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**THE POLONSKY FOUNDATION**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2022**

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THE POLONSKY FOUNDATION

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THE POLONSKY FOUNDATION

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2022

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<b>Trustees</b>	Dr Leonard S Polonsky CBE Dr Georgette Bennett Marc A L Polonsky Hannah Polonsky Whitney Joshua-Marc Tanenbaum
<b>Charity registered number</b>	291143
<b>Principal office</b>	8 Park Crescent London W1B 1PG
<b>Independent auditors</b>	Nyman Libson Paul LLP Chartered Accountants Statutory Auditors 124 Finchley Road London NW3 5JS
<b>Bankers</b>	Lloyds Bank Plc 39 Threadneedle Street London EC2R 8AU

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## THE POLONSKY FOUNDATION

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### TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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The Trustees present their annual report together with the audited financial statements of The Polonsky Foundation for 1 April 2021 to 31 March 2022. 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, research 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 programs. 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 Foundation's objectives totaled £415,365 following grants made of £2,028,430 during the year ended 31 March 2021.

To achieve its stated objectives, the charity may fulfil its grant commitments through a combination of available investment income and capital drawdown from its investments as detailed in note 4.

As the economic and political conditions in the year were considered by the Trustees to be inauspicious for drawing down capital from its investments, the Foundation reduced new grant-making in the year.

##### **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.

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## THE POLONSKY FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 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 holdings for income and potential growth.

Income from investments in the year amounted to £420,276 as compared with £380,373 in the year ended 31 March 2021. 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.

#### 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 current economic and political climate, and factors which might cause a major economic downturn, particularly in respect of investment valuations. However, due to the nature of the charity's activities, whereby grant commitments can be 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. As the Foundation's grant commitments can be met through a combination of available investment income and capital drawdown from its investments, reserves may fall year on year notwithstanding any movements in investment values.

At the Statement of financial position date £14,632,123 (2021: £15,998,859) was held in reserves..

##### 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.

##### 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.

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## THE POLONSKY FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### Structure, governance and management (continued)

##### 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

The trustees have considered current economic and political conditions and the potentially adverse effect these might have on the value of the Foundation's investments. As this may not be an auspicious time to draw down the capital from its investments, the Foundation may limit new grant-making for the coming financial year. However, this will not impact on the Foundation's current grant commitments, which will continue to be met in full.

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## THE POLONSKY FOUNDATION

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### TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.

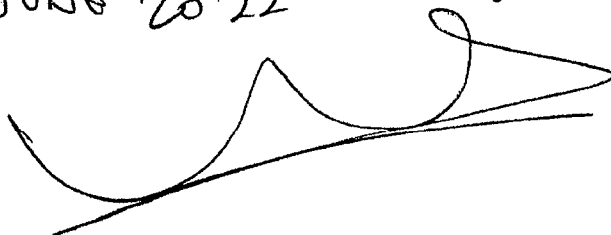
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities 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 LLP, 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  
16 June 2022 and signed on their behalf by:

Marc A L Polonsky  
Managing Trustee



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## THE POLONSKY FOUNDATION

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE POLONSKY FOUNDATION

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#### Opinion

We have audited the financial statements of The Polonsky Foundation (the 'charity') for the year ended 31 March 2022 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 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 Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects 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

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 charity'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.



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## THE POLONSKY FOUNDATION

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

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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.

We have nothing to report in this regard.

#### Opinion 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

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## THE POLONSKY FOUNDATION

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

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#### Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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.

#### Auditors' responsibilities for the audit of the financial statements

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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the charity and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that 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.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Charities Act 2011. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. 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. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the trustees that represented a risk of material misstatement due to fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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THE POLONSKY FOUNDATION

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

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**Use of our report**

This report is made solely to the charity's trustees, 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 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 LLP*

