

Company number 03948898
Charity number 1083262

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2020

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

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ROTHSCHILD FOUNDATION (HANADIV) EUROPE

LEGAL AND ADMINISTRATIVE INFORMATION

Constitution	Rothschild Foundation (Hanadiv) Europe is a company limited by guarantee and a registered charity governed by its memorandum and articles of association. It is a registered charity, No. 1083262. Company No. 03948898.
Directors and Trustees	<p>The directors of the charitable company (“the Foundation”) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees. As set out in the articles of association the chairman of the board of trustees is appointed by the trustees. The members have the power to appoint any of their number to be a trustee.</p> <p>The trustees who served during the year were:</p> <p>Lord Rothschild OM GBE (President) Bradley Fried (Chairman from 21 Jul 2020) Sir Victor Blank (Chairman until 21 Jul 2020) Mme Béatrice Rosenberg Dr David Landau Adam Karni Cohen The Honourable Beth Rothschild Nicola Cobbold Nicola Loftus</p>
Company Secretary	L Masterton
Chief Executive	S Berkovic
Registered Office	27 St James’s Place London SW1A 1NR
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	<p>The Bank of New York Mellon Rue Montoyer 46 B-1000 Brussels Belgium</p> <p>Coutts & Company 440 Strand London WC2R 0QS</p>
Solicitors	Farrer & Co LLP 66 Lincolns Inn Fields London WC2A 3LH

**ROTHSCHILD FOUNDATION (HANADIV) EUROPE
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The trustees are pleased to present their report together with the financial statements of the Foundation for the year ended 31 December 2020.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice: Accounting and Reporting by Charities applicable in the UK and Republic of Ireland (FRS 102) Second edition and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Objects of the Foundation and Public Benefit

The objects of the Foundation are set out in the memorandum of association.

The Foundation is established to advance any charitable purpose and to benefit any charity as the trustees in their discretion think fit, primarily by the provision of grants and loans for such charitable purposes which are for the charitable benefit of the Jewish community either in Israel or elsewhere in the world. The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objects of the Foundation and in setting grant-making policies.

Organisation

The board of trustees of up to twelve members administers the Foundation. The trustees meet to consider recommendations for, and make final decisions on, the awarding of grants.

All trustees receive a comprehensive Governance pack on their appointment. The Governance pack provides information on the structure and operations of the Foundation and includes a Trustee Code of Ethics, which has been adopted by the trustees, as well as the key governance issues and documents of which the trustees should be aware. Training for trustees is continued through regular meetings and discussions with Foundation staff or individuals and organisations in the areas supported by the Foundation.

There are two separate committees of Trustees which discuss matters relevant to their remit in detail and make recommendations to the full Trustee Board. These are:

- Small Grants Awards Committee
- Finance and Audit Committee

Both Committees meet at least twice yearly.

Remuneration of key management personnel is discussed and approved by the full Trustee board taking into account performance, budgetary environment and benchmarking.

Review of activities and future developments

Incoming resources

Incoming resources for the year amounted to £42,441 of investment income (2019: £57,541).

The Foundation is one of the philanthropic trusts supported by Lord Rothschild and his family. It does not carry out any fundraising activity in order to raise funds from the general public.

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Resources expended and services

Resources expended for the year amounted to £7,359,124 (2019: £6,815,730) of which the amount related to direct expenditure on grants and other charitable activities was £6,093,850 (2019: £5,677,527).

Covid-19 Response

Like many other Foundations, we responded to the COVID-19 crisis by offering additional financial support, both to some of our existing grantees, but also to a range of welfare organisations that do not usually fall within our remit. Trustees approved a total of nearly £1.4M towards this COVID effort and it is worth noting the impact of 2 particularly large grants.

Firstly, we contributed £203k to the European Jewish Community Day School Crisis Fund which awarded £2M grants to 13 schools to ensure they could keep their doors open as well as provide scholarships to students struggling to afford tuition as a result of the pandemic. Communities experiencing hardship applied for grants, and funds were allocated based upon increased scholarship needs, decreased donor funding, decreased community funding, and increased costs related to staying open while complying with health guidelines and the provision of online teaching.

Secondly, we awarded £227k to the JDC in Europe which created the COVID Humanitarian Relief Fund. This was to respond to the “new poor” families and elderly who, after losing their income, began knocking at the doors of their communities for assistance to purchase basics such as food and medicine. To date, the fund has assisted 15 communities in Europe. JDC allocations are made for two-month periods to ensure that the aid remains dynamic and responds to the evolving reality on the ground, while an audit process is in place to ensure that the support is reaching the families in need.

Our usual work did not stop due to Covid, but rather confirmed that our niche areas of support in culture and heritage are at risk as more front-line, immediate concerns became the focus of much government and NGO support. In our review of the gaps we currently address, and will work towards addressing, 3 distinct phases were identified.

1. Finding the Gaps: to recognize, articulate and bring gaps to the fore.

This requires three steps: identifying needs, seed funding and incubating a speciality.

Identifying needs involves desk and field research, consultation with experts and an openness to unexpected findings that may steer the Foundation in another direction. For example, we reacted quickly to requests for digital support in our education programme, where online programming and professional training were crucial to sustaining a semblance of community life. To test innovation in museums, we received several applications and awarded a grant to Muzeon in Cluj, Romania. It uses new technologies and archival documents to engage visitors and focuses on the Jewish community in Cluj, from the 19th and 20th centuries, and their contribution to the local culture.

