movements in this fund during the year.

**6 Appeal fund**

Balance 5 7 2005		266,044
Incoming resources - Donations		37,877
		303,921
Resources expended - Fundraising costs		24,296
Balance at 4 7 2006	£	279,625

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 £17,199 (2005 - £11,209).

**7 Bibliography fund**

Balance at 5 7 2005		74,218
Incoming resources	Donations	-
	Bank interest	2,144
		76,362
Resources expended - Bibliography production costs		33,147
Balance at 4 7 2006	£	43,215

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

**8 Academia Project**

Balance at 5 7 2004		13,823
Incoming resources	Donations	147,936
		161,759
Outgoing resources	Salaries & national insurance	129,541
	Projects & conferences	27,901
		157,442
Balance at 4 7 2006	£	4,317

This fund was created in 2004 by a donation made to specifically finance this project. Further finance has been pledged by the same donor to fully fund the project until 2009. The purpose of the fund is to carry out a programme of research into Jews in German-speaking academia in the 19th & 20th centuries, and to fund seminars, lectures and publications in the specific subject matter under research.

**LEO BAECK INSTITUTE LIMITED ( By Guarantee )**

**Notes forming part of the financial statements  
for the Year ended 4th July 2006  
(continued)**

**9 Analysis of net assets by fund**

	Unrestricted	Restricted	Total
Fixed assets	1	-	1
Current assets	35,700	427,157	462,857
Current liabilities	(6,522)		(6,522)
	<u>£ 29,179</u>	<u>£ 427,157</u>	<u>£ 456,336</u>

**10 Restricted funds**

Contingency and staff reserve fund	100,000
Appeal fund	279,625
Bibliography fund	43,215
Academia Project	4,317
	<u>£ 427,157</u>

**11 Net movement in funds for the year**

	2006	2005
Stated after charging		
Auditor's remuneration - external audit	<u>£ 2,468</u>	<u>£ 2,468</u>