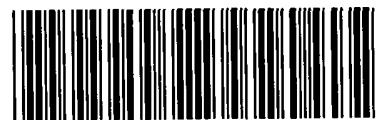




ROTHSCHILD FOUNDATION

ANNUAL REPORT & FINANCIAL STATEMENTS

THURSDAY



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28/07/2022

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COMPANIES HOUSE

Registered company number: 07350078

Registered charity number: 1138145

THE ROTHSCHILD FOUNDATION
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THE ROTHSCHILD FOUNDATION

LEGAL AND ADMINISTRATION INFORMATION

FOR THE YEAR ENDED 28 FEBRUARY 2022

Trustees

Lord Rothschild (Chairman)
Hon H M Rothschild
Hon E Freeman-Attwood
Dame J de Botton
Lord Ogilvy – resigned 02/07/21
Christopher Kemp – appointed 02/07/21
F J Goedhuis
S.J.P. Trust Corporation Limited
Peter Troughton

Chief Executive

Ben Avigdori – (Interim) resigned 30/09/21, (Interim) appointed 09/02/22
Mark Blandford Baker – appointed 30/09/21, resigned 08/02/22

Registered office

Windmill Hill, Silk Street
Waddesdon
Buckinghamshire HP18 0JZ

Company Secretary

S.J.P Secretaries Limited
Windmill Hill, Silk Street
Waddesdon
Buckinghamshire HP18 0JZ

Auditors

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Solicitors

Farrer & Co LLP
66 Lincoln's Inn Fields
London WC2A 3LH

Bankers

National Westminster Bank Plc
PO Box 34
15 Bishopsgate
London EC2P 2AP

Investment manager

Windmill Hill Asset Management Limited
Windmill Hill, Silk Street
Waddesdon
Buckinghamshire
HP18 0JZ

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2022**

The Trustees present the report of the Trustees for the year ended 28 February 2022.

Structure & Governance

The Rothschild Foundation is a registered charity (number 1138145) and a company limited by guarantee (07350078). The Foundation represents one of the Rothschild family's philanthropic activities in the United Kingdom. The work of the Foundation has two distinct remits: as an operating charity, responsible for the care and management of Waddesdon Manor near Aylesbury, Buckinghamshire and as a grant maker, undertaking a more general grants programme.

Central to the Foundation's work is the management of Waddesdon Manor, a Rothschild house leased from the National Trust and managed on their behalf, in order to preserve, protect, maintain and improve this property, its gardens, buildings and collections for the benefit of the public generally. Through the Foundation, the Trustees have secured Waddesdon's position as a centre of excellence for the arts, heritage and culture, conservation, and horticulture and are committed through this work to the environment, education, research and the dissemination of knowledge. The Manor is open to the public, and its grounds, gardens, exhibitions and collections are leading attractions for family recreation, scholars and art lovers.

Through its grants programme, the Foundation supports a number of other charitable activities particularly in the Arts & Humanities. It also undertakes a small grants programme focussed on the communities local to Waddesdon which support its broader charitable purposes: the environment, arts and social welfare.

This work is overseen by its Board of Trustees which meets at least twice a year to review the activities of the Foundation including the operation of Waddesdon, consider grant applications, review investment performance and discuss matters of a strategic and administrative nature. For the management of Waddesdon, the Trustees are advised by three expert panels: the Management Committee, the Academic Committee and the Gardens Committee, all of which include a specialist advisor from the National Trust. To consider Grant applications, the Trustees convene a Grants Committee consisting of Trustee representatives alongside the executive team. For investments and financial matters, the Trustees are advised by an Audit, Risk & Investment Committee. Each committee meets at least twice a year and has a minimum of one Trustee member. There is an interview and induction process for new Trustees and on-going training is undertaken through regular meetings and discussions with individuals and organisations and briefing papers in the areas supported by the Foundation.

The Trustees confirm that they have had regard to the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities, setting grant-making policy and in making grants.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Strategic Report

The strategic report for the purpose of the Companies Act comprises the Overview of Activities, Financial Review, Investment Policy, Reserves and Risk Management which are on pages 3 – 12.

The Foundation was also conscious of the need to support local communities through the pandemic through its Grants programme and more detail of that is outlined in the relevant section below.

Overview of Activities

Grants are awarded to a wide range of charitable organisations which undertake activity within the Foundation's core focus areas of the Arts and Humanities, Environment and Social Welfare. During the year to 28 February 2022, the Trustees approved grant funding amounting to £7m (2021: £8.5m) Buckinghamshire £3.19, Special Interest £3.66, in addition to the ongoing commitment to Waddesdon of £0.5m (2021: £3.2m). The Foundation also operates a number of pre-designated funds which support and inform the grant programme development and wider Waddesdon activity £0.18m.

Waddesdon

Following the severe disruption of the lockdowns and restrictions of the 2020-21 season, the year from March 2021 began with the ongoing "stay at home" lockdown still in place. Grounds visits were permitted, with a strict limited capacity, with all visits booked in advance into hourly arrival time slots. The Visitor Experience team worked hard to ensure that systems were managed safely and that visitors could enjoy their outdoor fresh air and exercise.

From late March, the "stay at home" rule was lifted, people could meet outdoors again in groups of six, so we had very high visitor numbers in April, as everyone took advantage of the relaxing of the restrictions. We ran an Easter trail for families and the Manor Shops were allowed to re-open in mid-April.

In mid-May, the ground floor of the House reopened with timed tickets, a one-way system and very limited capacity, along with the Five Arrows Hotel and Manor Restaurant. The House remained partially open for the remainder of the season to October, and a limited events programme was offered through the summer and autumn, including the return of Chilli Fest and some music and outdoor theatre.

The Christmas season remained outdoors-only, with the House closed for a second year. The Christmas Fair was back to its full complement of traders, the Winter Light trail was presented as planned, and visitor numbers through the season were positive, working to a new capacity limit of no more than 5,000 visitors per day in timed entry slots. Visitor numbers for the Christmas period were 158k.

Final visitor numbers for February 2022 stood at 422,000 – much better than our projection of 350,000 at the start of the year. It was again a very challenging year for all the Waddesdon staff teams, managing the ongoing disruption and updates to guidance, coping with the impact of the restructures and budget cuts, and working hard to get Waddesdon back to something like "normal" as visitor expectations rapidly returned to their pre-Covid levels.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Exhibitions & Displays

We were glad to revive the exhibitions programme when the House reopened. Most significant was the long-planned *Gustave Moreau: The Fables*, our first ticketed exhibition, which ran from 16 June – 17 October. This collaboration with the Rothschild family and the Musée Gustave Moreau, Paris showcased for the first time 30 watercolours created from 1870-1885 by Moreau illustrating the *Fables* by Jean de la Fontaine, not seen in public for over a century and now in a Rothschild private collection. It attracted some of the best publicity we have ever had for an exhibition, and we were delighted with the public response. Despite having to limit access due to Covid restrictions, it attracted over 5k visitors and generated additional ticket income of £22k, plus additional admissions and secondary spend, against exhibition costs of £25k. Additionally, *Nick Knight: Roses from my garden* ran for a second year in the Coach House, which this year attracted footfall of 19k. An archival exhibition *Collecting Stories: private worlds to public spaces* was put on in the Family Room.

During the Christmas Season, we celebrated the RF's involvement in the Illuminated River Project with an exhibition, *Illumination: Work by Leo Villareal* which both explained the project through a film, and put on display 3 pieces of Leo's work, as examples of his light art.

Elsewhere, we curated a trail on the furniture of Jean-Henri Riesener to mark the final year of the collaborative research project with the Wallace Collection and Royal Collections, and the publication of the Riesener book. We also continued to build on our digital offer for both House and Gardens, including a virtual press view for Gustave Moreau.

Education

It was very cheering to see the on-site Education and Learning programme resume, after a year in which it delivered entirely on-line due to Covid. Between March and September, the Education and Learning team welcomed over 10k school visitors, many of them taking part in the 'Garden Explorers' and 'Don't get Lost' outdoor sessions, although the indoor sessions became increasingly popular as the year progressed. Feedback from teachers demonstrated how welcome it was to be able to reintroduce learning outside the classroom.

At Christmas, the team delivered a delightful programme for schools, *Boats, Bridges and Beyond* using the Illuminated River as inspiration, on Miss Alice's Drive. 7.5k children took part in creating installations celebrating rivers and bridges, London, and places that they wanted to visit.

Charity of the Year

Despite the ongoing restrictions, staff and volunteers were asked to nominate and vote for a Charity of the Year for 2021, and in April 2021 Hector's House was chosen, receiving a grant of £20,000 from the Rothschild Foundation to support their important work providing mental health services and support.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

A number of outdoor events were planned throughout the year including a staff and volunteer's walk and a picnic, where staff from Hector's House met Waddesdon staff and volunteers, and some workshops were held onsite in the autumn, available for all staff to attend.

Interns and Vocational Training

Following the closure of all our regular training programmes in 2020 due to Covid, we were delighted to welcome a smaller cohort of our "Future Talent" interns in April 2021, working closely with five departments for six months. We were also able to gradually re-start some of our staff and volunteer programmes including the Future Engage Deliver management development programme.

Rothschild Waddesdon Limited

Rothschild Waddesdon Limited started the year as the operator of the Manor's onsite shops, restaurants the online wine and gift shop, and the Five Arrows Hotel as well as public events and filming. The Covid disruption continued in March 2021 with the ongoing closure of indoor hospitality and total closure of the Hotel, and over the next few months, gradual re-openings were carefully managed. In the meantime, the Manor's Head of Catering and Retail prioritised the outdoor catering offer, and the trial of a new picnic box which proved to be extremely popular.

After three months of Hotel closure, the Rothschild Foundation management team decided to move the Five Arrows Hotel from RWL management to the other trading subsidiary, Waddesdon Enterprises Limited, to be run alongside the Private Events Business. The Hotel re-opened in late May, fully transferring to WEL from June 2021 onwards, when all Five Arrows staff were TUPE'd to the new employment.

The Public Events programme included the trader markets at the Chilli Fest weekend and the Christmas Fair which ran from mid-November to just before Christmas. Commercial filming included filming for Netflix's *The Crown* Series 5 in October 2021.

