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**Report of the Directors and
Unaudited Financial Statements
for the Year Ended 31 July 2007
for
POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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for the Year Ended 31 July 2007**

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**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**Company Information
for the Year Ended 31 July 2007**

TRUSTEES:	D N Tarsh O B E J E A Mocatta A R Thornhill M A Ziff R J Freeman J E Bennett
SECRETARY:	J E A Mocatta
REGISTERED OFFICE:	Wentworth House The Green Richmond Surrey TW9 1PB
REGISTERED NUMBER:	02852355
CHARITY NUMBER:	1040218
ACCOUNTANTS:	David Cottrell & Company Chartered Accountants 11a Canford Lane Westbury on Trym Bristol BS9 3DE
BANKERS	National Westminster Bank Plc 44 Caledonia Place Clifton Bristol BS8 4DW Coutts & Co 440 The Strand London WC2R 0QS
SOLICITORS.	Sheppards The Courtyard 120 High Street Nailsea BS19 1AH

**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**Report of the Trustees
for the Year Ended 31 July 2007**

The trustees present their report with the financial statements of the company for the year ended 31 July 2007

REVIEW OF BUSINESS

The trustees who are also the Directors of the Charity for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 July 2007. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP)

ORGANISATION AND MANAGEMENT

Polack's House Educational Trust (PHET) is a registered charity and a company limited by guarantee. The registered office is at Wentworth House, The Green, Richmond, Surrey TW9 1PB (Changed in March 2007)

The Trustees meet at least twice a year

Since the closure of Polack's House (1/3 Percival Road) in July 2005 D N Tarsh carries out the day to day running of the charity

TRUSTEES

Stephen Zimmerman resigned as a Trustee on 9 March 2007

The remaining Trustees remain in office

OBJECTIVES

The prime object of the Charity is to provide education together with scholarship and bursary support for Jewish boys and girls at Clifton College. Secondary object is to support education for Jewish pupils in the United Kingdom

RESERVES

The Trustees review the reserves and reserves policy annually. Following the sale of the House at 1/3 Percival Road (which took place in December 2006) the reserves consist of cash the majority of which is "unrestricted". There are also restricted reserves for Scholarships and Bursaries. The Trustees have invested the reserves and intend to use the income – and when appropriate part of the capital for scholarship and bursarial support and for any specific projects that will further Jewish education at Clifton College

RISK ANALYSIS

The Trustees have reviewed the risks to the Charity and update this every year

INVESTMENT POLICY

The policy of the Trustees is to keep their cash on short term deposit so as to be able to take advantage of improved income opportunities when and as these arise. This policy is reviewed at all Trustees' meetings

ACTIVITY

With the closure of the House as a boarding house the Trustees decided that it was no longer needed and that it should be disposed of. There were a number of significant issues to be resolved (e.g. change of use and rear access) before this could be done. In April 2006 the Trustees agreed to grant a lease of the property for a period of three years giving the Lessee the right to purchase the freehold at any time within the three years and retaining the right to call upon the Lessee to purchase the property at an agreed price within the last 3 months of the term. In December 2006 the property was sold for £1,950,000 – at the upper end of the valuation received by the Trustees

Part of the proceeds was used to repay the bank loan from Coutts and Co

As there continue to be Jewish boys and girls at Clifton, scholarship and bursarial support for those qualifying continues

**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**Report of the Trustees
for the Year Ended 31 July 2007**

FINANCIAL RESULTS

The results for the year showed a surplus of £1,527,605

There was no income from fees, and expenditure was incurred only when necessary for the day to day running costs of the company

FUTURE PROSPECTS

The Trustees have asked Clifton College to advise the Trustees of any Jewish pupils or potential pupils who would qualify for scholarship or bursarial support. In September 2007, 2 new pupils will be supported in this way – one for a period of 2 years and the other for a period of 4 years. Capacity remains to support additional pupils

TRUSTEES

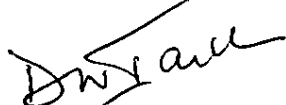
The trustees during the year under review were

D N Tarsh O B E
J E A Mocatta
A R Thornhill
M A Ziff
S A Zimmerman - Resigned 9 March 2007
R J Freeman
J E Bennett

Apart from Mr Zimmerman, all trustees, being eligible offer themselves for re-election at the forthcoming annual General Meeting

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:



D N Tarsh O B E – TRUSTEE

Dated 30 April 2008

POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

**Statement of financial activity
for the Year Ended 31 July 2007**

		Unrestricted Funds	Restricted Funds	Total Funds	2006 Total Funds
	Note	£	£	£	£
Incoming Resources					
Sundry receipts		40,857	5,000	45 857	35,237
Interest		65,063		65,063	5 033
Net gain on disposal of Property		1,430,401		1 430,401	
		<hr/>	<hr/>	<hr/>	<hr/>
		1,536,321	5,000	1,541,321	40,270
Resources expended	3	<hr/>	<hr/>	<hr/>	<hr/>
		13,716	-	13,716	41,584
Net (outgoings)/incoming resources for the year		<hr/>	<hr/>	<hr/>	<hr/>
		1,522,605	5,000	1,527,605	(1,314)
Fund balances brought forward		<hr/>	<hr/>	<hr/>	<hr/>
		442,432	171,331	613,763	615,077
Fund balances carried forward		<hr/>	<hr/>	<hr/>	<hr/>
		1,965,037	176,331	2,141 368	613,763