**Nyman Libson Paul LLP**  
Chartered Accountants  
Statutory Auditors  
124 Finchley Road  
London  
NW3 5JS

Date: *5 August 2022*

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**THE POLONSKY FOUNDATION**

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2022**

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	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<b>Income from:</b>				
Investments	4	420,276	420,276	399,844
Other income	5	4,423	4,423	-
<b>Total income</b>		<u>424,699</u>	<u>424,699</u>	<u>399,844</u>
<b>Expenditure on:</b>				
Charitable activities		493,148	493,148	2,103,941
Other expenditure	7	-	-	45,909
<b>Total expenditure</b>		<u>493,148</u>	<u>493,148</u>	<u>2,149,850</u>
<b>Net expenditure before net (losses)/gains on investments</b>		<u>(68,449)</u>	<u>(68,449)</u>	<u>(1,750,006)</u>
Net (losses)/gains on investments		(1,298,287)	(1,298,287)	2,548,198
<b>Net movement in funds</b>		<u><u>(1,366,736)</u></u>	<u><u>(1,366,736)</u></u>	<u><u>798,192</u></u>
<b>Reconciliation of funds:</b>				
Total funds brought forward		15,998,859	15,998,859	15,200,667
Net movement in funds		(1,366,736)	(1,366,736)	798,192
<b>Total funds carried forward</b>		<u><u>14,632,123</u></u>	<u><u>14,632,123</u></u>	<u><u>15,998,859</u></u>

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

The notes on pages 13 to 24 form part of these financial statements.

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**THE POLONSKY FOUNDATION**

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**BALANCE SHEET  
AS AT 31 MARCH 2022**

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	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	12	14,250,738	15,549,025
<b>Current assets</b>			
Debtors	13	153,859	153,859
Cash at bank and in hand		232,971	301,533
		<u>386,830</u>	<u>455,392</u>
Creditors: amounts falling due within one year	14	(5,445)	(5,558)
<b>Net current assets</b>		<u>381,385</u>	<u>449,834</u>
<b>Total net assets</b>		<u><u>14,632,123</u></u>	<u><u>15,998,859</u></u>
<b>Charity funds</b>			
Unrestricted funds	15	14,632,123	15,998,859
<b>Total funds</b>		<u><u>14,632,123</u></u>	<u><u>15,998,859</u></u>

The financial statements were approved and authorised for issue by the Trustees on 16 June 2022 and signed on their behalf by:

**Marc A L Polonsky**  
Managing Trustee

The notes on pages 13 to 24 form part of these financial statements.

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THE POLONSKY FOUNDATION

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

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	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(488,838)	(1,707,128)
<b>Cash flows from investing activities</b>		
Dividends and interest	420,276	399,844
Proceeds from sale of investments	-	1,340,583
<b>Net cash provided by investing activities</b>	420,276	1,740,427
<b>Change in cash and cash equivalents in the year</b>	(68,562)	33,299
Cash and cash equivalents at the beginning of the year	301,533	268,234
<b>Cash and cash equivalents at the end of the year</b>	232,971	301,533

The notes on pages 13 to 24 form part of these financial statements

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## THE POLONSKY FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 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 £232,971 in cash and had net current assets of £381,385 together with investments valued at over £14 million. There are no restrictions in place on the charity's assets.

The Covid-19 pandemic has caused severe financial impact throughout the global economy, affecting investment markets significantly. Investment values have been volatile and the ongoing uncertainty indicates that further adverse fluctuations are likely. Following the recovery from the pandemic, the political situation regarding the war in Ukraine has also negatively affected investment values.

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.

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## THE POLONSKY FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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## 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

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.



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## THE POLONSKY FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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#### 2. Accounting policies (continued)

##### 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.

##### 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.

#### 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.

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**THE POLONSKY FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**4. Investment income**

	Unrestricted funds 2022 £	Total funds 2022 £
Dividends received	420,276	420,276

	Unrestricted funds 2021 £	Total funds 2021 £
Interest received	19,471	19,471
Dividends received	380,373	380,373
	<u>399,844</u>	<u>399,844</u>

**5. Other incoming resources**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Foreign exchange gains	4,423	4,423	-

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THE POLONSKY FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

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6. Analysis of grants

	Grants to Institutions 2022 £	Total funds 2022 £
Grants to institutions	415,365	415,365

	Grants to Institutions 2021 £	Total funds 2021 £
Grants to institutions	2,028,430	2,028,430

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

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**THE POLONSKY FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**6. Analysis of grants (continued)**

	2022 £	2021 £
<b>Name of institution</b>		
University of Oxford	91,212	298,056
University of Cambridge	84,462	173,382
Aspen Music Festival and School	51,072	-
Consortium of European Research	34,762	7,593
Classics for All	27,000	33,000
SCTY	18,000	-
Pushkin House Trust	17,200	21,500
Foundation for Jewish Heritage	14,500	-
Old Vic Trust	5,000	45,000
UCL Development Fund	5,000	15,000
Stephen Spender	2,500	12,500
Van Leer Institute	2,183	550,486
Friends of Bezalel Academy of Arts	-	399,203
HUJI - The Hebrew University of Jerusalem	-	90,222
Royal College of Music	-	70,000
The Rhodes Trust	-	50,000
Am-Is Cultural Foundation	-	40,122
Theatre for a New Audience	-	36,654
Royal National Theatre	-	35,000
Oxford Centre for Jewish and Hebrew Studies	-	28,015
	<hr/> 352,891	<hr/> 1,905,733
Other grants to institutions	62,474	122,697
	<hr/> <hr/> 415,365	<hr/> <hr/> 2,028,430