Despite the ongoing challenges of the year, including hospitality staffing recruitment issues, Covid impact on staff teams, the threat of the new Omicron Covid wave impacting on the Christmas season, and continuing limited capacities for indoor dining, RWL ended the year making a profit of £190k.

Acquisitions and Loans

Progress on the installation of the *Wedding Cake* by Joana Vasconcelos continued after a hiatus during the pandemic. With detailed planning through the year, and manufacturing of the tiles and framework in Portugal, installation is due to start in June 2022 with completion by the end of September. This is the most significant acquisition of contemporary art made by the RF to date.

Other acquisitions included a pair of feather collages by the artist Platon Hadjiichaelis, which were part of the exhibition of his work, *Creatures and Creations*, in 2017.

A very welcome re-acquisition was made in the form of one of the stolen gold boxes, belonging to the NT, which appeared in an auction in Battle, East Sussex and was spotted by the Art Loss Register. Following confirmation that it was in fact one of the Waddesdon boxes, it was returned by Thames Valley Police and will go back on display in the Treasury during the 2022 season.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Grants

In addition to the operational role at Waddesdon, the Foundation manages a more general programme of grants across our interests in the Arts and Humanities, Environment and Social Welfare. This includes a focus on Buckinghamshire which uses the lens of 'place' to explore specific priorities within our areas of interest as well as small grant funding for a wide range of local not-for-profit organisations.

The first quarter of the year was dedicated to the remaining months of the Foundation's Covid-19 Support Fund, the twelve-month programme of grant-making specifically targeting communities impacted by the pandemic. This programme was brought to a close in June and learning from it used to inform the re-launch of the Foundation's Buckinghamshire funding programmes. In July the Community Fund opened, offering multi-year grants of up to £30K for local not for profit organisations, with an emphasis on providing core funding. This was followed by the launch of the Strategic Fund for Buckinghamshire with three key funding themes: Building the resilience of the local cultural sector; developing a sustainable local food system; Opportunities for young people. Key grants were made within each funding theme including three year core funding for **Buckinghamshire Culture** and **Buckinghamshire Food Partnership**. The **Centre for Education and Youth** were commissioned to undertake research on what it is like to be a young person growing up in Buckinghamshire which will inform the development of the Foundation's support for the youth sector. During the emergency phase of the pandemic the Foundation moved to a rolling programme of grant-making with grants approved on a monthly basis. This has proved vital for supporting organisations who are required to adapt and react to challenging circumstances and Trustees have committed to maintaining this approach for small grant funding. The Foundation also seed funded the **Bucks Data Exchange**, a collaborative project with key stakeholders in Buckinghamshire to facilitate better sharing and use of data to inform decision making.

Beyond Buckinghamshire, within Arts and Humanities, a grant to the **National Gallery Trust** enabled the restoration of the Central Hall, returning the room to the splendour of the original restoration project of the early 1990s. Support for digital infrastructure was the focus for a number of grants including for the **London Screen Academy** to explore the benefits of Virtual Reality technology to extend the reach of teaching. Funding enabled the **Royal Shakespeare Company** to launch the Digital Fellowships programme, supporting creatives to shape the future of theatre experiences for audiences using the latest digital technology.

Within Environmental funding, the Foundation continued its support of the Global Farm Metrics initiative with a grant to the **Sustainable Food Trust**. By establishing a harmonised measure of on-farm sustainability Global Farm Metrics aims to support all stakeholders within food and farming to drive positive change. Also addressing food systems change were grants to **Hubbub's** Community Fridge initiative to support community food resilience across the UK and to **Bite Back 2030's** Food Systems Accelerator programme. This programme will bring together young activists and Food Companies to enable positive change for healthier diets within current food company business models.

Within Social Welfare, funding responded to the long-term impact of Covid-19. This included an award to **Catch 22's** Horizons programme which addresses both unemployment and underemployment, supporting young people who face barriers to work into jobs and training. A grant to **The Listening Place** enabled face to face support for those suffering from suicidal thoughts, acknowledging the increase in demand for mental health support.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Illuminated River

The year saw the completion of *Illuminated River*, a major public artwork to light London's bridges between Albert Bridge and Tower Bridge. Designed by US artist Leo Villareal and architectural practice Lifschutz Davidson Sandilands, it celebrates the history of the Thames and enriches the experience of travelling along and across it, promoting the river and the riverbank as a means of transport for Londoners, commuters and tourists. The initiative concluded in March 2021 with the illumination of all nine bridges. Over 9,000 people visited the Illuminated River's website in the month after illumination. Additional resources were created to enhance public engagement in the work including a downloadable map and audio tour and accompanying music scores composed by students from the Guildhall. The RF continue to support the ongoing maintenance and legacy of the project through its support of the **Illuminated River Foundation**. This will continue until the planned handover of the installation to bridge owners in 2029, the ten year anniversary of when the first set of bridges were illuminated.

Over the course of the year, the Trustees have approved grants to 225 (2021: 125) charitable organisations as set out below.

Size of Grant	2022	2021
£100k+	21	11
£50k-99k	22	9
£10k-50k	94	29
<£10k	88	76
Total	<u>225</u>	<u>125</u>

Financial Review

Over the year, the Foundation's total funds increased to £864.6 million (2021: £764.2 million), an increase in funds of £100.4 million (2021: £75.7 million). The total market value of the Foundation's investment portfolio at 28 February 2022 was £768.5 million (2021: £673.5million). The investment portfolio returned 16.18% (2021: 2.44%) over the financial year. Investment Income was £11.1 million for the year (2021: £11.3 million). Total Income for the year was £44.3 million (2021: £37.7 million) which also includes transfers of assets and donations of £7.6 million (2021: £8 million). A full breakdown of all donations and legacies is set out in Note 3. Total Expenditure, including Foundation grant making and other activities, Waddesdon Manor (including trading subsidiaries) and management of investments and properties, was £37.1 million (2021: £35.1 million). The Trustees take their responsibilities under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities. The Foundation is one of three 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. The Foundation does not work directly with commercial sponsors or engage professional fundraisers. The Trustees are not aware of any complaints made in respect of fundraising during the year.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Investment Policy

The investment policy is to seek to generate total returns, whilst maintaining the real value of the portfolio and not subjecting it to undue risk through strategic and geographic diversification. Trustees review investment performance at their bi-annual meetings, and the investment policy at least annually. Together with the investment manager, trustees are currently reviewing ethical, social and environmental investment considerations and this aspect of the investment policy will be updated during the year. The Trustees confirm that the investment objective of making total returns without reducing the real value of the portfolio was satisfactorily met in 2022 and together with the investment manager, trustees are currently reviewing ethical, social and environmental investment considerations and this aspect of the investment policy will be updated during the year.

Reserves Policy

As at 28 February 2022, the Foundation and Group held total reserves of £865 million (2021: £764 million). Of this, the unrestricted capital fund of £853 million (2021: £754 million) is in the form of an expendable endowment and represents the market value of its investments and other assets. The restricted capital fund reserve totalled £7.0 million (2021: £7 million) as at 28 February 2022. Given the value of the expendable endowment fund, the Trustees are of the view that it is not necessary for the Foundation to hold general unrestricted reserves or free reserves. Unrestricted income raised in the year is used to support the cost of the charitable activities. Any potential shortfall in funds raised is therefore met by the expendable endowment fund, via a reserve transfer. Therefore, the Trustees are satisfied with the level of free reserves and the overall reserves position as at the year end.

Risk Management

The Trustees are responsible for establishing and monitoring internal control systems within the Foundation. The major risks which may impact the activities of the Foundation have been reviewed during the year and the Trustees are satisfied that the system of internal controls currently in place is adequate, whilst recognising that they are designed to manage rather than eliminate risk. Internal controls are reviewed on an ongoing basis as part of the day-to-day risk management process within the Foundation.

The two key risk areas within the Foundation lie with its investments and as a result of its agreement with the National Trust for the management of Waddesdon. The Trustees have established an investment policy to manage their investment risk and investment management reports are reviewed regularly by the Trustees. In addition quarterly risk management reports are prepared for Waddesdon which are also reviewed by the Trustees.

Key Management Personnel Remuneration

The Trustees consider the Board of Trustees, the Chief Executives of the Foundation and of the subsidiary trading companies and members of the Senior Management Team at Waddesdon as comprising the key management personnel of the charity responsible for directing and controlling the day to day operations. All Trustees give of their time on an unremunerated basis. The remuneration of members of the Senior Management team is considered annually by the Audit, Risk and Investment Committee.

Employees

The Charity's employment policies respect the individual and offer career opportunities regardless of age, gender, religion or race. The Charity recognises its obligations towards disabled persons and gives full and fair consideration to applications for employment made by such persons.

The Charity recognises the need for full consultation with employees at all levels and by various means of employee engagement, all employees are kept abreast of major events and decisions affecting the Charity.

Business Relationships

The Charity identifies its primary stakeholders as grantees, visitors and customers, staff, volunteers and regulators. During the year the Charity has directly engaged with all primary stakeholders through a variety of methods. Noted below the Charity has considered the actions of the Charity with regard to the identified primary stakeholders during the year.

Companies Act 2006 Section 172 Statement

The Trustees, both individually and together, consider that they have acted in the way they consider would be most likely to promote the success of the Charity for its beneficiaries and for the future (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the Companies act 2006) in the decisions taken during the year. In particular:

Long term strategy

To ensure the Trustees take account of the likely consequences of decision in the long term, the Trustees have a long term strategy for the future of the Charity. The Trustees periodically review this strategy in conjunction with senior management and review progress against the stated goals. The Trustees also review detailed management information and key performance indicators to ensure the Charity continues to meet its aims.

Employees

Our employees and volunteers are fundamental to the operation of the Charity. The Charity has a range of initiatives and activities aimed at enhancing the engagement of our employees and volunteers.

Suppliers and customers

Both our suppliers and customers are crucial to the delivery of our charitable aims and the operation of our trading

The Charity's terms and conditions are provided to its suppliers when commencing any supply of goods and services and clearly set out expectations for the business relationship. New suppliers must undergo GDPR checks as part of the approval process to ensure appropriate stewardship of personal and confidential data. Customer data is stored securely complying with GDPR requirements, and reviewing periodically for cleansing and removal.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Environment

The Charity aims to minimise its impact on the environment. The Charity is committed to compliance with all relevant environmental legislation and our grant giving programme regularly supports environmental causes. The Charity reviews its sustainability programme with regard to the minimisation of waste.

