

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Report and Financial Statements
for the period 5 July 2009 to 31 December 2010**

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

Accounting reference date

During the period the charity altered the accounting reference date from 4th July to 31st December giving a more natural reflection of the activities of the charitable company

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 period and since the period end were as follows

Prof P Pulzer - Chairman
A Freudenheim
Dr C Gelvin (appointed August 2010)
D Goldsmith
Prof J Grenville (died March 2011)
Dr A Paucker
Dr D Rechter

Secretary

Dr R Gross

Operational address and Registered office

2nd Floor, Arts Two Building, Queen Mary, University of London, Mile End Road, London, E1 4NS

Independent Examiner

S W Bunce - Chartered Accountant
Ridley Marreco & Co Ltd, Dove House, Mill Lane, Barford St Michael, Oxfordshire OX15 0RH

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Solicitors

Simons Muirhead & Burton, 8 - 9 Frith Street, London, W1D 3JB

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Report of the trustees for the for the period 5 July 2009 to 31 December 2010

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 period ended 31 December 2010. 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 1 served throughout the period.

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 advance the education of the public in all aspects of the history of German speaking Jews and to undertake and promote research into this subject and publish learned papers.

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. During the period the charity commenced working with Queen Mary University of London to operate MA programmes incorporating bursaries of MA and Doctorate students.

Public benefit

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The strategies employed to achieve the charities aims and objectives are to:

Promote and organise a series of lectures, seminars and workshops throughout the year furthering the understanding of the history of German speaking Jews throughout the world,

Make these activities open to members of the public and other interested parties,

Publication of learned papers,

Actively participate with the history departments of Universities and, in collaboration with Queen Mary University of London, provide enhanced education opportunities in the study of German Jewish and European history.

Publish the Leo Baeck Institute Year Book.

Achievements and performance

During the period, the publishing arrangements were successfully changed and two Year Books were issued in conjunction with Oxford University Press. This has been a great success financially and has enabled the Year Book to reach a wider public, largely by electronic means. 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

The financial reporting covers an 18 month period and the following comparisons should be read with that in mind. Total incoming resources for the year amounted to £ 505,588, which represents an increase of £125,285 on the previous year. Included in this figure are donations in respect of restricted funds amounting to £144,817. During the period, 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 four more years. The same donor has pledged to finance this project in full until completion. The funding received for the Academia Project during the period amounted to £132,698.

Resources expended increased from £296,339 to £444,923. The continued application of strict controls over spending limits and budgeted expenditure has enabled outgoing resources to be kept within reasonable bounds for the level of activity over the period and, when comparing the current 18 month period with the prior year, costs are comparable.

The net result for the period was an excess of income on general fund amounting to £79,163. The amount available as free reserves of the charity was thus increased in total to £164,673.

Restricted funds resulted in a net outflow of funds for the year of £26,139 which decreased the restricted fund balances from £503,859 to £483,808 after transferring £6,087 from General Fund to Bibliography Fund to eliminate the deficit.

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Report of the trustees for the Report of the trustees for the for the period 5 July 2009 to 31 December 2010 (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 been reviewed and the bulk of cash reserves are invested in National savings certificates, Fixed Interest Government securities and also Bond Funds purchased through London & Capital Investment house.

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 nine 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.

Plans for future periods

The charity successfully moved to premises in Queen Mary University of London, on 11th April 2011 and a lease was signed shortly afterwards. The result of this will be that the charity will incur additional expenditure of approximately £40,000 per annum. The Appeal Fund, which is a fund set up specifically to cover the costs of moving premises, will be used to cover these additional costs. The Appeal Fund currently stands at £408,686 and will only cover the additional costs for a limited period. The trustees will be considering launching a new appeal to provide additional funding to help meet the increased costs relating to the move.

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 adequate 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.

Approved by the board of directors / trustees on 17th June 2011 and signed on its behalf by


Dr P Pulzer
Director and Trustee

LEO BAECK INSTITUTE LIMITED (By Guarantee)

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF LEO BAECK INSTITUTE LIMITED

I report on the accounts of the charitable company for the period ended 31st December 2010, which are set out on pages 5 to 10

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed.