All recognised gains and losses are included in the statement of financial activities

The notes form part of these financial statements

POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

Balance Sheet
31 July 2007

		<u>31 7 07</u>		<u>31 7 06</u>	
	Notes	£	£	£	£
FIXED ASSETS.					
Tangible assets	5		-		519 599
CURRENT ASSETS:					
Debtors	6	-		3,217	
Cash at bank and in hand		<u>2,143,130</u>		<u>254,372</u>	
		2,143,130		257 589	
CREDITORS. Amounts falling due within one year	7	<u>1,762</u>		<u>48 425</u>	
NET CURRENT ASSETS:			<u>2 141,368</u>		<u>209,164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES.			2,141,368		728,763
CREDITORS: Amounts falling due after more than one year	8		-		<u>115,000</u>
			<u>2,141,368</u>		<u>£613,763</u>
FUNDS:					
Restricted Funds	9		176,331		171,331
Designated Funds	10		28,261		28 261
Unrestricted Funds	10		<u>1,936,776</u>		<u>414,171</u>
			<u>2,141 368</u>		<u>£613 763</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 July 2007

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2007 in accordance with Section 249B(2) of the Companies Act 1985

The directors acknowledge their responsibilities for

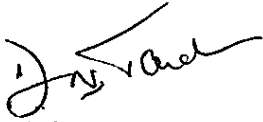
- (a) Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) Preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements so far as applicable to the company

**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

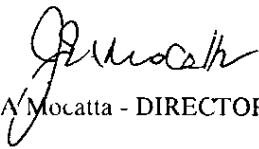
**Balance Sheet
31 July 2007**

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002)

ON BEHALF OF THE BOARD:



D N Tarsh O B E - DIRECTOR



J E A Mocatta - DIRECTOR

Approved by the Board on 30.4.2008

The notes form part of these financial statements

POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

Notes to the Financial Statements
for the Year Ended 31 July 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and with the Charities Accounting Statement of Recommended Practice 2005 (SORP)

Income

Rental income is recognised on a straight line basis over the lease terms on an ongoing basis

Tangible fixed assets

Depreciation was not provided on the freehold land and buildings that the Directors considered to have a market value considerably in excess of their book costs

Resources expended

Expenditure is accounted for on an accruals basis. All expenditure relates to direct charitable expenditure

Taxation

No provision is made for taxation as the company is a registered charity and as such is exempt from Corporation Tax

2 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following

	31 7 07	31 7 06
	£	£
Bank interest	<u>3,822</u>	<u>11,451</u>

3 RESOURCES EXPENDED

	31 7 07	31 7 06
	£	£
Resources expended comprise		
Unrestricted		
Staff costs	-	2 246
Repairs maintenance and refurbishment	1,062	186
Professional fees	3,004	30
Interest payable	3,822	11 451
Other	<u>5 828</u>	<u>14 018</u>

	<u>13,716</u>	<u>27,931</u>
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Designated.
Scholarships

	<u>-</u>	<u>13 653</u>
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Restricted
Scholarships

	<u>-</u>	<u>-</u>
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Staff costs are broken down as follows

	31 7 07	31 7 06
	£	£
Wages and Salaries	-	2,023
Social security costs	-	163
Pension	<u>-</u>	<u>60</u>
	<u>-</u>	<u>2,246</u>

The average monthly number of employees during the year was 0 (2006 – 0)

POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

Notes to the Financial Statements
for the Year Ended 31 July 2007

4 DIRECTORS REMUNERATION

None of the directors received any remuneration or had any expenses reimbursed during the year

5 TANGIBLE FIXED ASSETS

	Land and buildings £
COST	
At 1 August 2006	519,599
Additions	-
Disposals	<u>(519 599)</u>
At 31 July 2007	<u>-</u>

**6 DEBTORS. AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31 7 07 £	31 7 06 £
Prepayments	<u>-</u>	<u>3,217</u>

All amounts shown under debtors fall due for payment within one year

**7 CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31 7 07 £	31 7 06 £
Bank loans and overdrafts	-	15,000
Other creditors	-	13,653
Accrued expenses and deferred income	<u>1,762</u>	<u>19,772</u>
	<u>1 762</u>	<u>48 425</u>

**8 CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31 7 07 Bank Loan £	31 7 06 Bank Loan £
In more than one year but not more than two years	-	15,000
In more than two years but not more than five years	-	45 000
In more than five years	-	55,000
	<u>-</u>	<u>115 000</u>

POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

Notes to the Financial Statements
for the Year Ended 31 July 2007

**8 CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR (CONTINUED)**

The bank loan was secured by a charge on 1/3 Percival Road , Clifton, Bristol and interest was payable at 2% over Coutts & Co bank base rate