UK Greenhouse gas emissions and energy use	2022	2021
Energy consumption used to calculate emissions (kwhs)		
Energy consumption breakdown kwh		
Gas	1,420,761	1,619,067
Electricity	1,402,595	1,587,036
Scope 1 Emissions in Kg CO2		
Gas Consumption	259,744	296,800
Electricity Usage	294,771	358,794
Owned Transport	73,567	85,859
Total Energy/ KWh	2,823,356	3,026,103
Total Emissions CO2	628,082	741,453

The Foundation are undertaking a number of initiatives to help reduce carbon emissions including a rolling upgrade of more energy efficient Equipment. The Foundation are planning to install new and increased electric car chargers in the visitor car park to increase capacity and encourage visitors. Two of the Foundations subsidiaries, Waddesdon Wine Limited and Waddesdon Enterprises Limited have signed up to an electric car Salary sacrifice scheme to encourage employees to switch to electric cars, and the plan is to roll this out across the group.

The E-bike scheme continues as a trial between Aylesbury Vale Parkway and Waddesdon, partnering with Buckinghamshire Council, Chiltern Rail and RF – since the start of the scheme up to the end of 2021, over 3,500 bikes have been hired and a distance of 34,000 km travelled.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

During the year there was significant investment in the new walking path to encourage more walking and less bus use amongst our 400,000+ visitors

The Foundation is working very closely with the Waddesdon Estate with regards to identifying and objectives and taking steps to achieve them. The following steps have been identified as necessary to achieve a successful outcome:

1. Complete an initial environmental assessment - carbon, energy, waste, water, procurement and transport - presenting findings and recommendations for reducing impacts, particularly in the context of net zero
2. Review and update the environmental policy - alignment to Sustainable Development Goals, Paris Climate Agreement (science-based targets) and UK Climate Bill - develop through consultation with only very key members of staff
3. Develop the action plan - work with ambassadors for the vision and then FIFO (comply)
4. Create an environmental working group - for this phase of the project and then through the process determine what might be the best structure to take forward (e.g. within existing role, sustainability officer, green team etc.)
5. Provide targeted staff training / mentorship / coaching
6. External consultant to provide advisory support to implement the action plan
7. License to use the external consultant's environmental management tools (energy, water, and carbon footprint for the business and properties).

Environmental, Social and Governance Policy

The Foundation's approach to investment has always been long term, designed to grow our capital with cautious but well researched and resourced investment advice. As we look to the future the Trustees believe that our core values that guide us in our charitable objectives should also be the framework of our ESG policy when considering our investment strategy.

We have identified the following core ESG principles that will guide our investment decisions in the future.

- We believe in the Net Zero target set out in the Paris Climate Agreement. We believe all companies have a role to play in reducing both their relative and absolute emission footprints.
- We expect human capital policies within corporates to be considerate and the company's role within society to be both inclusive and beneficial.
- We believe in good governance. The importance of corporates to create healthy eco systems where all stakeholders are included.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

We also recognise that ESG policy globally remains subjective, spanning different cultures and religions, all of whom have different approaches based on their belief system or local customs. With this backdrop, we understand that some flexibility is sensible and as such we would expect our investment teams to evolve strategies as science and data becomes established, as societies and priorities develop and as new technologies unleash new possibilities.

Our Commitment:

We expect ESG to be incorporated into investment decisions. As long-term investors we view ESG risk as financial risk and should form part of any materiality analysis when it comes to investment decisions. We expect both quantitative and qualitative accountability on ESG issues and regular, and consistent reporting on these matters.

Statement of Trustees' responsibilities

The Trustees (who are directors of the Rothschild Foundation for the purposes of law and are listed on Page 1) 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 charitable company and Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

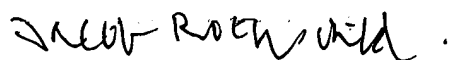
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group 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 charitable Group auditor is 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 auditor is aware of that information.

**THE ROTHSCHILD FOUNDATION
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

The Report of the Trustees, which includes the Strategic Report, was approved by the Board on 08/07/22 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Jacob Rothschild', written in a cursive style.

Lord Rothschild

**THE ROTHSCHILD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Opinion

We have audited the financial statements of The Rothschild Foundation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 28 February 2022 which comprise the Consolidated Statement of Financial Activities, the Group and Foundation Balance Sheets, the Consolidated Cash Flow Statement and the 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 state of the affairs of the group and the parent charitable company as at 28 February 2022 and of the group's 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 requirements of 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 group and parent 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 group or the parent 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.

**THE ROTHSCHILD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2022**

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.

We have nothing to report in this regard.

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 Report of the Trustees which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees which includes the Directors' Report and the Strategic 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees and Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

THE ROTHSCHILD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2022

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the parent 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 the 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 group and the parent 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 group or the parent charitable company or to cease operations, or have no realistic alternative but 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 group and parent 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 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 group and parent charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with 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 group and parent charitable company by discussions with trustees and updating our understanding of the sectors in which the group and parent charitable company operate.

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

THE ROTHSCHILD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2022

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 parent 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 parent 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.

THE ROTHSCHILD FOUNDATION
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 28 FEBRUARY 2022

Use of our report

This report is made solely to the parent 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 parent 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 other than the parent charitable company and the parent 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
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

26 July 2022

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

THE ROTHSCHILD FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	Income	Fund 2022	Capital Funds 2022	Total 2022	Total 2021
		£'000	£'000	£'000	£'000	£'000
Donations and legacies	3	71	7,574	7,645	7,997	
Income from investments	4	11,131	-	11,131	11,321	
Income from Waddesdon Manor	7	4,691	-	4,691	2,619	
Income from Foundation activities and donations		15,893	7,574	23,467	21,937	
Income of Trading subsidiaries	8	20,840	-	20,840	15,748	
Total Income		36,733	7,574	44,307	37,685	
Expenditure on raising funds	5	1,473	1,680	3,153	2,992	
Expenditure on foundation activities	6	8,856	-	8,856	10,215	
Expenditure on Waddesdon Manor	7	5,120	-	5,120	5,764	
		15,449	1,680	17,129	18,971	
Expenditure of trading subsidiaries	8	19,958	-	19,958	16,136	
Total Expenditure	9	35,407	1,680	37,087	35,107	
Taxation	30	155	-	155	40	
Net Income		1,171	5,894	7,065	2,538	
Net Gains on Investments		-	93,317	93,317	73,157	
Net Income	22	1,171	99,211	100,382	75,695	
Transfer between funds	22	-	-	-	-	
Net movement in funds	22	1,171	99,211	100,382	75,695	
Reconciliation of Funds						
Balances brought forward 1 March 2021		(92)	764,273	764,181	688,486	
Balances carried forward at 28 February 2022	21	1,079	863,484	864,563	764,181	

All amounts relate to continuing activities.


There were no gains or losses other than the net movement on funds stated above.

The notes on pages 23 to 62 form part of these financial statements.

THE ROTHSCHILD FOUNDATION
BALANCE SHEETS AS AT 28 FEBRUARY 2022

	Note	Group		Foundation	
		2022	2021	2022	2021
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	12	768,489	673,538	768,489	673,538
Investment properties	13	37,832	37,611	37,832	37,611
Investment in subsidiary undertaking	14	-	-	8,238	8,278
Heritage assets	15	34,901	34,828	34,901	34,828
Tangible fixed assets	16	13,824	13,788	13,095	12,963
Goodwill on Consolidation		-	17	-	-
		855,046	759,782	862,555	767,218
Current assets					
Stock and work in progress	17	13,245	11,043	42	43
Debtors	18	11,129	11,211	9,907	10,744
Cash at bank and in hand		14,065	8,435	9,797	3,692
		38,439	30,689	19,746	14,479
Current liabilities					
Creditors: amounts falling due within one year	19	(18,053)	(18,500)	(8,906)	(10,690)
Net Current Assets		20,386	12,189	10,840	3,789
Total assets less current liabilities		875,432	771,971	873,395	771,007
Creditors: amounts falling due after more than one year	20	(10,527)	(7,577)	(9,204)	(6,617)
Net assets		864,905	764,394	864,191	764,390
Funds					
Unrestricted capital fund		539,211	513,708	541,339	516,748
Restricted capital fund		6,976	6,976	6,976	6,976
Unrestricted Income Fund		1,079	(92)	(1,421)	(2,923)
Unrestricted revaluation reserve		313,537	239,822	313,537	239,822
Restricted revaluation reserve		3,760	3,767	3,760	3,767
Funds attributable to the charity		864,563	764,181	864,191	764,390
Non-controlling interest		342	213	-	-
Total funds	21	864,905	764,394	864,191	764,390

The total income of the Foundation as an individual entity for the year was £23,582k (2021:£22,057K) and it's net income was £99,801K (2021:£76,275K). A statement of financial Activities for the foundation as an individual entity is not included using the exemption given in section 408 of companies Act 2006.

 Lord Rothschild, Trustee 08th July 2022
The Notes on pages 23 to 62 form part of these financial statements. Company number 07350078

THE ROTHSCHILD FOUNDATION

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDING 28 FEBRUARY 2022

		2022	2022	2021	2021
	Note	£'000	£'000	£'000	£'000
Net cash (outflow) from operating activities (Note 25)	25		(8,930)		(12,640)
Cash flows from investing activities:					
Dividends, interest and rents from investments		11,926		11,128	
Proceeds from sale of investments		64,890		32,278	
Proceeds from Sale of Fixed assets		-		49	
Purchase of fixed assets		(397)		(269)	
Purchase of investment property		(221)		(667)	
Proceeds from Sale of Investment Property		-		-	
Purchase of heritage assets		(21)		(83)	
Purchase of investments		(45,681)		(29,863)	
Net Cash provided by Investing activities			30,496		12,573
Financing activities					
Loans advanced		(100)		-	
Paid up share capital		-		21	
Repayment of Bank Loans		-		(2,500)	
Net Cash (outflow) from Financing activities			(100)		(2,479)
Change in cash and cash equivalents in the reporting period			21,466		(2,546)
Cash and cash equivalents at the beginning of the reporting period			30,213		33,509
Change in cash and cash equivalents due to exchange rate movements			(5,894)		(750)
Cash and cash equivalents at the end of the reporting period			45,785		30,213

The notes on pages 23 to 62 form part of these financial statements.