Having been satisfied that the charity is not subject to audit under company law and is eligible for independent examination it is my responsibility to

- examine the accounts under section 43 of the 1993 Act,
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act, and
- to state whether particular matters have come to my attention

Basis of independent examiners' report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiners' statement

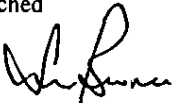
In connection with my examination, no matter has come to my attention

(1) which gives me reasonable cause to believe that, in any material respect, the requirements

(a) to keep accounting records in accordance with s386 of the Companies Act 2006, and

(b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Companies Act 2006 and with the methods and principals of the Statement of Recommended Practice Accounting and Reporting by Charities (revised 2005) have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached



S W Bunce

Ridley Marreco & Co Ltd

Chartered Accountant
Dove House, Mill Lane
Barford St Michael Oxon

Date 27/7/2011

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Statement of Financial Activities

for the period 5 July 2009 to 31 December 2010

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Unrestricted Funds	Restricted Funds	TOTAL FUNDS	
			2010	2009
	£	£	£	£
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income				
Leo Baeck Institute Central Fund	204,661		204,661	124,215
Incoming Resources from donors	59,973	144,817	204,790	218,171
Investment income				
Interest on cash deposits	1,508	-	1,508	20,670
Dividends & Interest on quoted securities	14,554	-	14,554	7,215
Incoming resources from charitable activities				
Income directly attributable to Year Books	66,649	-	66,649	9,857
Other incoming resources	13,426	-	13,426	175
Total Income	360,771	144,817	505,588	380,303
RESOURCES EXPENDED				
Costs of generating funds				
Fundraising costs	22,544		22,544	11,548
Charitable activities				
Year Book	110,313		110,313	89,648
Bibliography	-	20,800	20,800	19,276
Projects, lectures & seminars	103,230	150,156	253,386	141,314
Bursaries & tuition fees	17,633		17,633	-
Governance costs	13,192		13,192	8,742
Other payments				
Staff retirement payments	-		-	25,000
	266,912	170,956	437,868	295,528
Realised loss on disposal of investments	7,055	-	7,055	811
Total resources expended	273,967	170,956	444,923	296,339
Net incoming resources before other recognised gains and losses	86,804	(26,139)	60,665	83,964
Other recognised gains and losses				
Unrealised profit (loss) on foreign exchange	(3,125)	-	(3,125)	(5,523)
Unrealised loss on investment assets	(4,516)	-	(4,516)	(3,753)
NET MOVEMENT IN FUNDS	79,163	(26,139)	53,024	74,688
TRANSFERS BETWEEN FUNDS	(6,087)	6,087		
FUND BALANCES BROUGHT FORWARD	91,597	503,860	595,457	520,769
FUND BALANCES CARRIED FORWARD	164,673	483,808	648,481	595,457

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 31 December 2010**

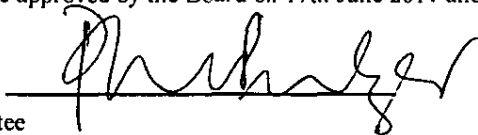
		31st December 2010	4th July 2009
FIXED ASSETS - Tangible Assets			
Office Furniture & Equipment at cost			
less Depreciation	Note 2	1	1
INVESTMENTS	Note 3	487,300	346,324
CURRENT ASSETS			
Cash at bank and in hand		182,724	257,236
Debtors and prepayments		26,726	12,416
		<u>209,450</u>	<u>269,652</u>
CURRENT LIABILITIES			
Amounts falling due within one year			
Accruals		14,538	7,946
Creditors		30,892	11,000
Taxation and Social Security		2,840	1,574
		<u>48,270</u>	<u>20,520</u>
NET CURRENT ASSETS		161,180	249,132
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 648,481</u>	<u>£ 595,457</u>
UNRESTRICTED FUNDS:			
General Fund			
Balance at 31st December 2010		164,673	91,598
RESTRICTED FUNDS:			
Contingency & Staff Reserve Fund	Note 6	75,000	75,000
Appeal Fund	Note 7	408,686	408,686
Bibliography Fund	Note 8	-	2,596
Academia Project	Note 9	122	17,577
		<u>£ 648,481</u>	<u>£ 595,457</u>

These accounts have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

The accounts were approved by the Board on 17th June 2011 and signed on its behalf by

Dr P. Pulzer

Director and Trustee



Notes forming part of the financial statements
for the period 5 July 2009 to 31 December 2010

1 Principal accounting policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the Companies Act 2006, 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.