Seed funding to fledgling projects and organisations includes taking small risks to determine if a new idea can develop into a sustainable project. For example, the Italian Books project, I-Tal-Ya, started as a small 1-year pilot project, but with the knowledge and contacts of RFHE, including bringing in the National Library of Israel, it has become a significant national project in Italy to catalogue all the Jewish books in the 21 Jewish community libraries across the country, with the co-operation of the National Library of Rome. Within our Academic Jewish studies programme, the research consortia category is designed to enable scholars to develop applications for larger funding bids and there have been several successful projects that have received large grants on the back of our initial funding.

Incubating a growing speciality creates a cluster of projects that reflect a current challenge or emerging trend. For example, we are supporting the development of a website for Jewish Studies Digital Humanities that will share information about major projects to foster collaboration and combat duplication and siloing. A launch conference was held in January 2021 featuring many RFHE funded digital projects.

2. Bridging the Gap: to build alliances between organisations, connect professionals and create opportunities for new initiatives to emerge.

We are able to do this in three ways: harnessing our convening powers, identifying synergies and capacity building.

Harness our convening powers involves bringing people together for seminars and conferences, creating, sustaining and nurturing relevant networks to facilitate collaboration. For example, Yesod, our programme for leadership development, ensures partnerships with external organisations expand participant opportunities. Yesod was instrumental in developing the Maayan database of Jewish educators, pulling together networks and expertise from RFHE grantees including the European Union of Jewish Students, Limmud, Moishe House, Educating for Impact

Identify synergies includes considering opportunities for skills and knowledge transference, leveraging our influence for greater good and facilitating connections. For example, RFHE supports several Regional Hubs of Academic Jewish Studies including University of Manchester, CSIC and Computense University in Madrid, Charles University in Prague and the Central European University in Budapest/Vienna, yet they don't know each other. We brought them together at the National Library of Israel to consider synergies between them and explore joint projects.

Capacity Building involved developing internal resilience and improving organisational infrastructure. Recent examples include the appointment of a Junior Curator at the Museum of Jewish Art and History in Paris as part of a succession plan and to help the museum address the severe shortage of experienced staff. Grants to deal with archival collections in Bulgaria and Crete were offered support from the Central Archives of the History of the Jewish People – CAJHP – and the National Library of Israel so that certain standards were met to ensure their projects would be compatible in order to be deposited with the NLI.

3. Closing the Gap: to fill the lacunae and be mindful of potential future gaps for planning purposes.

This involves supporting external project evaluation, developing sustainability and succession strategies and launching exemplar initiatives and disseminating information widely.

Supporting external project evaluation helps grantees to learn from their experience to improve their own services and help others. For example, at Moishe House, after 8 years of our support, RFHE encouraged an evaluation focusing on the long term impact of their educational interventions, and the results will inform the wider field. In a different case, academics at the Ecole Supérieure Talmudique proposed an important digitisation project but lacked the requisite technical skills. We provided a digital consultant able to guide the academics to ensure appropriate standards are in place.

Developing sustainability and succession strategies includes investing in training professionals, promoting common standards and encourage mergers. For example, we now offer language grants across all our programmes to ensure that Hebrew and Yiddish in particular, continue to be studied. During COVID we offered online courses, and this will continue in the future. Further, Seminars, hands-on workshops and site visits are

essential for Jewish heritage workers to gain skills and experience as there is a looming shortage of qualified staff.

RFHE has initiated exemplar projects with the capacity to comprehensively deal with a specific issue such as Yerusha: creating a database of Jewish archives in Europe; Yesod: leadership development in Jewish communities; JHE: Jewish-heritage-europe.eu web portal as one-stop resource; NLI: Gesher L'Europa – Bridge to Europe projects bringing the NLI to Europe; and Judaica Index: an online database of 200+ Judaica objects in 15 languages, to be launched in the summer of 2021. They all indicate a proactive attempt by the Foundation to lead in a particular field, creating new projects that offer a service or a resource that did not previously exist.

Disseminating information widely focusses on increasing access to resources and support for more effective communications showcasing grantee work. For example, we have funded museum catalogues and online exhibitions including Rome, Amsterdam, Stockholm, Vienna, Bratislava, Ferrara, Berlin, Venice, Warsaw and Oslo. Further, we offer communications and social media advice – and while encouraging all grantees to collect media citations of their work, we are also looking ahead to profile unusual and ground-breaking work by grantees.

NATIONAL LIBRARY OF ISRAEL [NLI]

The Foundation has a significant relationship with the NLI and has developed the Bridge To Europe programme to bring the expertise and resources of the NLI to relevant organisations in Europe. As we enter Phase 3 of this relationship, a plan for 2021 – 2024 has been approved by RFHE Trustees. This will focus on four complementary themes:

Heritage - to create an integrated platform for the At the Source (ATS) training and development programme for Jewish Heritage professionals – and post-COVID to continue to work with regional partners, provide ongoing support and leverage alumni trainees to develop ATS as a leading 'brand' for Jewish Heritage training.

Education - to provide high-quality innovative and creative educational resources and experiences, underpinned by NLI Collections appropriate for the diverse Jewish educational needs in Europe, in formal and informal education.