THE ROTHSCHILD FOUNDATION
CONSOLIDATED CASHFLOW STATEMENT (CONTINUED) FOR THE YEAR ENDING 28 FEBRUARY 2022
Analysis of cash and cash equivalents

	Net balances as at 1 March 2021	Cash increase in the period	Net balance as at 28 February 2022
	£'000	£'000	£'000
Cash at bank and in hand	8,435	5,630	14,065
Investment cash	21,778	9,942	31,720
Total cash and cash equivalents	30,213	15,572	45,785

Analysis of changes in net debt	At 1 March 2021	Cash flows	Fair value movements	Foreign Exchange movements	Other non- cash changes	At 28 February 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Cash	8,435	5,630	-	-	-	14,065
Cash Equivalents	21,778	15,836	-	(5,894)	-	31,720
	30,213	21,466	-	(5,894)	-	45,785
Loans receivable falling due within one year	20	(100)	-	-	-	120
Loans receivable falling due after more than one year	-	-	-	-	-	-
Loans payable falling due within one year	(5,365)	-	-	-	-	(5,365)
Loans payable falling due after more than one year	(2,500)	-	-	-	-	(2,500)
	22,368	21,366	-	(5,894)	-	38,040

The notes on pages 23 to 62 form part of these financial statements.

1. Company Information

The Rothschild Foundation is a registered charity (number 1138145) and a company (number 07350078) limited by guarantee of its members. In the event of a winding up, each member guarantees to pay an amount not exceeding £1. At 28 February 2022, the total of such guarantees was £8.

2. Accounting policies

a) Basis of financial statements

The financial statements have been prepared in accordance with the Second Edition of the Statement of Recommended Practice: 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) issued in October 2020 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2019. The financial statements of the charity's subsidiaries, Rothschild Waddesdon Limited, Waddesdon Wine Limited, Waddesdon Enterprises Limited, Golden Mede Management Company Limited and Golden Mede Development Company Limited are consolidated on a line by line basis in these financial statements.

The 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 note(s).

These financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest thousand (£'000).

b) Income

Donations are recognised in the year in which the Foundation has entitlement to and probability of receipt and the amount can be reliably measured. Income is only deferred when the Foundation has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future year. Gift aid is added to the value of the donation to which it relates.

Investment and rental income is accounted for on a receivable basis.

Within Rothschild Waddesdon Limited and Waddesdon Wine Limited income relates to amounts receivable for goods and services net of VAT and trade discounts and is accounted for on a receivable basis.

The Golden Mede Development Company Limited will recognise income from property sales as and when contracts are signed and the sale is confirmed.

c) Expenditure

Expenditure is included on an accruals basis.

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

Expenditure on Foundation activities comprises Grant making as well as the expenditure on the collection and central management and administration of the Foundation. 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 expenditure.

Expenditure on Waddesdon Manor comprises all those expenses directly attributable to managing and running the operation and upkeep of the Manor.

Expenditure of trading subsidiaries comprises all expenditure of the subsidiary that is not cancelled on consolidation.

d) Support and Governance expenditure

Support cost and Governance costs are allocated to the Foundation activities as incurred. Governance expenses comprise of all costs involving the public accountability of the charity and expenses related to statutory requirements. These expenses include fees for statutory audit and legal fees where relevant.

e) Investments and investment properties

Investments, listed and quoted, are included at market value. For unlisted collective investment funds, the basis of the valuation is the net asset value of the underlying securities. The valuation is provided by a third party fund administrator. Private equity funds are included at the most recent valuation received from their respective managers (adjusted for any cash distributed or called since the last statement). Where the manager has yet to provide a valuation or the Foundation is unable to obtain a reliable net asset value (as with direct private equity investments), the investment will be held at cost less any known impairment or at a value advised by the investment manager.

Investment properties are included in the financial statements based on open market value. There is a five year programme of revaluation for all investment properties undertaken by an independent chartered surveyor. Any revaluation gains and losses are recognised in the Statement of Financial Activities in the year in which they arise against the capital fund.

Any investments with a maturity of 6 months or less are regarded as short-term and classified as current assets.

f) Heritage assets

Heritage assets comprise the collection of chattels more fully described in Note 15. Assets are acquired or received as donations in pursuit of the Foundation's objective to preserve, protect, maintain and improve Waddesdon, its grounds and contents, for the benefit of the public generally and to secure Waddesdon's position as a centre for excellence in the Arts, heritage and culture.

Heritage assets are capitalised immediately and held at cost as depreciation is not considered to be material. The Trustees perform an annual impairment review and depreciation is charged only if significant impairment is found to have occurred.

g) Tangible fixed assets and depreciation

Freehold land is not depreciated. Freehold buildings are reviewed annually by the Trustees and their remaining economic life and value reassessed. Depreciation will be charged over the remaining economic life of the asset. At the current time the Trustees are of the opinion that both the depreciation charge and accumulated depreciation are immaterial and therefore no charge is reflected in these accounts. The buildings are reviewed for impairment annually.

Leasehold property is depreciated over the life of the lease.

The other tangible fixed assets are stated at cost less depreciation. Depreciation is provided on these assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Long leasehold improvements	over the remaining term of the lease
Short leasehold improvements	over the term of the lease
Furniture, fixtures and equipment	over three to ten years

Assets costing over £2,000 related to Waddesdon Manor are capitalised where the economic benefit of the asset will remain with the Foundation rather than the National Trust. Enhancements and additions to National Trust properties are excluded and are expensed in the year the expenditure is incurred.

h) Goodwill

Goodwill arising on the acquisition of trade and assets represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

i) Taxation

The Foundation is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

j) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the balance sheet. All differences are taken to the Statement of Financial Activities.

k) Pensions

The Foundation's employees take part in one of three pension schemes.

Foundation staff employed on grant-making and administration are eligible to join a defined contribution pension scheme run by Aviva Plc. Pension costs in relation to this scheme are included in the Statement of Financial Activities as they fall due.

Staff employed at Waddesdon Manor and its trading subsidiaries Rothschild Waddesdon Limited and Waddesdon Wine Limited are offered membership of the National Trust pension schemes. Staff employed prior to 2003 were eligible to join a defined benefit pension scheme, which is now closed to new entrants and the accrual of future benefits. This scheme provides benefits based on final pensionable salary. The cost of providing benefits under the defined benefit pension scheme have been recognised in accordance with financial reporting standard 102. The scheme is considered to be a multi-employer scheme as it is not possible to separate the company's share of assets and liabilities at the balance sheet date and therefore contributions are treated as if it was a defined contribution scheme. The scheme closed to the accrual of future benefits on 31 March 2021.

Staff joining after 2003 are offered membership of a defined contribution scheme run by the National Trust. Pension costs in relation to this scheme are included in the Statement of Financial Activities as they fall due.

l) Stock

Stocks are valued at lower of cost and net realisable value. Cost comprises land and associated acquisition costs, direct materials and subcontract work, other direct costs and those overheads (based on normal operating capacity) that have been incurred in bringing stock to its present location and condition, excluding borrowing costs.

Provisions are established to write down land where the estimated net sales proceeds less costs to complete exceed the current carrying value. Adjustments to the provisions will be required where selling prices or costs to complete change.

Net realisable value for land was assessed by estimating selling prices and cost (including sales and marketing expenses), taking into account current market conditions.

m) Leasing

Rentals payable under operating leases are charged on a straight line basis over the lease term.

n) Deferred Income

Income relating to wine sales in future periods is treated as deferred income and is included in creditors.

o) Going concern

The Management have undertaken an assessment of going concern and conclude that the going concern basis is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

p) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary.

The Key areas for consideration are:

Valuation of investment property

Property valuations are based on regularly updated, independent valuations carried out in accordance with the RICS Valuation – Professional Standards 2014. The Trustees have made key assumptions in the determination of the fair value of the investment property in respect of there being no material change in its market value since its most recent independent valuation.

Valuation of unlisted investments

Investments such as collective investment funds and private equity, which have no readily identifiable market value, are included at the most recent valuations from their respective managers. Where the value of private equity investments and unquoted investments cannot be reliably assessed, these are included at cost and reviewed annually for impairment.

Professional advice is sought when assessing all accounting estimates.

q) Financial instruments

The Foundation 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The Foundation has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

r) Government Grants

Government grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

s) Termination payments

Termination Benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Donations and legacies

	Capital fund	Income fund	2022	Capital fund	Income fund	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Donation of Shares & other Investments	5,000	-	5,000	7,092	-	7,092
Donation of Cash	2,022	-	2,022	625	-	625
Heritage Assets	52	-	52	-	-	-
Investment properties	-	-	-	-	-	-
Other income	500	71	571	-	280	280
	7,574	71	7,645	7,717	280	7,997

£7,052k (2021 - £7,717k) of the above donations were received from trustees or entities to which they are related.

4. Income from Investments

	Foundation	Subsidiary	Group Adjustment	2022	Foundation	Subsidiary	Group Adjustment	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equity investment	9,761	-	-	9,761	9,923	-	-	9,923
Property investments	1,062	-	-	1,062	951	-	-	951
Interest received	423	-	(115)	308	567	1	(121)	447
	11,246	-	(115)	11,131	11,441	1	(121)	11,321

5. Expenditure on raising funds

	Direct Costs	Support Costs	2022	Direct Costs	Support Costs	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Management of investments	1,680	379	2,059	1,488	469	1,957
Property management	921	173	1,094	808	227	1,035
	2,601	552	3,153	2,296	696	2,992

Direct Costs refer to investment management fees, repairs and maintenance to let properties, while Support Costs relate to general overheads and accountancy services.