(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 5.

(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 and fixed interest securities

Incoming resources from UK cash deposits and investments are 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 6 to 9.

(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.

**Notes forming part of the financial statements
for the period 5 July 2009 to 31 December 2010 (continued)**

2 Tangible fixed assets (see also Note 1(e) above)

Cost 5 7 2009 and 31 12 2010	2,104
Aggregate depreciation at 5 7 2009 and 31 12 2010	2,103
Written down value at 5 7 2009 and 31 12 2010	£ 1

There were no additions to tangible fixed assets during the period (2009 - nil)

3 Investments

Market value at 5 7 2009	346,324
Additions at cost	342,977
Proceeds of disposals	(190,430)
Losses on disposal	(7,055)
Net unrealised losses	(4,516)
Market value at 31 12 2010	£ 487,300
Historical cost	£ 493,068
Consisting of	
Investments Quoted on a recognised stock exchange	97,304
Unquoted Bond Funds with London & Capital	339,996
National Savings Income bonds	50,000
	£ 487,300

4 Staff costs and trustees' remuneration.

	2010	2009
Salaries	48,688	102,571
Other staffing costs	36,360	-
Social security costs	4,599	6,045
	£ 89,647	£ 108,616

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

2 2

The Trustees received no emoluments Expenses for the year totalling £7,901 (2009 - £4,664) were paid to 5 trustees in respect of reimbursements for travel in their operational and governance roles

No employees received emoluments in excess of £60,000 per annum or equivalent

5 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	Governance	Year Book	Fund raising	Projects & seminars	Restricted funds	Basis of allocation
	£	£	£	£	£	£	
Staff costs	89,647		44,092	17,449	28,106	-	Staff time
Office rental & costs	29,970	1,496	14,087	5,095	9,292		Staff time
Audit & accountancy	8,405	8,405					Actual
Legal Fees	1,792	1,792					
Bank charges	2,410		2,410				Actual
Expenses of meetings	1,499	1,499					Actual
Overhead & support	133,723	13,192	60,589	22,544	37,398	-	
Year book costs	49,724		49,724				Actual
Projects & seminars	215,988				65,832	150,156	Actual
Bibliography	20,800					20,800	Actual
Total expended	420,235	13,192	110,313	22,544	103,230	170,956	

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Notes forming part of the financial statements
for the period 5 July 2009 to 31 December 2010 (continued)**

6	Contingency and staff reserve fund	
	Balance 5 7 2009 and 31 12 2010	£ 75,000

The above Fund is specifically to fund any future extraordinary payments in relation to staff and other costs. The movements during the year are in relation to retirement payments made to three long serving staff members.

7	Appeal fund	
	Balance 5 7 2009 and 31 12 2010	£ 408,686

The above fund is to meet the expenses of removal, and running costs of new premises, the lease of the offices occupied by the charity, in Devonshire Street, came to an end in April 2011.

8	Bibliography fund	
	Balance 5 7 2009	2,596
	Incoming resources Donations	12,117
	Transfer General Fund	6,087
		<u>20,800</u>
	Resources expended - Bibliography production costs	20,800
	Balance at 31 12 2010	£ -

The Bibliography Fund was set up specifically to accept donations for the purpose of funding production of the Year Book Bibliography. Under the new publishing arrangements with Oxford University Press, there is no further need for this fund accordingly, the trustees have decided that the fund be closed at 31st December 2010.

