

Registered company number 07350078

Registered charity number 1138145

THE ROTHSCHILD FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

28 FEBRUARY 2011

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THE ROTHSCHILD FOUNDATION

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THE ROTHSCHILD FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Lord Rothschild (Patron)
Lady Rothschild
The Honourable Beth Rothschild
The Honourable Janet de Botton
Lord Cholmondeley
S J P Trust Corporation Limited

Registered office

14 St James's Place
London
SW1A 1NP

Auditors

Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

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

First Arrow Investment Management Limited
14 St James's Place
London
SW1A 1NP

THE ROTHSCHILD FOUNDATION

REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 28 FEBRUARY 2011

The Rothschild Foundation was originally formed as The Alice Trust on 18th August 2010 as a company limited by guarantee and registered as a charity on 22nd September 2010. It changed its name from the Alice Trust to the Rothschild Foundation on 14th February 2011. It is governed by its memorandum and articles of association. The directors of the charitable company ("the Foundation") are its trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees are pleased to present their report together with the charity's financial statements for the period ended 28 February 2011.

Structure, governance and management

The origins of the Foundation stem from the objects of the Alice Trust, an unincorporated charity (registered number 290859), which was founded by Trust Deed on 19th December 1984. The Alice Trust was incorporated as a company limited by guarantee on 18th August 2010, with the intention that all the assets and liabilities of the Alice Trust charity would be transferred to the current legal entity.

The broad objects and powers contained in the trust deed of the Alice Trust were carried through to the Foundation's existing memorandum and articles. Its objects hence are to support any charitable institution or charitable purpose. There is a specific reference in the objects to include the preservation, protection, maintenance and improvement of Waddesdon Manor in the Vale of Aylesbury, Buckinghamshire, its surrounding land and contents for the benefit of the public generally, together with the advancement of education in matters of historic, artistic, architectural or aesthetic interest.

The Foundation operates for the public benefit. Through its main focal support of Waddesdon Manor and its activities, and also its other grant making, it aims to support charitable initiatives across a breadth of sectors, activities and geographies, such as the environment, sustainable development and green energy, education and social welfare. The Trustees would like to work with other not for profit organisations to bring together people of diverse backgrounds and perspectives so that collectively their grants made can be effective, bringing about long term change to local communities. 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.

Trustees

The Trustees named on page 2 were appointed on incorporation of the Foundation and have served throughout the period. Trustees intend to meet twice a year to consider grant applications, review investment performance and discuss matters of a strategic and administrative nature. The power to appoint new trustees is vested with the Patron and the members of the Foundation. There is an informal interview and induction process for any new Trustee. Continuing training for Trustees is undertaken through regular meetings and discussions with individuals and organisations and briefing papers (including articles) in the areas supported by the Trust.

THE ROTHSCHILD FOUNDATION

REPORT OF THE TRUSTEES (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

Objectives and activities

The Foundation did not make any grants during the period from incorporation to the year end. The Trustees have used this time to consider their main areas of grant making. It is their intention to commence the formal operations of the Foundation from 1st March 2011, the start of the new financial year.

Going forward, the Trustees have agreed to make the support of Waddesdon Manor the principal aim of the Foundation. For the 2011-12 fiscal year, it is envisaged that the Foundation's grant would support the operational and capital costs and also any special activities and exhibitions at the Manor.

Financial review

The Foundation's endowment increased in this financial period by £179,839,818 following two substantial donations of investments, heritage assets and cash received from other charitable entities (shown below in detail)

| | £ | £ |
|-------------------------------------|---|--------------------|
| Cash | | 3,850,634 |
| Investments | | 160,311,655 |
| Properties | | 30,000 |
| Copyright | | 1 |
| Heritage assets | | 15,692,302 |
| Working capital liabilities assumed | | (44,774) |
| Total donation received | | 179,839,818 |

The net addition to the Foundation's value (shown as net incoming resources for the purposes of these accounts) for the period amounted to £179,786,793

THE ROTHSCHILD FOUNDATION

REPORT OF THE TRUSTEES (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

Investment policy

The investment policy is to seek to maximise total return, whilst maintaining the real value of the portfolio and not subjecting it to undue risk. Trustees intend to review investment performance at their bi-annual meetings, and their policy at least annually.