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

6. Expenditure of Foundation activities and Waddesdon Manor

	Grants Made	Direct	Support		Grants Made	Direct	Support	
	Costs	Costs		2022	Costs	Costs		2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Grant making								
Arts & Humanities	2,237	-	-	2,237	5,697	-	-	5,697
Education & Social Welfare	3,582	-	-	3,582	2,292	-	-	2,292
Energy & Environment	1,216	-	-	1,216	509	-	-	509
Costs of Grant Making		-	313	313	-	-	274	274
Grant of services to Illuminated River	8	-	-	8	22	-	-	22
Charitable Events		38	-	38	-	30	-	30
	7,043	38	313	7,394	8,520	30	274	8,824
Foundation management	-	-	1,462	1,462	-	-	1,391	1,391
Expenditure on Foundation activities as per SOFA	7,043	38	1,775	8,856	8,520	30	1,665	10,215
Expenditure on Waddesdon Manor (see note 7)	-	3,228	1,892	5,120	-	730	5,034	5,764
	7,043	3,266	3,667	13,976	8,520	760	6,699	15,979

The funding of the Manor is represented in each year as follows:

	2022	2021
	£	£
Income	(4,691)	(2,619)
Expenditure	5,120	5,764
Taxation (Note 30)	(27)	(35)
Total funding	402	3,110

7. Waddesdon Manor income and expenditure

	Manor	Group	2022	Manor	Group	2021
	£'000	Adjustment £'000	£'000	£'000	Adjustment £'000	£'000
Income						
Admissions revenue	1,580	-	1,580	554	-	554
National Trust visitor revenue	2,001	-	2,001	941	-	941
National Trust contribution	250	-	250	250	-	250
Public events and Education	187	-	187	24	-	24
Other Visitor related income	282	-	282	227	-	227
Revenue	4,300	-	4,300	1,996	-	1,996
Other Income	391	-	391	623	-	623
Total income	4,691	-	4,691	2,619	-	2,619
Expenditure						
Staff costs	2,502	-	2,502	3,363	-	3,363
Other operational costs	2,146	(110)	2,036	2,136	(126)	2,010
Improvements to Manor and projects	509	-	509	285	-	285
Depreciation	73	-	73	106	-	106
Expenditure	5,230	(110)	5,120	5,890	(126)	5,764
Taxation (Note 30)	(27)	-	(27)	(35)	-	(35)
Net expenditure before Foundation contribution	(512)	110	(402)	(3,236)	126	(3,110)
Contributions from Foundation reserves	512	(110)	402	3,236	(126)	3,110

8. Income & Expenditure of Subsidiary Companies

See note 14 for details about the Companies.

	RWL	WWL	WEL	GMMC	GMDC	Group Adjustment	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income Statement							
Turnover	2,880	13,986	1,326	6	2,865	(333)	20,730
Cost of sales	(1,095)	(11,287)	(251)	0	(2,790)	333	(15,090)
Gross profit	1,785	2,699	1,075	6	75	-	5,640
Administrative Expenses	(1,705)	(1,739)	(1,291)	(2)	(37)	-	(4,774)
Other Operating Income	110	-	-	-	-	-	110
Operating profit	190	960	(216)	4	38	-	976
Interest receivable (In Income from Investments SOFA Note 4)	-	-	-	-	-	-	-
Interest payable	-	(16)	-	(0)	(99)	115	-
Profit on ordinary activities before taxation	190	944	(216)	4	(61)	115	976
Tax on profit on ordinary activities	5	(181)	-	(1)	-	-	(177)
Profit / (Loss) for the financial year	195	763	(216)	3	(61)	115	799
Profit / (Loss) for the financial year attributable to:							
Owners of the parent	195	580	(216)	3	(61)	115	616
Non-controlling interest	-	183	-	-	-	-	183
Profit for the financial year	195	763	(216)	3	(61)	115	799
Consolidated Comprehensive Income for the financial year	195	763	(216)	3	(61)	115	799
Expenditure of trading subsidiaries shown on the SOFA is made up as follows:							
	RWL	WWL	WEL	GMMC	GMDC	Group Adj	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Sales	1,095	11,287	251	-	2,790	(333)	15,090
Administrative Expenses	1,705	1,739	1,291	2	37	-	4,774
Interest payable and similar charges	-	16	-	-	99	(115)	-
Non-controlling interests	-	183	-	-	-	(89)	94
Provision for unrealised Profits	-	-	-	-	-	-	-
Expenditure of trading subsidiary as per SOFA	2,800	13,225	1,542	2	2,926	(537)	19,958
Taxation	5	(181)	-	(1)	-	-	(177)

8. Income & Expenditure of Subsidiary Companies (Continued) – Prior Year

	RWL	WWL	WEL	GMMC	GMDC	Group Adjustment	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income Statement							
Turnover (Income from Trading subsidiary on SOFA)	2,224	11,103	18	4	1,950	(310)	14,989
Cost of sales	(1,022)	(9,401)	-	-	(1,873)	310	(11,986)
Gross profit	1,202	1,702	18	4	77	-	3,003
Administrative Expenses	(2,487)	(1,360)	(159)	(2)	(162)	-	(4,170)
Other Operating Income	687	63	9	-	-	-	759
Operating profit	(598)	405	(132)	2	(85)	-	(408)
Interest receivable (In Income from Investments SOFA Note 4)	1	-	-	-	-	-	1
Interest payable	-	(11)	-	-	(111)	122	-
Profit on ordinary activities before taxation	(597)	394	(132)	2	(196)	122	(407)
Tax on profit on ordinary activities	-	(75)	-	-	-	-	(75)
Profit / (Loss) for the financial year	(597)	319	(132)	2	(196)	122	(482)
Profit / (Loss) for the financial year attributable to:							
Owners of the parent	(597)	265	(132)	2	(196)	122	(536)
Non-controlling interest	-	54	-	-	-	-	54
Profit for the financial year	(597)	319	(132)	2	(196)	122	(482)
Consolidated Comprehensive Income for the financial year	(597)	319	(132)	2	(196)	122	(482)

Expenditure of trading subsidiaries shown on the SOFA is made up as follows:

	RWL	WWL	WEL	GMMC	GMDC	Group Adj	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost of Sales	1,022	9,401	-	-	1,873	(310)	11,986
Other Operating expenses	2,487	1,360	159	2	162	-	4,170
Interest payable and similar charges	-	11	-	-	111	(122)	-
Non-controlling interests	-	-	-	-	-	(8)	(8)
Provision for unrealised Profits	-	-	-	-	-	(12)	(12)
Expenditure of trading subsidiary as per SOFA	3,509	10,772	159	2	2,146	(452)	16,136
Taxation	-	(75)	-	-	-	-	(75)

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

9. Total expenditure

	Staff costs	Other costs	Depreciation/ amortisation	Group Adjustment	2022	Staff costs	Other costs	Depreciation/ amortisation	Group Adjustment	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management of investments	-	2,059	-	-	2,059	-	1,957	-	-	1,957
Property management	-	1,067	27	-	1,094	-	1,011	24	-	1,035
Total expenditure on raising funds	-	3,126	27	-	3,153	-	2,968	24	-	2,992
Grant making (Note 10)	-	9,065	-	-	9,065	-	8,520	-	-	8,520
Grant making support expenses	213	100	-	-	313	175	99	-	-	274
Charitable Events	-	38	-	-	38	-	30	-	-	30
Grant making and support costs	213	9,203	-	-	9,416	175	8,649	-	-	8,824
Management and admin expenses	1,042	377	43	-	1,462	907	477	7	-	1,391
Total expenditure on foundation activities excluding Waddesdon Manor	1,255	12,706	70	-	14,031	1,082	12,094	31	-	13,207
Waddesdon Manor Expenditure	2,720	2,437	73	(110)	5,120	3,363	2,421	106	(126)	5,764
Total expenditure on foundation activities including Waddesdon Manor	3,975	15,143	143	(110)	19,151	4,445	14,515	137	(126)	18,971
Trading subsidiary expenses	2,406	17,330	222	-	19,958	2,445	13,422	268	-	16,136
Total Expenditure	6,381	32,473	365	(110)	39,109	6,890	27,937	405	(126)	35,107

9. Total expenditure (Continued)

Net income/(expenditure) is stated after charging:

	2022 £'000	2021 £'000
Depreciation:		
Foundation	(143)	(137)
Trading Subsidiaries	(222)	(268)
Total Depreciation	(365)	(405)
Auditors' remuneration:		
Foundation	(25)	(21)
Trading subsidiaries	(33)	(30)
Non-Audit services - corporation tax compliance	(13)	(11)
Total Auditors remuneration	(71)	(62)
Government Grants received:		
Foundation	57	204
Rothschild Waddesdon Limited	70	686
Waddesdon Wine Limited	-	63
Waddesdon Enterprises Limited	-	9
Total Government Grants received	127	962

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

10. Grants made during the year

	2022	2021
	£'000	£'000
Action 4 Youth	300	50
Age UK Buckinghamshire	50	-
Art History Link-Up	75	-
Aspire	-	125
Bite Back	90	-
Buckinghamshire Business First	50	-
Buckinghamshire Community Foundation	-	140
Buckinghamshire Council	-	180
Buckinghamshire County Museum Trust	-	100
Buckinghamshire Culture	300	-
Buckinghamshire Disability Services (BUDS)	-	50
Buckinghamshire Mind	50	-
Bucks Food Partnership	161	-
Butrint Foundation	-	75
Catch 22	300	-
Chatham House	100	-
Chiltern Rangers	50	-
Citizens Advice Bucks	75	-
Community Impact Bucks	50	-
Connection Support	50	-
Creative Industries Federation	-	50
Dandelion Time	50	-
Global Feedback (Feedback)	158	-
Global Greengrants	90	-
Glyndebourne	50	-
Grow	-	100
HorseHeard	-	50
Hubbub UK	132	-
Illuminated River Foundation	-	4,000
Lindengate	-	123
London Philharmonic Orchestra	90	-
Louisa Cottages Charity Trust	70	-
National Gallery	-	400
National Gallery Trust	350	-
National Literacy Trust	180	-
Oriel College	50	-
Oxford University Gardens, Libraries and Museums	116	-
Pop Up	100	-
Queens Park Arts Centre	-	50
Resource Productions	-	100
Resume Foundation	-	60
Roche Court Educational Trust	-	62
Royal Academy of Arts	-	75
Royal Holloway, University of London	-	50
Royal Horticultural Society	84	-