Continued Learning - drawing on experience gathered since Bridge to Europe started, we will offer new opportunities for 'lifelong learners' in Jewish contexts to encounter enriching NLI content that complements the work of current adult Jewish learning initiatives in Europe.

Culture - to promote the new state-of-the-art building as a leading international cultural centre through a series of residencies and fellowships for artists and writers in Europe, and continue the new Reading Room online cultural programme, which connects the NLI with new audiences across Europe.

Further, these thematic areas will be underpinned by a virtual and physical convening space. The digital platform will continue promoting NLI content to audiences in Europe and enable interactions and dialogue. Bridge to Europe will contribute towards high-profile international events as part of the planned season of opening events in 2022 and 2023, boosting the NLI's role as a 'destination hub' for European audiences seeking to engage with Jewish culture, heritage and education.

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In 2020 grants for projects were awarded in the following countries:

Austria
Belgium
Czech Republic
Estonia
France
Germany
Greece
Hungary
Ireland
Israel*
Italy
Latvia
Lithuania
Luxembourg
Netherlands
Poland
Romania
Serbia
Switzerland
Turkey
Ukraine
United Kingdom
United States*

*Grants to organisations in Israel and the USA are for specialised work carried out in European institutions. A total of 7 grants.

Grant making policy

Individuals and institutions whose projects fall within the areas in which the Foundation currently works are eligible to be considered for grants. In the UK, grants are only made to organisations registered with the Charity Commission for England and Wales or to individuals working for charitable purposes on behalf of those organisations. Overseas grants are only made for purposes considered to be charitable by the Charity Commission for England and Wales to organisations that have charitable or not-for-profit status in their countries, or to individuals working on behalf of such charitable or not-for-profit organisations. Where there is any uncertainty about the status of an organisation abroad, the Foundation will work through long-established bodies with considerable experience of grant-making, monitoring projects and the allocation of charitable funds in the countries concerned, in order to ensure that the recipients of grants are of a charitable nature.

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Investment policy

In accordance with the memorandum and articles of association, the trustees exercise the power of investment having obtained and considered the advice of persons they believe to be suitably qualified to advise them, and in accordance with written investment policy guidelines. The Foundation's policy in relation to investment is that, over the medium to long term, it should produce a total return that allows the Foundation to pursue its charitable objectives as fully as possible whilst maintaining the real value (i.e. adjusted for inflation) of the initial endowment.

For the year ended 31 December 2020, a sterling composite benchmark was approved for investment performance measurement purposes. At the end of the year the value of the portfolio was £139.0 million compared with the value at year-end 2019 of £132.0 million. During the year the portfolio has increased in value 5.3%, compared with an increase of 1.3% in the MSCI World All Country Equity Index (£) and an increase of 9.6% in the Citi World Government Bond Index. The Trustees consider the investment performance of the portfolio to be satisfactory in the COVID-19 economic climate.

Relationships with related parties and delivering public benefit

The Foundation is entirely independent but occasionally works with other charitable foundations to support charitable projects in Europe. For example, in the wake of increased anti-Semitism in Europe, the Rothschild Foundation (Hanadiv) Europe, and three other European foundations have combined to create a foundation, whose sole purpose is to provide security training and readiness for staff and regular visitors to communal institutions including schools and community centres across Europe.

In the UK, the Foundation's support for a variety of Jewish social care organisations such as Jewish Care (focused on the elderly), Norwood (families) and Kisharon (children with disabilities) reflects the Rothschild family's historical concern and involvement in the welfare needs of the Jewish community.

As part of our 'added value' the Foundation initiates complementary activities (e.g. research, conferences) that support our focussed areas. For example, in June 2019 we initiated a training programme for PhD students and early career professionals in the heritage sector to develop specific knowledge and skills around Jewish heritage. During 2020, our response to the COVID crisis provided 'added value' to organisations we already support by offering them extended deadlines for reporting, reallocation of some funding to meet the needs in their organisation and in a limited number of instances, some additional emergency funding. The Foundation expressed its concern and support for the wider Jewish community beyond our usual strategic areas by awarding emergency grants to welfare organisations helping those in distress.

Future objectives

In addition to our usual grant-making, other activities planned for 2021 include:

- Launch of the Judaica Index: database of over 200 Judaica items in 15 different languages.
- Launch of Yerusha: an online platform which unites Jewish archival heritage held in hundreds of archives, libraries and museums across Europe.
- Consolidation and streamlining of our Academic Jewish studies program.

More specifically with the NLI, we will be involved in the following:

- Creating more online training resources and interactive learning opportunities based on NLI Collections and expertise – offering heritage professionals a virtual space to network with and receive advice from NLI staff.
- Hosting an on-line Curators Conference that builds momentum towards the new building and flagship event in 2023.

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- Establishing the NLI in Europe and the international community as a lead provider of quality online cultural events in the field of heritage, drawing on the unique advantage of our collections to spark discussions and engage the public.
- Establishing NLI International Cultural Fellowships and creating an infrastructure of partnerships in Europe for implementation in 2022/3.
- Focusing on the Digital Campaign which has gained increased coverage and reader engagement. Nearly half of all sessions for the English blog are from Europe - 107,000 in total, a 15% increase compared to the previous six months. Since May 2020, the 'Life before the Holocaust' Facebook group grew by 55% and now has over 27,000 members, 61% of those reporting their location are from 43 countries across Europe.