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**THE POLONSKY FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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**7. Other expenditure**

		Total funds 2022 £
Foreign exchange losses		-

**8. Analysis of expenditure by activities**

	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Charitable activities	415,365	77,783	493,148
	<u>          </u>	<u>          </u>	<u>          </u>
	Grant funding of activities 2021 £	Support costs 2021 £	Total funds 2021 £
Charitable activities	2,028,430	75,511	2,103,941
	<u>          </u>	<u>          </u>	<u>          </u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	Charitable activities 2022 £	Total funds 2022 £
Staff salaries and pension costs	47,873	47,873
Auditors' remuneration	4,530	4,530
Accountancy fees	9,756	9,756
Bank charges	1,329	1,329
Secretarial fees	11,244	11,244
General office expenses	1,323	1,323
Consultancy fees	1,728	1,728
	<u>77,783</u>	<u>77,783</u>
	<u><u>77,783</u></u>	<u><u>77,783</u></u>
	Charitable Activities 2021 £	Total funds 2021 £
Staff salaries and pension costs	47,161	47,161
Auditors' remuneration	4,410	4,410
Accountancy fees	8,856	8,856
Bank charges	1,710	1,710
Secretarial fees	9,754	9,754
General office expenses	1,271	1,271
Consultancy fees	2,323	2,323
Travel expenses	26	26
	<u>75,511</u>	<u>75,511</u>
	<u><u>75,511</u></u>	<u><u>75,511</u></u>

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9. Auditors' remuneration

	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	4,530	4,410

10. Staff costs

	2022 £	2021 £
Wages and salaries	45,750	45,000
Social security costs	960	998
Contribution to defined contribution pension schemes	1,163	1,163
	47,873	47,161

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

	2022 No.	2021 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.

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no expenses were reimbursed or paid directly to Trustees.

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12. Fixed asset investments

	Listed investments £
<b>Cost or valuation</b>	
At 1 April 2021	15,549,025
Revaluations	(1,298,287)
At 31 March 2022	<u>14,250,738</u>
<b>Net book value</b>	
At 31 March 2022	<u>14,250,738</u>
At 31 March 2021	<u>15,549,025</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.

13. Debtors

	2022 £	2021 £
<b>Due within one year</b>		
Other debtors	<u>153,859</u>	<u>153,859</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Other taxation and social security	119	119
Other creditors	226	339
Accruals and deferred income	5,100	5,100
	<u>5,445</u>	<u>5,558</u>

**15. Statement of funds**

**Statement of funds - current year**

	Balance at 1 April 2021 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2022 £
<b>Unrestricted funds</b>					
General Funds - all funds	15,998,859	424,699	(493,148)	(1,298,287)	14,632,123
	<u>15,998,859</u>	<u>424,699</u>	<u>(493,148)</u>	<u>(1,298,287)</u>	<u>14,632,123</u>

**Statement of funds - prior year**

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
General Funds - all funds	15,200,667	399,844	(2,149,850)	2,548,198	15,998,859
	<u>15,200,667</u>	<u>399,844</u>	<u>(2,149,850)</u>	<u>2,548,198</u>	<u>15,998,859</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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

	2022 £	2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(1,366,736)	798,192
<b>Adjustments for:</b>		
Losses/(gains) on investments	1,298,287	(2,553,827)
Dividends and interest	(420,276)	(399,844)
Loss on the sale of fixed asset investments	-	(5,629)
Decrease in debtors	-	456,169
Decrease in creditors	(113)	(2,189)
<b>Net cash used in operating activities</b>	<b>(488,838)</b>	<b>(1,707,128)</b>

**17. Analysis of cash and cash equivalents**

	2022 £	2021 £
Cash at bank	232,971	301,533
<b>Total cash and cash equivalents</b>	<b>232,971</b>	<b>301,533</b>

**18. Analysis of changes in net debt**

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	301,533	(68,562)	232,971

**19. 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 £1,163 (2021: £1,163). Contributions totalling £226 (2021: £227) were payable to the fund at the reporting date and are included in creditors.