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

10. Grants made during the year (Continued)

	2022	2021
	£'000	£'000
Royal Opera House	50	-
Royal Opera House	-	50
Royal Shakespeare Company	100	-
Screen Academy Foundation	250	-
Signdance Collective	61	-
Somerset House	-	86
Southbank Centre	100	-
St Paul's Cathedral Foundation	100	-
Sustain	-	50
Sustainable Food Trust	200	90
Tate	-	75
Thames Valley Partnership	-	60
The Centre for Education and Youth	-	51
The Garden Museum	54	-
The Landmark Trust	-	50
The Listening Place	100	-
The Mayor's Fund for London	50	-
The Pace Centre	-	50
The Platinum Jubilee Pageant Ltd	100	-
The Theatre Shed	-	50
The Woodland Trust	50	-
Thomley	-	50
Transitions UK	120	-
Trent Park Museum Trust	-	100
University College Hospitals NHS Foundation Trust	-	50
University of Cambridge	210	-
Waddesdon Manor (National Trust)	-	50
Waddesdon Village Hall	51	-
West London Synagogue	100	-
Wildlife Trust (Berks, Bucks and Oxon)	-	92
Wycombe and District Citizens Advice	-	50
Wycombe Homeless Connection	-	55
Grants under £50,000	2,118	1,599
Grants Made	9,057	10,519
Grant of Services to illuminated River	8	22
Total Grants (see notes 6 and 9)	9,065	10,541

Note 11. Employees

	2022	2021
Average		
The average number of Permanent staff employed in the year was:		
Manor	82	102
Grants and admin	24	17
Foundation Total	106	119
Subsidiaries	48	62
	154	181
The Total number of Seasonal staff employed in the year was		
The Foundation	59	55
Subsidiaries	106	101
	165	156
Full time Equivalents		
	2022	2021
The Full time Equivalent of all permanent and seasonal employees during the year was:		
Manor	82	92
Grants and admin	24	17
Foundation Total	106	109
Subsidiaries	59	59
	165	168

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

11. Employees (Continued)

	Manor	Foundation Grants and Admin	Total	Subsidiaries	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	2,349	1,046	3,395	2,120	5,515	5,873
Social security costs	169	92	261	182	443	597
Other pension costs	202	117	319	104	423	420
Rothschild Foundation	2,720	1,255	3,975	2,406	6,381	6,890

	2022 £'000	2021 £'000
Redundancy costs	55	922

	2022 £'000	2021 £'000
Payments to key personnel during the year included in the above amounted to	723	698

Pension costs for the year break down as follows:

	Manor £'000	Foundation Admin £'000	Total £'000	Subsidiary £'000	2022 £'000	2021 £'000
Defined contribution scheme	202	117	318	104	422	420
	202	117	318	104	422	420

The Foundation's pension arrangements are described more fully at note 2(k).

11. Employees (Continued)

Defined benefit pension scheme

Prior to 2003, staff employed at Waddesdon Manor and its trading subsidiaries, Rothschild Waddesdon Limited and Waddesdon Wine Limited were eligible to join The National Trust Retirement and Death Benefit Scheme, which was established under trust and provides defined benefits based on final salary. The Scheme was closed to new members on 1 June 2003 and closed to future accrual on 1 April 2016. The Scheme uses the following investment managers: CQS, Legal and General Investment Management, M&G Investments, Man Risk Premia SPS, Partners Capital LLP, Schroder Investment Management Limited and Systematica. The last funding valuation of the Scheme was carried out by a qualified actuary as at 5 April 2020 and showed a deficit of the entire scheme of £240.4m.

The National Trust plans to make deficit elimination contributions of £13.5 million per annum (running until 2029 and rising annually at 1% over CPI). During the year ended 28 February 2021, the National Trust made an additional contribution to the scheme of £32.6 million to settle the outstanding value of a Conditional Funding Deed which, under certain circumstances, could have resulted in the National Trust paying an additional contribution into the Scheme. The CFD was intended to provide in extremis protection to the Scheme in the event that the National Trust's assets suffered a significant fall and/or the pension deficit rose significantly.

No provision is made in respect of potential future payments in accordance with financial reporting standard 102 where the amounts payable are accounted for in the year they fall due as if the scheme were a defined contribution scheme. The Foundation only makes payments relating to current service.

Defined contribution pension schemes

Staff joining Waddesdon Manor and its trading subsidiaries after 2003 are offered membership of a defined contribution scheme run by the National Trust. This is a Stakeholder Scheme with Legal & General. The assets of the defined contribution pension scheme are held separately from those of the National Trust.

Foundation staff employed on grant-making, management and administration are eligible to join a defined contribution scheme run by Aviva plc.

11. Employees (Continued)

The number of Group employees who have received remuneration amounting to more than £60,000 in either year was:

	2022	2021
60,000-69,999	2	1
70,000-79,999	1	2
80,000-89,999	2	1
90,000-99,999	2	1
100,000-109,999	-	1
110,000-119,999	1	-
120,000-129,999	1	2
130,000-139,999	-	1
160,000-169,999	1	
180000-189999	-	1
250,000-259,999	-	1

All the higher paid employees were accruing benefits under defined contribution schemes.

Total pension contributions on behalf of these employees in the year were £74,981

No Trustee received any remuneration in their role as a trustee during the year. No trustees were reimbursed for any expenses during the current or previous year.

The higher paid employees are employed by the commercial subsidiaries of the Foundation.

12. Investments

	2022	2021
	£'000	£'000
Group & Foundation		
Market value at 1 March	673,538	589,687
Donation of shares and other investments received	5,000	7,092
Purchases made in the year	45,681	29,863
Sales proceeds on disposal	(64,890)	(32,278)
Increase/(Decrease) in investment cash	9,942	8,898
Investment gains for the year – realised	15,124	9,495
- unrealised	84,094	60,781
Market value at 28 February	768,489	673,538
Historical cost at 28 February (excluding investment cash)	432,000	418,117

	2022	2021
	£'000	£'000
Analysis of market value at 28 February		
Equities – listed on recognised exchanges	387,859	318,457
Collective investment funds	291,863	306,606
Private equity investments	55,836	29,910
Cash on deposit awaiting investment	31,720	21,778
Forward currency contracts	1,211	(3,213)
	768,489	673,538

	Market value as at 28 February 2022	Market value as at 28 February 2021
	£'000	£'000
RIT Capital Partners plc	380,923	315,769
WHAM Endowment Fund	227,560	254,796
First Arrow Managed Fund	6,519	6,057
Other Investments	153,487	96,916
	768,489	673,538

13. Investment Property

	2022	2021
Group and Foundation	£'000	£'000
Open market value at 01 March	37,611	34,564
Additions in the year	221	667
Transfer to Tangible Fixed Assets	-	(1,254)
Revaluation in Year	-	3,634
Open market value at 28 February	37,832	37,611
Historical cost at 28 February	24,118	23,897

The majority of the properties are all located in the village of Waddesdon near Aylesbury, the remainder of the properties are located in St James's Place, London. The properties were re-valued on 28/02/21, by an independent property agent, who is a Fellow of the Royal Institution of Chartered Surveyors. This valuation took place as part of the commitment to review Investment property values every 5 years. In the opinion of the Trustees, the carrying value of properties as at 28 February 2022 is a fair reflection of market value.

14. Investment in subsidiary undertakings

The Foundation (RF) holds 100% of the issued ordinary share capital of Rothschild Waddesdon Limited ("RWL" – company number 2565999), a company registered in England and Wales that operates the various trading activities at Waddesdon Manor. The ordinary shares held have a nominal value of £1 per share and are fully paid up.

The Foundation owns 76.02% (2021: 83.08%) of Waddesdon Wine Limited ("WWL" – company number 7320056), a company registered in England and Wales that specialises in the import, marketing and distribution of the Rothschild wine.

The Foundation holds 100% of the issued ordinary share capital of Golden Mede Development Company limited ("GMDC" – 09985276), a company registered in England and Wales. The ordinary shares held have a nominal value of £4,655,100 and are fully paid.

The Foundation holds 94.6% of the issued share capital of Golden Mede Management Company Limited ("GMMC" – company number 11707201), a company registered in England and Wales. The ordinary shares held have a nominal value of £226 and are fully paid. GMMC is exempt from the requirement of the Companies Act 2006 relating to the audit of accounts by virtue of section 479A of the Companies Act 2006. The Trustees of The Foundation have given a guarantee to the directors of GMMC under section 479C of the Companies Act 2006.

The Foundation holds 100% of the issued share Capital of Waddesdon Enterprises Limited ("WEL" – Company number 12779940), a company registered in England and Wales that runs Hospitality business at Waddesdon.

14. Investment in subsidiary undertakings (Continued)

Investment in subsidiary undertakings, at cost

	WWL	RWL	GMDC	WEL	2022	WWL	RWL	GMDC	WEL	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 March 2021	1,123	1,000	4,655	1,500	8,278	1,056	1,000	4,655	-	6,711
Investment in year	-	-	-	-	-	67	-	-	1,500	1,567
Disposal in year	(40)	-	-	-	(40)	-	-	-	-	-
At 28 February 2022	1,083	1,000	4,655	1,500	8,238	1,123	1,000	4,655	1,500	8,278

15. Heritage assets

Group and Foundation

Summary of heritage asset transactions

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
At 1 March	34,828	34,745	34,686	34,635	34,552
Donations received	52	-	7	-	16
Additions in the year	21	83	52	51	67
At 28 February	34,901	34,828	34,745	34,686	34,635

The Foundation's heritage assets are held for the long term in furtherance of its philanthropic objectives, predominantly for the benefit of Waddesdon, where they are on loan and managed as part of Waddesdon's permanent collection. Ranging from sculptures, paintings, furniture, metalwork and works on paper, these heritage assets are considered to be of historic and artistic importance. In accordance with the public access policy of Waddesdon Manor and the National Trust, there is public access to all the collections, including stored material as appropriate. From time to time, the Foundation makes available items on loan from its collection to galleries and other historic places apart from Waddesdon Manor.

