

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Report and Financial Statements
for the year ended 31 December 2011**

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 P Pulzer - Chairman
A Freudenheim
Dr C Gelbin
Prof Dr S Gilman (appointed June 2011)
D Goldsmith
Prof J Grenville (died March 2011)
Dr A Paucker (resigned June 2011)
Dr D Rechter

Honorary Life President

Dr A Paucker (appointed June 2011)

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 year ended 31 December 2011

The trustees who are also directors of the charity for the purposes of the Companies Act, present their report together with the independently examined accounts for the year ended 31 December 2011. 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. The charity continues to work with Queen Mary University of London to operate MA programmes incorporating bursaries of MA and PhD 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 year the publishing arrangements with Oxford University Press have continued with great success reaching a wider public, largely by the electronic means employed. 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 the year to 31st December but comparative figures on the accounts represent an 18 month period and the following comparisons should be read with that in mind. Total incoming resources for the year amounted to £310,350, which represents a decrease of £195,238 on the previous period. Included in this figure are donations in respect of restricted funds amounting to £103,941. 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 on-going project and is not expected to be completed for approximately three 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 £103,941.

Resources expended decreased from £444,923 to £321,854. 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 year and, when comparing the current year with the prior period of 18 months, costs are comparable, with the exception of the increase in the cost of providing office space which has increased due to the move to Queen Mary University of London.

The net result for the year was an excess of expenditure on general fund amounting to £17,128. The amount available as free reserves of the charity was thus decreased in total to £127,855.

Restricted funds resulted in a net inflow of funds for the year of £5,624 which increased the restricted fund balances from £483,808 to £489,432.

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Report of the trustees for the year ended 31 December 2011

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 launching of the establishment of the Institute at Queen Mary University of London has been a great success and plans to build on that relationship are in hand. Going forward, the intention is to build further on the liaison with the University and other Academic Institutes.

The current programme of seminars, lectures and conferences will continue as will the production of the Leo Baeck Institute Year Book.

There are increased annual costs since the move of premises in 2010, and the question of future funding has been addressed. The trustees have decided to launch major fundraising initiatives during 2012, in order to provide an endowment fund to secure the future financial viability of the charity.

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.

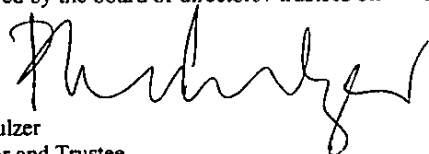
The trustees are required to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of 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 15th June 2012 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 year ended 31st December 2011, 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

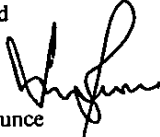
In connection with my examination, no matter has come to my attention

(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 22 May 2012

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Statement of Financial Activities
for the year ended 31 December 2011**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Unrestricted Funds	Restricted Funds	TOTAL FUNDS	
	£	£	2011	2010 18 months £ restated
INCOMING RESOURCES				
Incoming resources from generated funds				
Voluntary income				
Leo Baeck Institute Central Fund	138,726		138,726	204,661
Incoming Resources from donors	6,080	103,941	110,021	204,790
Investment income				
Interest on cash deposits	720	-	720	1,508
Dividends & Interest on quoted securities	3,084	-	3,084	14,554
Incoming resources from charitable activities				
Income directly attributable to Year Books	47,439	-	47,439	66,649
Other incoming resources	10,360	-	10,360	13,426
Total Income	<u>206,409</u>	<u>103,941</u>	<u>310,350</u>	<u>505,588</u>
RESOURCES EXPENDED				
Note 5				
Costs of generating funds				
Fundraising costs	13,989		13,989	22,544
Charitable activities				
Year Book	73,799		73,799	131,113
Projects, lectures & seminars	118,011	98,317	216,328	253,386
Bursaries & tuition fees	4,300		4,300	17,633
Governance costs	11,083		11,083	13,192
	<u>221,182</u>	<u>98,317</u>	<u>319,499</u>	<u>437,868</u>
Realised loss on disposal of investments	2,355	-	2,355	7,055
Total resources expended	<u>223,537</u>	<u>98,317</u>	<u>321,854</u>	<u>444,923</u>
Net incoming resources before other recognised gains and losses	(17,128)	5,624	(11,504)	60,665
Other recognised gains and losses				
Depreciation	Note 2 (3,242)		(3,242)	-
Unrealised profit (loss) on foreign exchange	Note 3 (3,755)	-	(3,755)	(3,125)
Unrealised loss on investment assets	Note 3 (12,692)	-	(12,692)	(4,516)
NET MOVEMENT IN FUNDS	Note 11 (36,817)	5,624	(31,193)	53,024
FUND BALANCES BROUGHT FORWARD	164,672	483,808	648,480	595,456
FUND BALANCES CARRIED FORWARD	Note 9 <u>127,855</u>	<u>489,432</u>	<u>617,287</u>	<u>648,480</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 31 December 2011**