9 RESTRICTED FUND

	Balances at start of year £	Incoming Resources £	Outgoing Resources £	Balances at end of year £
Income Funds				
Polack Family Scholarship fund	16,014	5,000		21,014
General Scholarship fund	840			840
Old boys Web-site fund	1,249			1,249
Capital Fund				
Bourne Scholarship fund	26,401			26,401
Lipton Scholarship fund	126,827			126,827
Total restricted fund	<u>171,331</u>	<u>5,000</u>		<u>176,331</u>

The capital and income of the Polack Family Scholarship and the General Scholarship funds are to be applied to provide scholarships for Jewish pupils at Clifton College. The income only of the Bourne Scholarship fund is to be applied to provide scholarships for Jewish Girls at Clifton College. Under the original terms of the endowment the capital of the Bourne Scholarship was to be refunded to the donor if Polack's House closes at any time. Following the closure of Polacks house negotiations have begun to change the terms so that the fund may be retained for the purposes of educating Jewish pupils at Clifton College. The income and capital of the Lipton Scholarship fund is to be applied to provide scholarships for Russian or Israeli Jewish pupils at Clifton College. There is a restriction on the capital element of any expenditure in that if possible the fund should last for 20 years.

The above funds have not been split between capital and income funds on the face of the statement of financial activities as the income of the capital fund is immaterial.

10 TOTAL FUNDS

	Designated Funds £	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances carried forward at 31 July 2007 are represented by				
Net Current Assets	28,261	1,936,776	176,331	2,141,368
	<u>28,261</u>	<u>1,936,776</u>	<u>176,331</u>	<u>2,141,368</u>

**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**Notes to the Financial Statements
for the Year Ended 31 July 2007**

11 SHARE CAPITAL

The company is limited by guarantee and as such there is no share capital

12 CASH FLOW STATEMENT

The company has taken advantage of the exemption allowed under Financial Reporting Standard 1 'Cash flow statements' not to produce a cash flow statement as it qualifies as a small entity

**POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**Report on the Unaudited Financial Statements to the members of
POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)**

We report on the unaudited financial statements for the year ended 31 July 2007 set out on pages 2 to 10

Respective responsibility of directors and reporting accountants

As described on page 5 the trustees, who are also the company's directors, are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

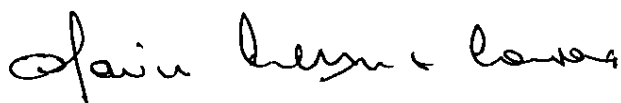
We conducted our examination in accordance with the statement of standards for Reporting Accountants and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of the report. These procedures provide only the assurance expressed by our opinion.

Qualified opinion arising from disagreement about accounting treatment

As explained in note 1 to the financial statements, no depreciation is charged on Freehold land and buildings. This policy is contrary to the requirements of standard accounting practice as set out in applicable United Kingdom accounting standards. Furthermore, since the directors have made no assessment of expected useful lives of these assets, it is not possible to determine the impact of this departure from standard accounting practice on the net incoming resources for the year ended 31 July 2006 or on the carrying value of tangible fixed assets and unrestricted funds at 31 July 2006.

In our opinion

- The financial statements are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985
- Having regard only to, and on the basis of, the information contained in those accounting records
 - (i) except for the absence of depreciation on freehold land and buildings as described above, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the act, and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the act as modified by section 249A(5) and did not, at any time within the last year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1)



David Cottrell & Company
Chartered Accountants
Registered Auditors
11a Cantford Lane
Westbury on Trym
Bristol
BS9 3DE

Dated

30 April 2008

POLACK'S HOUSE EDUCATIONAL TRUST
(A COMPANY LIMITED BY GUARANTEE)

Statement of financial activity
for the Year Ended 31 July 2007

	<u>31 7 07</u>		<u>31 7 06</u>	
	£	£	£	£
Capitation fees		-		-
Other income:				
Rent	37,326		31,667	
Sundry receipts	3,531		2,730	
Deposit account interest	<u>65,063</u>		<u>826</u>	
		105,920		35,223
		<u>105,920</u>		<u>35,223</u>
Expenditure:				
Salaries	-		2,246	
Marketing	-		5,000	
Repairs, Maintenance and Refurbishment	1,062		186	
General	-		1,311	
Accountancy	940		882	
Legal fees	2,064		30	
Council tax	1,872		1,758	
Water rates	-		596	
Electricity	-		470	
Gas	-		274	
Insurance	<u>3,786</u>		<u>3,637</u>	
		9,724		16,390
		<u>96,196</u>		<u>18,833</u>
Finance costs:				
Bank interest	3,822		11,451	
Bank charges	<u>170</u>		<u>90</u>	
		3,992		11,541
OPERATING SURPLACE		92,204		7,292
Exceptional Item:				
Profit on Disposal of building		<u>1,430,401</u>		<u>-</u>
SURPLUS FOR THE YEAR		<u>1,522,605</u>		<u>7,292</u>

This page does not form part of the statutory financial statements