Reserves policy

The Trustees' policy is to review reserves levels on a regular basis and to maintain a level of reserves which will provide a stable base for the Foundation's continuing activities while at the same time ensuring excessive funds are not accumulated.

The Trustees have considered the reserves of the charity and conclude that there is no need for the charity to carry free reserves. The nature of the expendable endowment fund is such that the trustees have absolute discretion over how it is spent, and investments can be called upon and realised as needed.

During the year ended 31 December 2020 the Foundation made grants in excess of its income, making good the difference from its expendable endowment and leaving a nil level of free reserves, as per the definition stated by the Charity Commission. The Trustees have exercised their option to expend endowment in order to cover the deficit on the unrestricted income fund.

Total reserves at the year-end were £135,218,382 (2019: £127,377,343).

Risk Management

The major risks to which the Foundation is exposed have been reviewed, and systems have been established to manage those risks. The Foundation's investment and spending policies are intended to be prudent; and much of its income derives from investments.

The Trustees consider that there is a risk that the level of income could fall considerably, whether from investments or donations, although the latter is considered unlikely. In such an event, the total of grants committed might have to be reduced. Since the nature of the Foundation's grant-making activity involves relatively little by way of future commitments, the impact on current beneficiaries is unlikely to be significant.

There is also a risk that grant funds are not used for charitable purposes for which funds were awarded. This risk is managed through a due diligence process which is applied to all prospective grantees. In the event of doubt about the suitability or sustainability of an applicant, grant funding is not awarded.

Statement of trustees' responsibilities

The trustees (who are also directors of the Foundation for the purposes of company law) 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).

Company law 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 Foundation and of the incoming resources and application of resources,

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including the income and expenditure, of the Foundation 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;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 Foundation will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation 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 Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the Foundation's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

A resolution will be proposed at the annual general meeting that Saffery Champness LLP be re-appointed as auditors to the Foundation for the ensuing year.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Trustees

Bradley Fried

20 July 2021

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

Opinion

We have audited the financial statements of The Rothschild Foundation (Hanadiv) Europe for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of trustees' responsibilities set out on pages 8 and 9, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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 auditor's 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

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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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with management and the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with management and the trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES**

other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants	71 Queen Victoria Street
Statutory Auditors	London
	EC4V 4 BE

Date:

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Expendable endowment fund 2020 £	Unrestricted income fund 2020 £	Year ended 31-Dec 2020 £	Year ended 31-Dec 2019 £
	Note				
Income from:					
Income from investments	9.	-	42,441	42,441	57,541
Total income		-	42,441	42,441	57,541
Expenditure on:					
<i>Raising funds</i>					
Investment management costs	4.	547,893	-	547,893	512,148
<i>Charitable activity</i>					
Unrestricted Fund					
Academic Jewish Studies Programme	4.	-	1,164,408	1,164,408	1,097,547
Heritage and Culture Programme	4.	-	2,229,418	2,229,418	2,865,938
Education and Research	4.	-	1,078,799	1,078,799	843,016
National Library of Israel and other	4.	-	553,412	553,412	500,158
Community Welfare	4.	-	1,785,194	1,785,194	996,923
Total resources expended		547,893	6,811,231	7,359,124	6,815,730
Net outgoing resources before investment movement		(547,893)	(6,768,790)	(7,316,683)	(6,758,189)
Net gains on investment assets					
Realised and unrealised investment gains		15,157,722	-	15,157,722	13,249,685
Net income and expenditure		14,609,829	(6,768,790)	7,841,039	6,491,496
Transfers between funds	1.b.	(6,768,790)	6,768,790	-	-
Net movement in funds		7,841,039	-	7,841,039	6,491,496
Fund balances brought forward		127,377,343	-	127,377,343	120,885,847
Fund balances carried forward		135,218,382	-	135,218,382	127,377,343

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 17 to 30 form part of these financial statements. In note 2, there is a full statement of financial activities for the year ended 31st December 2020.

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	31-Dec 2020 £	31-Dec 2019 £
Fixed Assets			
Tangible assets	8.	8,484	3,175
Investments			
Quoted securities and unquoted investments		136,623,574	131,351,787
Derivative financial instruments		250,886	131,035
Sales for future settlement		-	1,509
Cash balances		2,501,350	783,978
	9.	139,375,810	132,268,309
Current assets			
Prepayments		73,533	63,197
Cash at bank		25,305	41,254
		98,838	104,451
Creditors: amounts falling due within one year			
Other creditors		765	4,767
Grants payable within one year		3,226,460	3,546,947
Accruals		78,690	84,897
		3,305,915	3,636,611
Net current liabilities		(3,207,077)	(3,532,160)
Creditors: falling due in more than one year			
Grants payable	11.	(958,835)	(1,361,981)
Net assets		135,218,382	127,377,343
Funds			
Expendable endowment fund – historical cost	12.	77,236,956	81,644,468
Expendable endowment fund – revaluation		57,981,426	45,732,875
Unrestricted income fund		-	-
Total funds	13.	135,218,382	127,377,343

The notes on pages 17 to 30 form part of these financial statements
Signed on behalf of the Board on 20 July 2021

.....
Bradley Fried, Chairman
Registered in England & Wales Company Number: 03948898