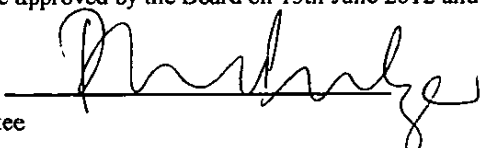
		<u>2011</u>	<u>2010</u>
FIXED ASSETS - Tangible Assets			
Office Furniture & Equipment at cost			
less Depreciation	Note 2	9,744	1
INVESTMENTS	Note 3	419,783	487,300
CURRENT ASSETS			
Cash at bank and in hand		197,394	182,724
Debtors and prepayments		37,635	26,726
		<u>235,029</u>	<u>209,450</u>
CURRENT LIABILITIES			
Amounts falling due within one year			
Accruals	28,891		14,539
Creditors	17,463		30,892
Taxation and Social Security	915		2,840
		<u>47,269</u>	<u>48,271</u>
NET CURRENT ASSETS		187,760	161,179
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 617,287</u>	<u>£ 648,480</u>
UNRESTRICTED FUNDS:			
General Fund		127,855	164,672
RESTRICTED FUNDS:			
Contingency & Staff Reserve Fund	Note 6	75,000	75,000
Appeal Fund	Note 7	408,686	408,686
Academia Project	Note 8	5,746	122
		<u>£ 617,287</u>	<u>£ 648,480</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 15th June 2012 and signed on its behalf by

Dr P Pulzer

Director and Trustee



LEO BAECK INSTITUTE LIMITED (By Guarantee)

Notes forming part of the financial statements for the year ended 31 December 2011

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 independent examination 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.

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Notes forming part of the financial statements
for the year ended 31 December 2011 (continued)**

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

	Office F & E
Cost at 1 January 2011	2,104
Additions	12,985
Cost at 31 December 2011	<u>£ 15,089</u>
Depreciation at 1 January 2011	2,103
Provided in year	3,242
Depreciation at 31 December 2011	<u>£ 5,345</u>
Written down value at 1 January 2011	<u>1</u>
Written down value at 31 December 2011	<u><u>£ 9,744</u></u>

3 Investments

Market value at 1 January 2011	487,300
Additions	42,480
Proceeds of disposals	(94,950)
Losses on disposal	(2,355)
Net unrealised losses	(12,692)
Market value at 31 December 2011	<u>£ 419,783</u>
Historical cost	<u>£ 427,938</u>
Consisting of	
Unquoted Bond Funds with London & Capital	369,783
National Savings Income bonds	50,000
	<u>£ 419,783</u>

4 Staff costs and trustees' remuneration.

	<u>2011</u>	<u>2010</u>
Salaries	39,455	48,688
Other staffing costs	24,669	36,360
Social security costs	3,985	4,599
	<u>£ 68,109</u>	<u>£ 89,647</u>

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 £1,730 (2010 - £7,901) were paid to 7 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

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Notes forming part of the financial statements
for the year ended 31 December 2011 (continued)**

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	68,109		10,240	4,934	52,935	-	Staff time
Office rental & costs	53,964	2,698	7,555	3,778	39,933		Staff time
Accountancy and Examination	5,595	5,595					Actual
Bank charges	2,765		2,765				Actual
Expenses of meetings	2,790	2,790					Actual
Overhead & support	133,223	11,083	20,560	8,712	92,868	-	
Year book costs	53,239		53,239				Actual
Consultancy	10,555			5,277	5,278		
Projects & seminars	118,182				19,865	98,317	Actual
Total expended	315,199	11,083	73,799	13,989	118,011	98,317	

