

Signed

Charity number: 291143

THE POLONSKY FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

THE POLONSKY FOUNDATION

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THE POLONSKY FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2020

Trustees Dr Leonard S Polonsky CBE
Dr Georgette Bennett
Marc A L Polonsky
Hannah Polonsky Whitney
Joshua-Marc Tanenbaum

**Charity registered
number** 291143

Principal office 8 Park Crescent
London
W1B 1PG

Independent auditors Nyman Libson Paul
Chartered Accountants
Statutory Auditors
124 Finchley Road
London
NW3 5RR

Bankers Lloyds Bank Plc
39 Threadneedle Street
London
EC2R 8AU

THE POLONSKY FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The Trustees present their annual report together with the audited financial statements of the The Polonsky Foundation for the year 1 April 2019 to 31 March 2020. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). The charity has applied all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), effective for accounting periods beginning on or after 1 January 2019.

Objectives and activities

a. Policies and objectives

The primary objectives of the Foundation are: to promote access to and dissemination of cultural heritage through support of major cultural and educational institutions; to support education and research in the humanities and social sciences; and to support innovation and excellence in the arts.

The main objectives for the year were to continue to support the above developments and programmes. To achieve these objectives, charitable grants were made to relevant institutions as detailed in note 6 to the financial statements.

The trustees confirm that they referred to the guidance in the Charity Commission's general guidance on public benefit by reviewing the charity's aims and objectives and in planning future activities and setting the grant making policy for the year.

b. Grant-making policies

Grants are made where in the opinion of the trustees they best further the objectives of the charity.

Achievements and performance

a. Review of activities

Charitable grants made in the year to further the charity's objectives totalled £3,422,669 following grants made of £4,149,988 during the year ended 31 March 2019.

To achieve its stated objectives, the charity is reliant on both income and capital drawdown from its investments as detailed in note 4.

Income from investments in the year amounted to £424,100 as compared with £497,663 in the year ended 31 March 2019.

The trustees considered the performance of the investments in the year to be satisfactory and will continue a consistent investment policy for the foreseeable future.

b. Fundraising regulation

Due to the nature of its operations, the charity does not have fundraising activities and does not outsource fundraising to any entity or individual. Thus, the trustees can confirm that the charity adhered to all fundraising regulation and law.

THE POLONSKY FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Strategic report (continued)

Achievements and performance (continued)

c. Investment policy and performance

The investment powers of the Trustees are governed by the Declaration of Trust, which permits the charity's funds to be invested in a wide range of securities and assets. The trustees' investment policy is to retain the Foundation's principal equity holding for income and potential growth, and to select diversified investments and deposits to support revenue and liquidity.

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. They have considered the effects of the Covid 19 pandemic which has caused a major economic downturn, particularly in respect of investment valuations. However, due to the nature of the charity's activities, whereby grant commitments are met through a combination of available investment income and capital drawdown, the Trustees consider that the going concern status will not be affected. Further details regarding the adoption of the going concern basis can be found in the accounting policies note 2.2 to the financial statements.

b. Reserves policy

The charity's free reserves are represented by substantial investment holdings which form the charity's main source of income. Accordingly, the Trustees' reserves and funding policy is to ensure that funds are maintained at a level which provides the required income. The trustees have made the decision in the last couple of years to utilise capital as well as income to further its charitable objects and accordingly reserves will fall year on year notwithstanding any movements on investment values.

At the Statement of financial position date £15,200,667 (2019: £19,095,897) was held in reserves. As a consequence of the economic downturn caused by the ongoing pandemic, the value of the Charity's investments fell in March 2020, shortly before the statement of financial position date. There was continued economic downturn after the reporting date, as detailed in note 19 to the financial statements, and there is likely to be uncertainty for some time.

c. Asset cover for funds

The trustees are of the opinion that as at the reporting date, the assets of the charity are sufficient to meet its obligations.

Structure, governance and management

a. Constitution

The Polonsky Foundation is a registered charity, number 291143, and is constituted under a Trust deed dated 6 February 1985.