The value of the heritage assets at 28 February 2022 are shown at acquisition cost or in the case of a donation, at the value on the date the donation was received. A review of all these assets and a schedule of conservation and restoration is agreed annually to ensure that they maintain their value. It is the opinion of the Trustees that there has been no significant impairment to the value of these assets during the year. The Trustees are aware that there are a number of chattels that would now have a value significantly in excess of their carrying value. The Foundation's heritage assets on loan to the National Trust at Waddesdon are managed by the Collections Department and the management and loan policies adopted are based on those of the National Trust. A detailed copy of these policies can be obtained by writing to the Head of Collections, Waddesdon Manor, Waddesdon, Aylesbury HP18 0JH.

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

16. Tangible fixed assets

Group

	Freehold, Land and Buildings	Long Leasehold Improvements	Vehicle, Furniture, Fixtures & Equipment	Total
Cost	£'000	£'000	£'000	£'000
At 1 March 2021	12,346	885	3,792	17,023
Additions	-	169	228	397
Reclassification due to Inter Group sales	(366)	-	(691)	(1,057)
Disposals	-	-	-	-
At 28 February 2022	11,980	1,054	3,329	16,363
Depreciation				
At 1 March 2021	368	141	2,726	3,235
Charge in year	11	27	323	361
Reclassification due to Inter Group sales	(366)	-	(691)	(1,057)
Disposals	-	-	-	-
At 28 February 2022	13	168	2,358	2,539
Net book value at 28 February 2022	11,967	886	971	13,824
Net book value at 28 February 2021	11,978	744	1,066	13,788

Foundation

	Freehold, Land and Buildings	Long Leasehold Improvements	Vehicle, Furniture, Fixtures & Equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 March 2021	11,968	885	1,558	14,411
Additions	-	169	105	274
Disposals	-	-	-	-
At 28 February 2022	11,968	1,054	1,663	14,685
Depreciation				
At 1 March 2021	-	141	1,307	1,448
Charge in year	-	27	116	143
Disposals	-	-	-	-
At 28 February 2022	-	168	1,423	1,591
Net book value at 28 February 2022	11,968	886	240	13,094
Net book value at 28 February 2021	11,968	744	251	12,963

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

17. Stock and work in progress

	2022	2021
	£'000	£'000
Group		
Stock of Guidebooks	42	43
Trading stock held by Subsidiaries	2,737	2,245
	<u>2,779</u>	<u>2,288</u>
 Work in Progress In Golden Mede Development Company		
Opening Balance	8,755	9,292
Additions	4,466	1,349
Adjusted for properties completed and exchanged	(2,755)	(1,886)
Work in progress Total	<u>10,466</u>	<u>8,755</u>
	<u>13,245</u>	<u>11,043</u>
 Foundation		
Stock of Guidebooks	<u>42</u>	<u>43</u>

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

18. Debtors

	2022	2021
Group	£'000	£'000
Trade debtors	1,909	2,435
Other debtors	327	544
Value added tax recoverable	169	529
Other taxes and Social security	1	-
Prepayments and accrued income	6,523	4,808
Debtors relating to operational activities	8,929	8,316
Unpaid Dividend Income	1,993	2,797
Loans	120	20
Loan Interest	87	78
	11,129	11,211

Included within debtors is an amount of £912k (2021: £997k) in respect of amounts due after more than one year.

	2022	2021
Foundation	£'000	£'000
Trade Debtors	360	325
Owed from Group Undertakings	84	282
Other debtors	191	373
Deferred Gift aid receivable from Rothschild Waddesdon Limited	56	62
Value added tax recoverable	159	453
Prepayments and accrued income	1,592	989
Debtors relating to operational activities	2,442	2,484
Unpaid Dividend Income	1,993	2,797
Loan Due from Golden Mede Development Company Limited	5,365	5,365
Other Loans	20	20
Loan Interest	87	78
	9,907	10,744

19. Creditors - Amounts falling due within one year

	2022	2021
	£'000	£'000
Group		
Trade creditors	2,814	4,128
Other creditors	143	869
Other taxes and social security	144	211
Accruals	5,079	2,961
Deferred Income	2,771	2,413
Corporation Tax	84	75
Creditors relating to Operating activities	11,035	10,657
Grant commitments accrued	7,018	2,478
Secured Loan	-	5,365
	18,053	18,500
Foundation		
Trade creditors	1,292	1,622
Amounts Owed to Group Undertakings	5	332
Other creditors	118	481
Accruals	463	399
Deferred Income	10	13
Creditors relating to Operating activities	1,888	2,847
Grant commitments accrued	7,018	2,478
Secured Loan	-	5,365
	8,906	10,690

The Secured loan has been re-categorised as a Creditor falling due after one year. For more detail see note 20.

19. Creditors - Amounts falling due within one year (Continued)

Deferred Income Amounts falling due within one year	2022	2021
	£'000	£'000
Group		
Balance at 1 March 2021	2,413	2,956
Income in advance received during the year	1,253	1,317
Transferred from > one year during the year	1,179	1,186
Transferred income to SOFA	(2,074)	(3,046)
	<hr/>	<hr/>
Balance at 28 February 2022	2,771	2,413
	<hr/>	<hr/>
Foundation		
Balance at 1 March 2021	13	5
Income in advance received during the year	61	57
Transferred Income to SOFA	(64)	(49)
	<hr/>	<hr/>
Balance at 28 February 2022	10	13
	<hr/>	<hr/>

20. Creditors - Amounts falling due after more than one year

	2022	2021
	£'000	£'000
Group		
Grant commitments accrued	1,339	4,117
Deferred income	1,316	960
Other Creditors	7	-
	2,662	5,077
 Secured Loan	 7,865	 2,500
	10,527	7,577
 Foundation		
Grant commitments accrued	1,339	4,117
Secured Loan	7,865	2,500
	9,204	6,617

The secured loan balance is made up of two loans. The first being a £2.5m loan from Northern Trust Bank taken out in September 2018 to fund a private investment. Interest is payable at 2.99%. The Loan is repayable in September 2023.

The secured is also a loan from Northern Trust Bank. In January 2017, they agreed a loan facility with a maximum drawdown of £9.5m to fund the Golden Mede Development. As at 28 February 2022, the charity has drawn down £5.365m (2021 - £5.365m) of this balance. Interest is payable at 1.35% above the Bank of England base rate. The Loan was originally repayable in January 2021 and has since been extended to January 2024. Because of this extension the Loan has been moved from Creditors less than one year to greater than one year.

20. Creditors - Amounts falling due after more than one year (Continued)

	2022 £'000	2021 £'000
Additional reconciliation of grants payable		
Balance at 1 March 2021	6,594	5,437
Grant commitments made during the year	7,043	8,520
Grants paid in the year	(5,280)	(7,363)
Balance at 28 February 2022	8,357	6,594
Grant commitments falling due in less than one year	7,018	2,478
Grant commitments falling due in more than one year	1,339	4,116
	8,357	6,594
	Grant Commitments Accrued	Deferred Income
Group creditors falling due	£'000	£'000
1-2 years	7,018	10
2-5 years	1,339	1,316
	8,357	1,326
	2022 £'000	2021 £'000
Deferred Income Analysis Group		
Balance at 1 March 2021	3,373	4,142
Income in advance received during the year	2,788	2,277
Transferred income to SOFA	(2,074)	(3,046)
Balance at 28 February 2022	4,087	3,373
Shown as:		
Creditors < 1 year	2,771	2,413
Creditors > 1 year	1,316	960
	4,087	3,373

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

21. Analysis of Net assets between funds

	Unrestricted Income Fund	Restricted Capital Fund	Unrestricted Capital Fund	Restricted revaluation reserve	Unrestricted revaluation reserve	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Fixed asset investments	-	5,827	457,068	3,145	302,449	768,489	589,687
Investment properties	-	1,149	24,980	615	11,088	37,832	34,564
Investment in Subsidiary	-	-	-	-	-	-	-
Intangible fixed asset	-	-	-	-	-	-	-
Heritage assets	-	-	34,901	-	-	34,901	34,745
Tangible fixed assets	-	-	13,824	-	-	13,824	12,752
Goodwill on Consolidation	-	-	-	-	-	-	-
Net current assets / (liabilities)	20,386	-	-	-	-	20,386	21,324
Creditors greater than one year	(10,527)	-	-	-	-	(10,527)	(4,316)
Transfer between funds	(8,438)	-	8,438	-	-	-	-
Net assets	1,421	6,976	539,211	3,760	313,537	864,905	688,756
Minority interests	(342)	-	-	-	-	(342)	(270)
Funds of the charity	1,079	6,976	539,211	3,760	313,537	864,563	688,486
Foundation							
Fixed asset investments	-	5,827	457,068	3,145	302,449	768,489	589,687
Investment properties	-	1,149	24,980	615	11,088	37,832	34,564
Investment in Subsidiary	-	-	8,238	-	-	8,238	6,712
Heritage assets	-	-	34,901	-	-	34,901	34,745
Tangible fixed assets	-	-	13,095	-	-	13,095	11,700
Net current assets / (liabilities)	10,840	-	-	-	-	10,840	13,838
Creditors greater than one year	(9,204)	-	-	-	-	(9,204)	(3,130)
Transfer between funds	(3,057)	-	3,057	-	-	-	-
Net Assets	(1,421)	6,976	541,339	3,760	313,537	864,191	688,116

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

21. Analysis of Net assets between funds (Continued) prior year

	Unrestricted Income Fund	Restricted Capital Fund	Unrestricted Capital Fund	Restricted revaluation reserve	Unrestricted revaluation reserve	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
Fixed asset investments	-	5,827	435,825	3,152	228,734	673,538
Investment properties	-	1,149	24,759	615	11,088	37,611
Investment in Subsidiary	-	-	-	-	-	-
Intangible fixed asset	-	-	-	-	-	-
Heritage assets	-	-	34,828	-	-	34,828
Tangible fixed assets	-	-	13,788	-	-	13,788
Goodwill on Consolidation	-	-	17	-	-	17
Net current assets / (liabilities)	12,189	-	-	-	-	12,189
Creditors greater than one year	(7,577)	-	-	-	-	(7,577)
Transfer between funds	(4,491)	-	4,491	-	-	-
Net assets	121	6,976	513,708	3,767	239,822	764,394
Minority interests	(213)	-	-	-	-	(213)
Funds of the charity	(92)	6,976	513,708	3,767	239,822	764,181
Foundation						
Fixed asset investments	-	5,827	435,825	3,152	228,734	673,538
Investment properties	-	1,149	24,759	615	11,088	37,611
Investment in Subsidiary	-	-	8,278	-	-	8,278
Heritage assets	-	-	34,828	-	-	34,828
Tangible fixed assets	-	-	12,963	-	-	12,963
Net current assets / (liabilities)	3,789	-	-	-	-	3,789
Creditors greater than one year	(6,617)	-	-	-	-	(6,617)
Transfer between funds	(95)	-	95	-	-	-
Net Assets	(2,923)	6,976	516,748	3,767	239,822	764,390