9	Academia Project	
	Balance 5 7 2009	17,577
	Incoming resources Donations	132,698
		<u>150,275</u>
	Outgoing resources Projects, conferences & research	137,778
	Proportion of office overheads	12,375
		<u>150,153</u>
	Balance at 31 12 2010	£ 122

This fund was created in 2004 by a donation made to specifically finance this project. 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 period 5 July 2009 to 31 December 2010 (continued)**

10 Analysis of net assets by fund

	Unrestricted	Restricted	Total
Fixed assets	1	-	1
Investments	141,600	346,000	487,600
Current assets	71,642	137,808	209,450
Current liabilities	(48,270)	-	(48,270)
	<u>£ 164,973</u>	<u>£ 483,808</u>	<u>£ 648,781</u>

11 Restricted funds

Contingency and staff reserve fund	75,000
Appeal fund	408,686
Bibliography fund	-
Academia Project	122
	<u>£ 483,808</u>

12 Net movement in funds for the year

	2010	2009
Stated after charging		
Auditor's remuneration - external audit	<u>£ -</u>	<u>£ 2,845</u>

13 Future financial commitments

The charity has signed a lease with Queen Mary University of London
On the 11th April 2011 the charity moved into the premises at Queen Mary University of London
The additional annual cost to the charity has not yet been fully quantified but will be within the region of £40,000 per annum

14 Other commitments

At 31st December 2010, the charity had annual commitments under non-cancellable operating leases as follows

Expiry Date		
Within one year	<u>£ 31,967</u>	-
Between one and five years	<u>£ 213,110</u>	-

15 Capital commitments

At 31st December 2010 the charity had capital commitments for furniture and equipment, authorised but not contracted, amounting to £15,000

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Appendix to the financial statements
for the period 5 July 2009 to 31 December 2010**

INCOMING RESOURCES

Voluntary income

Incoming Resources from donors

Donations	Fellowship programme	7,979	
	Lecture Series	12,261	
	University of Sussex	15,000	
	re "History of Visual Expressions	20,000	
	Donations Year Book	4,733	
per Summary Income & Expenditure Account - page 5			59,973

Incoming resources from charitable activities

Income directly attributable to Year Books

Queen Mary Contributions	15,833	
Oxford University Press	46,170	
Sale of Year books	4,367	
Royalties JCB Mohr	279	
per Summary Income & Expenditure Account - page 5		66,649

Other incoming resources

Deichmann contribution to expenses	12,375	
Miscellaneous income	1,051	
per Summary Income & Expenditure Account - page 5		13,426

RESOURCES EXPENDED

Fundraising costs

Proportion of staff salaries	17,449	
Proportion of office overheads	5,095	
per Summary Income & Expenditure Account - page 5		22,544

Charitable activities

Yearbook

Proportion of staff salaries	44,092	
Proportion of office overheads	14,087	
Bank charges	2,410	
Translations	1,842	
Reference material	1,476	
Editors expenses	3,492	
Freight & delivery	53	
Proof reading	36,861	
Sundries	1,312	
Travel	2,128	
Production costs	2,560	
per Summary Income & Expenditure Account - page 5		110,313

Projects & seminars

International seminars	7,424	
Fellowship programme	5,671	
Conference Expenses	642	
Volunteer expenses	8,346	
Director's expenses	2,074	
Deputy director's expenses	425	
Lecture series	13,181	
Consultancy	22,553	
Cost of producing LBI Medals	4,103	
Costs DW Book	1,413	
Proportion of staff salaries	28,106	
Proportion of office overheads	9,292	
per Summary Income & Expenditure Account - page 5		103,230

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Appendix to the financial statements
for the period 5 July 2009 to 31 December 2010 (continued)**

Governance costs

Proportion of office overheads	1,496	
Accountancy and independent examination	8,405	
Legal Fees	1,792	
Expenses of executive meetings	1,499	
per Summary Income & Expenditure Account - page 5		13,192

Funding lecturer's Post, Bursaries & tuition

Provision QM Stipends	3,500	
Bursaries	12,700	
Tuition fees	1,433	
per Summary Income & Expenditure Account - page 5		17,633

THESE PAGES DO NOT FORM PART OF THE STATUTORY ACCOUNTS