THE POLONSKY FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Structure, governance and management (continued)

b. Methods of appointment or election of Trustees

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Organisational structure and decision-making policies

The trustees are actively responsible for the overall management and control of the charity.

d. Policies adopted for the induction and training of Trustees

New trustees are inducted and trained by existing trustees. This includes briefings in relation to the charity's objectives and grant making policies.

e. Related party relationships

The charity has no related or connected charities.

f. Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Plans for future periods

Due to the economic consequences of the pandemic and the potentially adverse effect these might have on the value of the Charity's investments, the Charity is reviewing and limiting its new grant-making for the coming financial year. However, this will not impact on the current grant commitments, which will continue to be met in full.

THE POLONSKY FOUNDATION

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

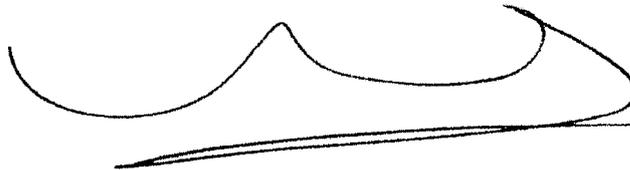
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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

The auditors, Nyman Libson Paul, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees on ^{21/07/20} and signed on their behalf by:

Marc A L Polonsky
Managing Trustee



THE POLONSKY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE POLONSKY FOUNDATION

Opinion

We have audited the financial statements of The Polonsky Foundation (the 'charity') for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE POLONSKY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE POLONSKY FOUNDATION (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

THE POLONSKY FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE POLONSKY FOUNDATION
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

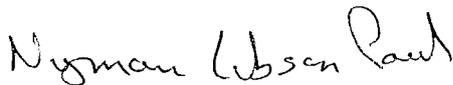
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Nyman Libson Paul
Chartered Accountants
Statutory Auditors
124 Finchley Road
London
NW3 5RR

Date: 22/07/20

Nyman Libson Paul are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

THE POLONSKY FOUNDATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Unrestricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Income from:				
Investments	4	424,100	424,100	497,663
Other income	5	17,870	17,870	648,843
Total income		441,970	441,970	1,146,506
Expenditure on:				
Charitable activities	7	3,530,367	3,530,367	4,267,665
Total expenditure		3,530,367	3,530,367	4,267,665
Net losses on investments	11	(806,833)	(806,833)	(813,000)
Net movement in funds		(3,895,230)	(3,895,230)	(3,934,159)
Reconciliation of funds:				
Total funds brought forward		19,095,897	19,095,897	23,030,056
Net movement in funds		(3,895,230)	(3,895,230)	(3,934,159)
Total funds carried forward		15,200,667	15,200,667	19,095,897

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 12 to 23 form part of these financial statements.

THE POLONSKY FOUNDATION

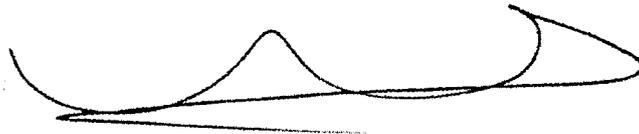
**BALANCE SHEET
AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
Fixed assets			
Investments	11	14,330,152	17,781,416
Current assets			
Debtors	12	610,028	153,859
Cash at bank and in hand		268,234	1,166,843
		878,262	1,320,702
Creditors: amounts falling due within one year	13	(7,747)	(6,221)
Net current assets		870,515	1,314,481
Total net assets		15,200,667	19,095,897
Charity funds			
Unrestricted funds	14	15,200,667	19,095,897
Total funds		15,200,667	19,095,897

21/07/20

The financial statements were approved and authorised for issue by the Trustees on and signed on their behalf by:

Marc A L Polonsky
Managing Trustee



The notes on pages 12 to 23 form part of these financial statements.

THE POLONSKY FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	As restated 2019 £
Cash flows from operating activities		
Net cash used in operating activities	(3,967,140)	(3,331,203)
Cash flows from investing activities		
Dividends and interest	424,100	497,663
Proceeds from sale of investments	2,644,431	2,105,951
Net cash provided by investing activities	3,068,531	2,603,614
Change in cash and cash equivalents in the year	(898,609)	(727,589)
Cash and cash equivalents at the beginning of the year	1,166,843	1,894,432
Cash and cash equivalents at the end of the year	268,234	1,166,843

The notes on pages 12 to 23 form part of these financial statements

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The Polonsky Foundation is a charity registered with the Charity Commission in England & Wales. Its principal address is 8 Park Crescent, London, W1B 1PG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity has applied all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), effective for accounting periods beginning on or after 1 January 2019.