.....
Dr David Landau, Trustee

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Net cash used in operating activities	(8,165,270)	(6,423,905)
Cash flows from investing activities:		
Purchase of tangible fixed assets	(8,456)	(2,991)
Purchase of investments	(4,744,111)	(7,722,638)
Proceeds from sale of investments	14,681,540	13,379,545
Proceeds from forward currency contracts	(62,278)	-
Net cash provided by investing activities	<u>9,866,695</u>	<u>5,653,916</u>
Change in cash and cash equivalents in the year	1,701,425	(769,989)
Cash and cash equivalents at 1 January	<u>825,232</u>	<u>1,595,221</u>
Cash and cash equivalents at 31 December	<u>2,526,655</u>	<u>825,232</u>

Notes to the cash flow statement

Analysis of cash and cash equivalents	2020 £	2019 £
Cash within investment portfolio	2,501,350	783,978
Other bank balances	25,305	41,254
	<u>2,526,655</u>	<u>825,232</u>

Reconciliation of changes in resources to net cash used in operating activities	2020 £	2019 £
Net income (Page 15)	7,841,039	6,491,496
Gains on investments	(15,157,722)	(13,249,685)
Depreciation charges	3,147	1,129
Realised exchange (loss) / gain	(109,065)	23,063
Increase in sales for future settlement	1,509	(1,509)
Increase in debtors	(10,336)	(7,922)
Increase in creditors	(733,842)	319,523
Net cash used in operating activities	<u>(8,165,270)</u>	<u>(6,423,905)</u>

The notes on pages 17 to 30 form part of these financial statements.

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

1. Accounting Policies

a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities applicable in the UK and Republic of Ireland (FRS 102) Second edition and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

The Foundation constitutes a public benefit entity as defined by FRS102.

b) Fund accounting

The expendable endowment fund is primarily for income generation but is expendable at the trustees' discretion. The trustees have the discretion to transfer funds to the unrestricted income fund should the need arise.

The expendable restricted funds are subject to specific restrictions imposed by donors. The Friends of Bat Hanadiv Fund was established for such purposes for the benefit of Jews as shall for the time being be exclusively for charitable purposes according to the law of England. The unrestricted income fund can be used in accordance with the charitable objects of the Foundation at the discretion of the trustees.

As of December 2019, the expendable restricted fund was fully spent. Trustees have agreed to allocate funds from the unrestricted fund towards those welfare related charities traditionally supported by the expendable restricted fund.

c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity has entitlement to the income, it is probable income will be received and the amount can be measured reliably.

d) Foreign currency translation

Foreign currency transactions are translated into pounds sterling at the exchange rate prevailing at the transaction date. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date.

e) Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is included on an accruals basis.

Expenditure on raising funds comprises those expenses directly attributable to managing the investment portfolio and investment income.

Grants payable are charged in the year where the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions are no longer seen to be within the control of the Trustees. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Support costs (e.g. staff costs and administrative overheads including rent) are allocated to the Foundation activities as incurred. Governance costs have been allocated to the Foundation's activities. They comprise of all costs involving the public accountability of the charity and expenses related to statutory requirements. These expenses include fees for statutory audit, legal fees where relevant.

f) Fixed Assets

Fixed assets comprise office furniture, equipment and motor vehicles. Fixed assets are capitalised when cost exceeds £1,000 and are being depreciated on a straight-line basis over four years.

g) Investments

(i) Quoted securities and multi-asset funds

Quoted securities and multi-asset funds comprise publicly quoted, listed securities including shares, bonds and units. These are stated at market value at the balance sheet date. Investment shares and purchases are recognised at the date of trade.

(ii) Unquoted Investments

Unquoted investments are valued at the Trustees' best estimate of fair value, after having taken professional advice. The principal unquoted valuations are calculated as follows:

Unquoted hedge funds

Unquoted hedge funds are valued by reference to the fair value of the underlying securities. These valuations are provided by third-party hedge fund administrators.

Private equity funds and property funds

The vast majority of private equity and property fund investments are held through funds managed by private equity and property groups. No readily identifiable market price is available for these unquoted funds. These funds are included at the most recent valuations from their respective managers.

In a limited number of cases where information is not available as at 31 December, the most recent valuations from the managers are adjusted for cash flows and foreign exchange movements between the most recent valuation and the balance sheet date.

(iii) Derivative Financial Instruments

Derivative financial instruments are used as part of the Foundation's portfolio risk management and as part of the Foundation's portfolio management and investment return strategy.

The Foundation's use of derivative financial instruments includes index-linked futures, options and currency forwards.

The fair value of contract positions is recognised in the Balance Sheet and gains and losses on the contracts are recognised in the Statement of Financial Activities.

(iv) Cash and Equivalents, and Sales for Future Settlement

Cash held within the investment portfolio and sales for future settlement are stated at their fair value.

(v) Realised and unrealised gains and losses

Realised gains and losses represent the difference between the amount received on the sale of an investment and the original cost price, all other movements are considered to be unrealised.

h) Operating leases

Rental payments under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

i) Pensions

The Foundation makes payments into a defined contribution scheme for the benefit of its employees. The contributions are charged to the statement of financial activities in the year in which they are paid.

j) Critical estimates and judgements

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Foundation makes assumptions concerning the future. The Trustees do not believe that there is a significant risk of a material adjustment being made to the carrying amounts of assets and liabilities included in these financial statements within the next financial year.