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

22. Movement in Funds

	Balance at 1 March 2021	Income	Expenditure	Realised/ unrealised gains and losses	Transfers	Balance at 28 February 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Capital funds (Expendable endowment)						
Unrestricted	513,708	7,574	(1,680)	19,609	-	539,211
Restricted to Waddesdon Manor	6,976	-	-	-	-	6,976
Unrestricted revaluation reserve	239,822	-	-	73,715	-	313,537
Restricted revaluation reserve	3,767	-	-	(7)	-	3,760
	764,273	7,574	(1,680)	93,317	-	863,484
Unrestricted income funds	(92)	36,733	(35,562)	-	-	1,079
Total funds	764,181	44,307	(37,242)	93,317	-	864,563

Movement in Funds Prior year

	Balance at 1 March 2020	Income	Expenditure	Realised/ unrealised gains and losses	Transfers	Balance at 28 February 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Capital funds (Expendable endowment)						
Unrestricted	493,008	7,717	(1,487)	14,470	-	513,708
Restricted to Waddesdon Manor	6,922	-	-	54	-	6,976
Unrestricted revaluation reserve	182,515	-	-	57,307	-	239,822
Restricted revaluation reserve	2,441	-	-	1,326	-	3,767
	684,886	7,717	(1,487)	73,157	-	764,273
Unrestricted income funds	3,600	30,003	(33,695)	-	-	(92)
Total funds	688,486	37,720	(35,182)	73,157	-	764,181

23. Revaluation Reserve

Included within the capital fund explained in note 23 are the revaluation reserves with the following values:

	Fixed Asset Investments	Investment Properties	Total
	£'000	£'000	£'000
At 1 March 2021	231,886	11,703	243,589
Unrealised gains during the year	84,094	-	84,094
Realised Gains during the year	15,124	-	15,124
Release of previously recognised unrealised gains	(25,510)	-	(25,510)
At 28 February 2022	305,594	11,703	317,297

Revaluation Reserve Prior Year

	Fixed Asset Investments	Investment Properties	Total
	£'000	£'000	£'000
At 1 March 2020	176,886	8,069	184,955
Unrealised gains during the year	60,781	3,634	64,415
Realised Gains during the year	9,495	-	9,495
Release of previously recognised unrealised gains	(15,276)	-	(15,276)
At 28 February 2021	231,886	11,703	243,589

The Revaluation reserve was divided between restricted and unrestricted reserves as follows:

Restricted	3,152	615	3,767
Unrestricted	228,734	11,088	239,822
At 1 March 2021	231,886	11,703	243,589
Restricted	3,145	615	3,760
Unrestricted	302,449	11,088	313,537
At 28 February 2022	305,594	11,703	317,297

The revaluation reserve represents cumulative increases in the value of underlying assets since acquisition.

24. Financial commitments

At 28 February 2021 the group had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2022	2021
	£'000	£'000
Expiry date:		
Less than year	25	25
Within two to five years	100	100
In over five years	125	150
	<u>250</u>	<u>275</u>

At the Balance sheet Date the outstanding capital commitment to investment related holdings of £35.2m (2021: £16.7m) comprised a number of funds.

The charity acts as lessor over a large portfolio of investment properties. However, the majority of the leases are for terms of 12 months or less and are on a rolling basis and as a result the charity does not have long term income committed to be received to warrant such a disclosure.

25. Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£'000	£'000
Net income for the reporting period (as per the SOFA)	7,065	2,539
Rent from investment property	(1,062)	(951)
Donation of shares	(5,000)	(7,092)
Donation of Heritage assets	(52)	-
Depreciation charges	361	404
Goodwill on consolidation	10	(17)
Loss on disposal of Fixed Assets	-	33
Dividend and Interest receivable	(10,069)	(10,373)
Increase in Debtors	(613)	(614)
Increase in Creditors	378	1,777
Increase/(Decrease) in grant commitments	4,540	(2,329)
(Decrease)/Increase in creditors due after one year	(2,415)	3,260
Non-controlling interest	129	(57)
(Increase)/Decrease in Stock	(491)	243
(Increase)/Decrease in Work in Progress	(1,711)	537
Net cash outflow from operating activities	(8,930)	(12,640)

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

26. Related Party Transactions

Related Party	2022			2021		
	Income during the year	Expenditure during the year	Balance receivable/ (payable) at year end	Income during the year	Expenditure during the year	Balance receivable/ (payable) at year end
	£'000	£'000	£'000	£'000	£'000	£'000
Charged to J Rothschild Services Ltd	31	-	3	69	-	(1)
Charged by J Rothschild Services Ltd	-	(208)	(1)	-	(371)	(14)
Charged to SJP Trust Corporation Ltd	0	-	0	0	-	0
Charged to RIT Capital Partners	-	-	-	13	-	1
Charged by RIT Capital Partners						
Charged to Spencer House	60	-	19	55	-	19
Charged to Waddesdon Estate	59	-	3	32	-	21
Charged by Waddesdon Estate	-	(234)	(29)	-	(273)	(20)
Charged to Windmill Hill Asset Management Ltd	104	-	6	147	-	5
Charged by Windmill Hill Asset Management Ltd	-	(650)	(200)	-	(996)	(152)
Charged to Beachendon Publications	14	-	16	-	-	-
Charged to Rothschild Foundation Hanadiv (Europe)	31	-	-	-	-	-
Grant to the illuminated river foundation	-	(8)	-	-	(22)	-
Charged to Waddesdon Enterprises	247	-	18	-	(72)	-
Charged by Waddesdon Enterprises						
Charged to Eythrope Wines Limited	-	-	-	-	-	-
Charged to Lord Rothschild	-	-	3	2	-	-
Charged to Rothschild Waddesdon Ltd	136	-	49	-	-	-
Charged by Waddesdon Wine Limited						
Charged by Rothschild Waddesdon Ltd	-	-	-	-	(10)	-
Charged to Golden Mede Development company Ltd	99	-	-	111	-	-
Charged to Waddesdon Wine Limited	89	-	17	11	-	1

27. Immunity from Seizure

In February 2012 we received confirmation that our application for protection under Section 136 of the Tribunals, Courts and Enforcement Act 2007 which provides immunity from seizure for objects which are loaned from overseas to temporary public exhibitions, had been approved. The application included details of the processes, procedures and policies which are involved in compiling details of provenance for each exhibition loan and the particular attention needed when considering any gaps in provenance. We were pleased that both of the consultant's reports acknowledged the experience that we have in researching art of the holocaust era. Having gained approval to apply for protection for specific loans, we commit to apply the necessary processes and will report to each Academic Committee meeting and to the Rothschild Foundation Trustees meetings.

28. Foundation reserves reconciliation

	2022	2021
	£'000	£'000
As at 1 March	764,390	688,115
Profit in year	99,801	76,275
As at 28 February	864,191	764,390

29. Group SOFA - prior year analysis of funds

	Income Fund 2021 £'000	Capital Fund 2021 £'000	Total 2021 £'000
Donations and Legacies	280	7,717	7,997
Income from Investments	11,321	-	11,321
Income from Waddesdon Manor	2,619	-	2,619
Income from Foundation activities and Donations	14,220	7,717	21,937
Income of Trading Subsidiary	15,748	-	15,748
Total Income	29,968	7,717	37,685
Expenditure on raising funds	1,505	1,487	2,992
Expenditure on foundation activities	10,215	-	10,215
Expenditure on Waddesdon Manor	5,764	-	5,764
	17,484	1,487	18,971
Expenditure of Trading subsidiary	16,136	-	16,136
Total Expenditure	33,620	1,487	35,107
Taxation	40	-	40
Net (expenditure) / Income before gains and losses on Investments	(3,692)	6,230	2,538
Net Gains on Investments	-	73,157	73,157
Net (expenditure)/Income	(3,692)	79,387	75,695

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

30. Taxation

	2022						
	Foundation	RWL	WWL	WEL	GMMC	GMDC	Total
Tax Charge							
Current tax	(27)	-	174	-	1	-	148
Deferred tax	5	(5)	7	-	-	-	7
Total Tax Charge	(22)	(5)	181	-	1	-	155
Factors affecting tax charge for the year							
Profit/(loss) on ordinary activities before tax	-	190	944	(216)	4	(61)	861
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 19%	-	36	179	(41)	1	(12)	163
Effects of:							
Fixed asset differences	-	13	(2)	(1)	-	-	10
Expenses not deductible for tax purposes	-	-	2	1	-	-	3
Re-measurement of deferred tax for changes in tax rates	-	13	2	-	-	-	15
Movement in deferred tax not recognised	3	(3)	-	(21)	-	12	(9)
Charitable donations	2	(64)	-	-	-	-	(62)
Effect of losses carried forward	-	-	-	62	-	-	62
Museum and Galleries Tax relief	(27)	-	-	-	-	-	(27)
Tax charge	(22)	(5)	181	-	1	-	155

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 28 FEBRUARY 2022 (CONTINUED)

30. Taxation (continued) - prior year

	2021						
	Foundation	RWL	WWL	WEL	GMMC	GMDC	Total
Tax Charge							
Current tax	(35)	-	75	-	-	-	40
Deferred tax	-	-	-	-	-	-	-
Total Tax Charge	(35)	-	75	-	-	-	40
Factors affecting tax charge for the year							
Profit/(loss) on ordinary activities before tax	-	(597)	394	(132)	2	(192)	(525)
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 19%	-	(113)	75	(25)	-	(36)	(99)
Effects of:							
Movement in deferred tax not recognised	-	113	-	-	-	-	113
Losses carried forward	-	-	-	25	-	36	61
Museum and Galleries Tax relief	(35)	-	-	-	-	-	(35)
Tax charge	(35)	-	75	-	-	-	40