The Polonsky Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

At the reporting date the charity held £268,234 in cash and had net current assets of £870,515 together with investments valued at over £14,000,000. There are no restrictions in place on the charity's assets.

Since that date the Covid-19 pandemic has caused severe financial impact throughout the global economy, affecting investment markets significantly. Investment values have fallen and the ongoing uncertainty indicates that further adverse fluctuations are likely.

The trustees' have therefore reviewed the charity's position carefully. To help mitigate any financial impact they have reviewed the charity's ongoing grant commitments and plan to limit any new commitments over the next financial year. They consider that the reserves held by way of investments, even allowing for further reductions in value, are adequate for the foreseeable future.

Accordingly, the trustees consider it appropriate to continue to adopt the going concern basis in preparing its financial statements.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Investment income, gains and losses are allocated to the appropriate fund.

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Income

Income is comprised of interest and dividends receivable from investments, and other income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Included in other income are shares transferred to the charity on liquidation of another trust. Shares received are initially recognised as income in the statement of financial activities, and investment additions in the statement of financial position, at their transaction value and subsequently measured at their fair value as at the reporting date, using readily available market information.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on the accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. When costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of resources.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the reporting date, using readily available market information. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

2.13 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

2.14 Prior year adjustment

A prior year adjustment has been made in respect of investment income amounting to £138,364. This income was reflected in the financial statements for the year ended 31 March 2019 and it was subsequently established that it related to the year ended 31 March 2018. The figures within the financial statements for income for the year ended 31 March 2019, together with opening reserves at 1 April 2018 have been restated accordingly.

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

3. Critical accounting estimates and areas of judgment

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the report date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimations.

Critical accounting estimates and assumptions:

Fixed asset investments

Investments are carried at fair value with changes in fair value being recognised in the Statement of Financial Activities. Fair values are based on valuations provided by independent investment managers which includes market prices and readily available market information for each investment which may refer to market prices for similar investments where there is no active market for the investment held by the charity.

4. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	As restated Total funds 2019 £
Interest received	17,185	17,185	26,544
Dividends received	406,915	406,915	471,119
	<u>424,100</u>	<u>424,100</u>	<u>497,663</u>

5. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Distribution from another trust	-	-	504,441
Foreign exchange gains	17,870	17,870	144,402
	<u>17,870</u>	<u>17,870</u>	<u>648,843</u>

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Analysis of grants

	Grants to Institutions 2020 £	Total funds 2020 £
Grants to institutions	<u>3,422,669</u>	<u>3,422,669</u>
	Grants to Institutions 2019 £	Total funds 2019 £
Grants to institutions	<u>4,149,988</u>	<u>4,149,988</u>

The charity has made the following material grants to institutions during the year:

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Analysis of grants (continued)

Name of institution	2020 £	2019 £
Friends of Bezalel Academy of Arts	784,128	946,168
The Van Leer Jerusalem Institute	599,143	723,854
Heidelberg University	448,539	-
University of Cambridge	410,000	553,230
The Hebrew University of Jerusalem	176,044	98,806
Royal College of Music	108,883	85,550
University of Oxford	103,958	343,965
New York University	95,528	-
British Friends of Haifa University	73,905	-
Herzog August Bibliothek	67,296	-
Aspen Music Festival and School	60,891	6,740
American Friends of Tel Aviv University	45,445	105,375
Oxford Centre of Hebrew and Jewish Studies	39,893	80,019
WNET (Simon Schama's 'Story of the Jews and the Fate of the World')	38,813	77,330
Biblioteca Nazionale Centrale Rome	37,220	130,247
Consortium of European Research Libraries (CERL)	15,261	53,063
Bibliothèque Nationale de France (BNF)	-	342,244
British Library	-	215,000
The Rhodes Trust	-	50,000
New York Public Library	-	46,482
	<u>3,104,947</u>	<u>3,858,073</u>
Other grants to institutions	317,722	291,915
	<u><u>3,422,669</u></u>	<u><u>4,149,988</u></u>

THE POLONSKY FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Analysis of expenditure by activities

	Grant funding of activities 2020 £	Support costs 2020 £	Total funds 2020 £
Charitable activities	3,422,669	107,698	3,530,367

	Grant funding of activities 2019 £	Support costs 2019 £	Total funds 2019 £
Charitable activities	4,149,988	117,677	4,267,665