The valuation of unquoted investments, private equity and property funds is a critical area of judgement. The Trustees' valuation of these items is based on appropriate professional advice.

Impact of Covid - 19.

Market conditions in 2020 were amongst the most challenging in recent memory. The Foundation portfolio maintained a defensive posture throughout the year but nevertheless outperformed global equity and government bond indices. Manager performance was generally strong, and core long-term equity themes outperformed. WHAM is mindful of the implications of markets rebalancing in 2021, and of the risk of overvaluation in some asset classes. Nevertheless, the environment remains supportive of markets at present. Over the past several years, WHAM has been increasing the liquidity of portfolios to ensure they remain in a strong position to meet any grant commitments, private equity capital calls and margin payments in the event of a sudden market reversal. The Rothschild Foundation (Hanadiv) Europe maintains a cash buffer within its portfolio to meet immediate cash requirements and has monthly access to cash from its significant investment in the WHAM Endowment Fund. The WHAM Endowment Fund remains in a strong position to meet the cash needs of its investors. As at the end of February 2021, approximately 44% of its portfolio consisted either of cash or instruments that could be converted into cash within two days. The team at WHAM remains vigilant regarding unfolding market risks, as well as about longer-term investment opportunities that are likely to emerge once risk levels abate.

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

2. Statement of Financial Activities incorporating the Income and Expenditure Account for the year ended 31 December 2019

	Expendable endowment fund 2019 £	Expendable restricted funds 2019 £	Unrestricted income fund 2019 £	Total 2019 £
Income from:				
Income from investments	-	-	57,541	57,541
Total income	-	-	57,541	57,541
Expenditure on:				
<i>Raising funds</i>				
Investment management costs	510,443	1,705	-	512,148
<i>Charitable activity</i>				
Unrestricted Fund				
Academic Jewish Studies Programme	-	-	1,097,547	1,097,547
Heritage and Culture Programme	-	-	2,865,938	2,865,938
Education and Research	-	-	843,016	843,016
National Library of Israel and other	-	-	500,158	500,158
Restricted Funds				
Friends of Bat Hanadiv	-	996,923	-	996,923
Total resources expended	510,443	998,628	5,306,659	6,815,730
Net outgoing resources before investment	(510,443)	(998,628)	(5,249,118)	(6,758,189)
Net gains on investment assets				
Realised and unrealised investment gains	13,133,592	116,093	-	13,249,685
Net income and expenditure	12,623,149	(882,535)	(5,249,118)	6,491,496
Transfers between funds	(5,321,944)	72,826	5,249,118	-
Net movement in funds	7,301,205	(809,709)	-	6,491,496
Fund balances brought forward	120,076,138	809,709	-	120,885,847
Fund balances carried forward	127,377,343	-	-	127,377,343

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

3. Grants and Donations

	2020	2019
	£	£
Academic Jewish Studies Programme		
European Association for Jewish Studies	-	155,400
World Union of Jewish Studies, Hebrew University of Jerusalem	-	132,000
Oxford Centre for Hebrew and Jewish Studies	106,439	90,000
Vilnius University	-	75,000
Universitat Autònoma de Barcelona	-	70,000
Università dell'Insubria	-	64,000
Institute of Jewish Studies, University of Bern	-	55,896
Dipartimento Di Studi Umanistici, Università del Salento	-	55,000
University of Southampton	-	50,777
University College London	120,000	-
University of Antwerp	87,750	-
Jagiellonian University	80,490	-
Palacky University	86,773	-
National Research University "Higher School of Economics"	70,000	-
University of Manchester	70,000	-
University of Oxford	69,927	-
University of Cambridge	69,908	-
University of Southampton	58,864	-
University of Oxford	51,000	-
Individual grants of less than £50,000	201,529	297,574
Earlier grants part-returned or cancelled	(30,699)	(70,417)
	<u>1,041,981</u>	<u>975,230</u>
Jewish Heritage Programme		
Museo Ebraico Venezia	100,000	100,000
Unione delle Comunità Ebraiche Italiane	-	190,000
Historical Archives of Belgrade - Yerusha Project	-	50,000
Jewish Museum in Prague	-	150,000
Musée d'Art et d'Histoire du Judaïsme	-	106,687
Raziskovalno Dokumentacijski Centre JAS	-	86,000
University of Wroclaw	-	80,644
Hebrew University of Jerusalem	-	80,000
Jewish Theological Seminary of America	-	79,033