6 Contingency and staff reserve fund

Balance at 1 January 2011 and 31 December 2011 £ 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 at 1 January 2011 and 31 December 2011 £ 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 Academia Project

Balance at 1 January 2011		122
Incoming resources	Donations	<u>103,941</u>
		104,063
Outgoing resources	Projects, conferences & research	90,067
	Proportion of office overheads	8,250
		<u>98,317</u>
Balance at 31 December 2011		£ <u>5,746</u>

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 year ended 31 December 2011 (continued)**

9 Analysis of net assets by fund

	Unrestricted	Restricted	Total
Fixed assets	9,744	-	9,744
Investments	73,783	346,000	419,783
Current assets	87,133	143,432	235,029
Current liabilities	(47,269)	-	(47,269)
	<u>£ 123,391</u>	<u>£ 489,432</u>	<u>£ 617,287</u>

10 Restricted funds

Contingency and staff reserve fund	75,000
Appeal fund	408,686
Academia Project	5,746
	<u>£ 489,432</u>

11 Net movement in funds for the year

	2011	2010
Stated after charging		
Depreciation on Fixed Assets	<u>£ 3,242</u>	<u>£ -</u>

12 Lease commitments

At 31st December 2011, the charity had annual commitments under non-cancellable operating leases as follows

Expiry Date		
Within one year	<u>£ 42,620</u>	<u>31,967</u>
Between one and five years	<u>£ 213,110</u>	<u>213,110</u>

13 Capital commitments

At 31st December 2011 the charity had capital commitments for furniture and equipment, authorised but not contracted, amounting to NIL (2010 -£15,000)

LEO BAECK INSTITUTE LIMITED (By Guarantee)

Appendix to the financial statements
for the year ended 31 December 2011

INCOMING RESOURCES**Voluntary Income****Incoming Resources from donors**

Donations	Fellowship programme		
	Lecture Series	5,530	
	Legacies received	250	
	re "History of Visual Expressions	-	
	Donations Year Book	300	
			6,080

Incoming resources from charitable activities**Income directly attributable to Year Books**

Queen Mary Contributions	20,230	
Oxford University Press	21,218	
Sale of Year books	5,926	
Royalties JCB Mohr	65	
		47,439

Other incoming resources

Deichmann contribution to expenses	8,250	
Miscellaneous income	2,110	
		10,360

RESOURCES EXPENDED**Fundraising costs**

Consultancy Raphael - 50% £10,555	5,278	
Proportion of staff salaries	4,934	
Proportion of office overheads	3,777	
		13,989

Charitable activities**Yearbook**

Proportion of staff salaries	10,240	
Proportion of office overheads	7,555	
Bank charges	2,764	
Translations	1,243	
Reference material	942	
Bibliography production costs	10,118	
Editors expenses	4,450	
Freight & delivery	314	
Proof reading	31,733	
Lunches	382	
Sundries	148	
Travel	910	
Production costs	3,000	
		73,799

Projects & seminars

International seminars	521	
Fellowship programme	140	
Conference Expenses	1,475	
Volunteer expenses	5,918	
Director's expenses	4,822	
Deputy director's expenses	261	
Lecture series	5,527	
Consultancy Raphael - 50% £10,555	5,277	
Cost of producing LBI Medals	336	
Costs DW Book	865	
Proportion of staff salaries	52,936	
Proportion of office overheads	39,933	
		118,011

LEO BAECK INSTITUTE LIMITED (By Guarantee)

**Appendix to the financial statements
for the year ended 31 December 2011**

Governance costs

Proportion of office overheads	2,698	
Accountancy and independent examination	5,595	
Legal Fees	-	
Expenses of executive meetings and AGM	2,790	
per Summary Income & Expenditure Account - page 5		11,083

Funding lecturer's Post, Bursaries & tuition

Provision QM Stipends	-	
Bursaries	-	
Tuition fees	4,300	
per Summary Income & Expenditure Account - page 5		4,300

THESE PAGES DO NOT FORM PART OF THE STATUTORY ACCOUNTS