Analysis of support costs

	Charitable activities 2020 £	Total funds 2020 £	Total funds 2019 £
Staff salaries and pension costs	48,185	48,185	48,736
Auditors' remuneration	4,500	4,500	4,500
Accountancy fees	9,180	9,180	11,820
Bank charges	2,329	2,329	2,042
Secretarial fees	12,083	12,083	13,824
General office expenses	14,575	14,575	4,660
Consultancy fees	16,095	16,095	31,047
Travel expenses	751	751	1,048
	<u>107,698</u>	<u>107,698</u>	<u>117,677</u>

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

8. Auditors' remuneration

	2020 £	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	4,500	4,500

9. Staff costs

	2020 £	2019 £
Wages and salaries	45,000	45,520
Social security costs	2,019	2,047
Contribution to defined contribution pension schemes	1,166	1,169
	48,185	48,736

The average number of persons employed by the charity during the year was as follows:

	2020 No.	2019 No.
Administrative staff	1	1

No employee received remuneration amounting to more than £60,000 in either year.

Key management are the trustees, who received no remuneration or other short term benefits during the year.

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 March 2020, no expenses were reimbursed or paid directly to Trustees (2019 - £1,048 to 1 Trustee).

THE POLONSKY FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

11. Fixed asset investments

	Listed investments £
Market value	
At 1 April 2019	17,781,416
Disposals	(2,645,568)
Revaluations	(805,696)
At 31 March 2020	<u>14,330,152</u>
Net book value	
At 31 March 2020	<u>14,330,152</u>
<i>At 31 March 2019</i>	<u>17,781,416</u>

Fixed asset investments are held in the UK and the rest of the world. Investments have been included at market value by reference to readily available market prices or investment reports where public information is not available.

Net gains on investments

Included in the statement of financial activities are net losses on investments for the year of £806,833, comprising £805,696 (2019: £807,719) of revaluation losses on investments held at the year end and £1,137 (2019: £5,281) of losses on investments disposed of during the year.

12. Debtors

	2020 £	2019 £
Due within one year		
Other debtors	<u>610,028</u>	<u>153,859</u>

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13. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	2,420	1,246
Other creditors	227	175
Accruals and deferred income	5,100	4,800
	7,747	6,221

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2020 £
Unrestricted funds					
General Funds - all funds	19,095,897	441,970	(3,530,367)	(806,833)	15,200,667
	19,095,897	441,970	(3,530,367)	(806,833)	15,200,667

Statement of funds - prior year

	Balance at 1 April 2018 £	As restated Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2019 £
Unrestricted funds					
General Funds - all funds	23,045,551	1,131,011	(4,267,665)	(813,000)	19,095,897
	23,045,551	1,131,011	(4,267,665)	(813,000)	19,095,897

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15. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	As restated 2019 £
Net income for the period (as per Statement of Financial Activities)	(3,895,230)	(3,934,159)
Adjustments for:		
Losses on investments	805,696	807,719
Dividends and interest	(424,100)	(497,663)
Loss on the sale of fixed asset investments	1,137	5,281
Decrease/(increase) in debtors	(456,169)	792,445
Increase/(decrease) in creditors	1,526	(385)
Donated investments	-	(504,441)
Net cash used in operating activities	(3,967,140)	(3,331,203)

16. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank	268,234	1,166,843
Total cash and cash equivalents	268,234	1,166,843

17. Analysis of Net Debt

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	1,166,843	(898,609)	268,234
Debt due within 1 year	-	(52)	(52)

18. Pension commitments

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £1,166 (2019: £1,169). Contributions totalling £227 (2019: £175) were payable to the fund at the reporting date and are included in creditors.

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19. Post balance sheet events

As at 13 July 2020 the value of the charity's listed investments had fallen by 7% since the reporting date as a result of the downfall of the global economy arising from the COVID-19 pandemic. Investments not listed on a public stock exchange had risen by 8% as at 31 May 2020 but there is continuing uncertainty which is expected to cause further fluctuations. The pandemic is ongoing and it is not possible to reliably estimate its duration and impact on the financial position and activities of the charity for future periods.

This is a non-adjusting subsequent event and accordingly, the financial position and results as of and for the year ended 31 March 2020 have not been adjusted to reflect its impact.