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

3. Grants and Donations (continued)

	2020 £	2019 £
AIM25	-	77,890
Jewish Community of Vienna	-	77,360
MEIS	-	75,000
Blavatnik Archive Foundation	-	75,000
University of Leeds	-	65,545
Judiska musset I Stockholm	-	63,000
Holocaust Survivors' Friendship Association	-	60,000
Jewish Museum of Greece	-	60,000
Central Europe Centre for Research and Documentation	-	59,700
Germania Judaica, Cologne	-	57,600
Jewish Museum Hohenems	-	54,000
Association of European Jewish Museums	-	53,350
National Archives of Finland	-	50,000
American Jewish Joint Distribution Committee	150,000	-
Joods Historisch Museum Amsterdam	100,000	-
Central Archives for the History of the Jewish People	94,000	-
NIOD Institute for War, Holocaust and Genocide Studies	89,140	-
Institut Européen des Musiques Juives	80,000	-
Imperial War Museum	75,000	-
Budapest Holocaust Museum and Education Center	78,900	-
Universidade Nova de Lisboa	69,920	-
Ecole Supérieure Talmudique (Yechivas Chachmey Tsorpat)	67,166	-
Communauté Israélite de Genève	61,600	-
The Netherlands Institute for Sound and Vision	56,655	-
Tudásmenedzmentért, Tudás alapú Technológiáért Alapítvány	54,000	-
Alapítvány a Szegedi Zsinagógáért	50,900	-
University of London	50,000	-
Individual grants of less than £50,000	513,371	615,397
Earlier grants part-returned or cancelled	-	-
	<u>1,690,652</u>	<u>2,366,206</u>
Jewish Education		
The Jewish Community of Stockholm	-	105,750
Union of Jewish Students of the UK and Ireland	-	90,000
Centropa Alapitvany	-	90,000
Reshet	-	75,000
Machon Kehilot in Cooperation with Hazon Inc	-	54,200
Educating for Impact The Centre for Educational Technology	200,000	-
European Union of Jewish Students	120,000	-
Hillel International	120,000	-
Central Welfare Board of Jews in Germany	60,000	-

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

3. Grants and Donations (continued)

Individual grants of less than £50,000	147,802	249,019
Earlier grants part-returned or cancelled	-	-
	<u>647,802</u>	<u>663,969</u>

National Library of Israel and other grants

Gesher L'Europa	390,000	390,000
National Library	<u>110,000</u>	<u>60,000</u>
	<u>500,000</u>	<u>450,000</u>

Community Welfare

Jewish Care	250,000	-
JDC	227,100	-
Educating for Impact	202,692	-
Pillar Foundation	121,615	-
JW3	60,000	-
Jewish Museum London	50,000	-
The Paperweight Trust	50,000	-
Jewish Women's Aid	50,000	-
Immanuel College (Kalms/Ronson)	50,000	-
The Work Avenue Foundation	50,000	-
Norwood	50,000	-
Individual grants of less than £50,000	451,490	-
Earlier grants part-returned or cancelled	-	-
	<u>1,612,897</u>	<u>-</u>

2020

£

2019

£

Restricted Fund – Friends of Bat Hanadiv

Pillar Foundation	-	120,000
Board of Deputies of British Jews	-	130,000
Spanish and Portuguese Sephardic Community	-	117,571
World Jewish Relief	-	100,000
Jewish Book Council	-	100,000
Taylor-Schechter Genizah Research Unit	-	81,795
University of Cambridge	-	70,000
Kings College London	-	70,000
Individual grants of less than £50,000	-	108,545
	<u>-</u>	<u>897,911</u>

Total grants

5,493,332

5,353,316

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

4. Resources Expended

a) 2020

	Grants	Other Activities	Investment Costs	Support & Admin Costs	Governance Costs	Total 2020
	£	£	£	£	£	£
Investment Management			524,230	23,664		547,893
Charitable Expenditure						
<i>Unrestricted Fund</i>						
Academic Jewish Studies	1,041,981	10,045	-	97,431	14,951	1,164,408
Culture and Heritage	1,690,652	323,595	-	186,544	28,626	2,229,418
Education and Research	647,802	326,878	-	90,267	13,852	1,078,799
National Library of Israel	500,000	-	-	46,306	7,106	553,412
Community Welfare	1,612,897	-	-	149,374	22,923	1,785,194
	5,493,332	660,518	524,230	569,922	111,122	7,359,124

Note 3.

4. Resources Expended

b) 2019

	Grants	Other Activities	Investment Costs	Support & Admin Costs	Governance Costs	Total 2019
	£	£	£	£	£	£
Investment Management	-	-	495,544	-	16,605	512,148
Charitable Expenditure						
<i>Unrestricted Fund</i>						
Academic Jewish Studies	975,230	13,311	-	97,595	11,411	1,097,547
Culture and Heritage	2,366,206	215,095	-	254,840	29,796	2,865,938
Education and Research	663,969	95,321	-	74,961	8,765	843,016
National Library of Israel	450,000	484	-	44,474	5,200	500,158
<i>Restricted Fund</i>						
Friends of Bat Hanadiv	897,911	-	-	88,647	10,365	996,923
	5,353,316	324,211	495,544	560,517	82,142	6,815,730

Note 3.

Support costs have been allocated pro-rata to grants and other activities for each programme. Administration costs have been allocated based on the amount of time allocated to each activity.

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

5. Administration costs include:	2020	2019
	£	£
Auditors remuneration	16,468	15,540
Depreciation	3,147	1,129

6. Staff Costs	2020	2019
	£	£
Wages and salaries	309,115	298,796
National Insurance	39,512	38,331
Pensions	30,807	29,364
Life Insurance	4,440	5,322
	383,874	371,813

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	Number	Number
£120,001 - £130,000	1	1

	2020	2019
	£	£
Total benefits paid to key management personnel	139,309	131,415

The average number of employees, calculated on an average head count basis, analyzed by function was:

	Number	Number
Charitable activities	5	5
Management and administration	1	1

7. Related Party Transactions

During the year, no trustees received payment in reimbursement of travel expenses (2019: £1,032 one trustee). The trustees did not receive any remuneration in the year (2019: £nil).

During the year the Foundation rented office premises from entities in which the President of the Foundation has interests. The rent, rates and service charges amounted to £51,250 (2019: £53,380). The property costs were reviewed by an expert and found to be reasonable and at normal market rates.

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

8. Tangible Fixed Assets

Office furniture, equipment and motor vehicles at cost	£
At 1st January 2019	39,562
Additions	<u>8,456</u>
At 31st December 2019	<u>48,018</u>
Depreciation	
At 1st January 2019	36,387
Charge for the year	<u>3,147</u>
At 31st December 2019	<u>39,534</u>
Net book value at 31 December 2020	8,484
Net book value at 31 December 2019	<u>3,175</u>

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

9. Investments	31-Dec 2020	31-Dec 2019
	£	£
Quoted securities		
Market value as at start of year	6,577,379	3,203,113
Investment purchases	1,226,134	3,948,534
Disposal proceeds	(5,913,695)	(1,030,392)
Net investment gains	(445,232)	456,124
Market value as at end of year	1,444,584	6,577,379
Unquoted investments		
Valuation at start of year	20,974,878	24,955,282
Investment purchases	3,517,977	3,774,104
Investment distributions	(2,917,845)	(8,824,153)
Trustees' revaluation	2,461,906	1,069,645
Valuation as at end of year	24,036,916	20,974,878
Multi-asset funds		
Valuation at start of year	103,799,531	95,607,486
Investment distributions	(5,850,000)	(3,525,000)
Trustees' revaluation	13,192,543	11,717,044
Valuation as at end of year	111,142,073	103,799,530
Quoted securities and unquoted investments	25,481,500	27,552,257
Multi-asset funds	111,142,073	103,799,530
Derivative financial instruments	250,886	131,035
Sales for future settlement	-	1,509
Cash and equivalents	2,501,350	783,978
Total investments	139,375,810	132,268,309
Historical cost	81,394,384	86,535,434

	Market Value		Investment income	
	2020	2019	2020	2019
	£	£	£	£
Overseas investments				
Quoted securities	1,117,560	6,336,530	10	70
Unquoted investments	23,440,107	20,287,746	30,739	39,119
Multi-asset funds	111,142,073	103,799,530	-	-
Derivative financial instruments	250,886	131,035	-	-
Sales for future settlement	-	1,509	-	-
Cash and equivalents	2,501,350	783,978	11,692	18,352
	138,451,977	131,340,328	42,441	57,541
UK quoted investments	327,024	240,849	-	-
UK unquoted investments	596,809	687,132	-	-
	139,375,810	132,268,309	42,441	57,541
Management fee rebate			-	-
Total income from investments			42,441	57,541

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

10. Material Investments

Investments material in the context of the market value of investments held at the balance sheet date:

	2020 £	2020 %	2019 £	2019 %
WHAM Endowment Fund	<u>111,142,073</u>	<u>79.74%</u>	<u>103,799,532</u>	<u>78.47%</u>

11. Creditors falling due in more than one year

	2020 £	2019 £
Grants payable		
Within 1-2 years	932,835	1,098,812
Within 2-5 years	<u>26,000</u>	<u>265,169</u>
	<u>958,835</u>	<u>1,361,981</u>

12. Reconciliation of historical cost assets and liabilities

	2020 £	2019 £
Fixed assets	8,484	3,175
Historical cost of investments	81,394,384	86,535,434
Net liabilities	(3,207,077)	(3,532,160)
Creditors falling due in more than one year	<u>(958,835)</u>	<u>(1,361,981)</u>
	<u>77,236,956</u>	<u>81,644,468</u>
Expendable endowment fund – historical cost	<u>77,236,956</u>	<u>81,644,468</u>

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

13. Allocation of Assets

a) 2020

	Expendable endowment fund 2020 £	Unrestricted income fund 2020 £	Total 2020 £
Fixed assets		8,484	8,484
Investments	139,375,810	-	139,375,810
Bank balances	-	25,305	25,305
Other current assets	-	73,533	73,533
Liabilities	-	(4,264,750)	(4,264,750)
Interfund balance	(4,157,428)	4,157,428	-
	<u>135,218,382</u>	<u>-</u>	<u>135,218,382</u>

Included in the reserves above is a revaluation reserve of £57,981,426.

b) 2019

	Expendable endowment fund 2019 £	Expendable Restricted Funds 2019 £	Unrestricted income fund 2019 £	Total 2019 £
Fixed assets	-	-	3,175	3,175
Investments	131,507,823	760,486	-	132,268,309
Bank balances	-	-	41,254	41,254
Other current assets	-	-	63,197	63,197
Liabilities	-	(833,312)	(4,165,280)	(4,998,592)
Interfund balance	(4,130,480)	72,826	4,057,654	-
	<u>127,377,343</u>	<u>-</u>	<u>-</u>	<u>127,377,343</u>

Included in the reserves above is a revaluation reserve of £45,732,876.

ROTHSCHILD FOUNDATION (HANADIV) EUROPE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

14. Financial commitments

As at the balance sheet date the Foundation had capital commitments in respect of investments in limited partnerships amounting to £10,167,086 (31 December 2019: £8,393,195). The Foundation also had commitments in respect of grant funding amounting to £200,000 at year end (2019: £650,000), which have not been recognised as liabilities in these accounts because they relate to funding offered for future years that is subject to a substantive annual review by the trustees.