Reserves

As this is the first financial period for the Foundation, a formal reserves policy has not been adopted. However, the Trustees aim to establish a level of unrestricted funds, in real terms, to ensure that they can meet the future funding requirements of Waddesdon Manor and any costs of repair and refurbishment associated with the building. It is also envisaged that the unrestricted reserves would be financially adequate and flexible to provide for the Foundation's other grant commitments.

The Capital fund is in the form of an expendable endowment and represents the market value of its investments.

Risk management

The Trustees are responsible for establishing and monitoring internal control systems within the Trust. The major risks which may impact the activities of the Trust 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 Trust.

The risk within the charity lies with its investments and the Trustees have established an investment policy to manage this risk.

Statement of trustees' responsibilities

The Trustees (who are also directors of the Rothschild Foundation Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

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

THE ROTHSCHILD FOUNDATION

REPORT OF THE TRUSTEES (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

Statement of trustees' responsibilities (continued)

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 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 company's 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.

Approved by the Board on 25 May 2011 and signed on its behalf by



Lord Rothschild

THE ROTHSCHILD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 28 FEBRUARY 2011

We have audited the financial statements on pages 9 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the charity's state of affairs as at 28 February 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

THE ROTHSCHILD FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES (continued) FOR THE YEAR ENDED 28 FEBRUARY 2011

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Cara Turtington (Senior Statutory Auditor)

For and on behalf of

Saffery Champness

Chartered Accountants

Statutory Auditors

25 May 2011

Lion House

Red Lion Street

London WC1R 4GB

THE ROTHSCHILD FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 28 FEBRUARY 2011

| | Note | Income fund | Capital fund | Total 2011 £ |
|--|------|-------------|--------------|--------------------|
| Incoming resources | | | | |
| Incoming resources from generated fund | | | | |
| Voluntary income | 2 | - | 179,839,818 | 179,839,818 |
| Activities for generating funds | | | | |
| Investment income | 3 | 857 | - | 857 |
| Total incoming resources | | 857 | 179,839,818 | 179,840,675 |
| Resources expended | | | | |
| Cost of generating funds | | | | |
| Investment related fees | | - | 20,077 | 20,077 |
| Total cost of generating funds | | - | 20,077 | 20,077 |
| Charitable expenditure | | | | |
| Grant-making | 4(a) | - | - | - |
| Cost of grant-making | | - | - | - |
| Governance | 4(b) | 19,977 | - | 19,977 |
| Total charitable expenditure | | 19,977 | - | 19,977 |
| Total resources expended | | 19,977 | 20,077 | 40,054 |
| Net resources expended | | (19,120) | 179,819,741 | 179,800,621 |
| Realised loss on foreign currency | | - | (13,828) | (13,828) |
| Net income/(expenditure) for the year | | (19,120) | 179,805,913 | 179,786,793 |
| Unrealised investment gains | | | | |
| - On fixed asset investments | 7 | - | 1,218,310 | 1,218,310 |
| - On short term investments | | - | 99,570 | 99,570 |
| Unrealised loss on foreign currency | | - | (24,090) | (24,090) |
| Net movement in funds | | (19,120) | 181,099,703 | 181,080,583 |
| Transfers between funds | | 19,120 | (19,120) | - |
| | | - | 181,080,583 | 181,080,583 |
| Reconciliation of funds | | | | |
| Balances brought forward at 18 August 2010 | | - | - | - |
| Transfers in from The Alice Trust (unincorporated charity 290859) | 6 | - | 107,052,794 | 107,052,794 |
| Balances carried forward at 28 February 2011 | | - | 288,133,377 | 288,133,377 |

The notes on pages 11 to 19 form part of these financial statements

The statement of financial activities includes all gains and losses recognised in the year

The profit for the period for the purposes of the Companies Act 2006 is £179,786,793

THE ROTHSCHILD FOUNDATION

BALANCE SHEET 28 FEBRUARY 2011

| | Note | 2011 £ |
|---|------|-------------------|
| Fixed assets | | |
| Investments | 7 | 259,317,626 |
| Investment properties | 8 | 30,000 |
| Intangible fixed assets | 9 | 1 |
| Heritage assets | 10 | 28,098,593 |
| | | <hr/> 287,446,220 |
| Current assets | | |
| Short term investment | | 510,268 |
| Debtors | | - |
| Cash at bank and in hand | | 296,200 |
| | | <hr/> 806,468 |
| Current liabilities | | |
| Creditors amounts falling due within one year | 11 | (119,311) |
| | | <hr/> |
| Net current assets | | 687,157 |
| | | <hr/> |
| Total assets less current liabilities | | 288,133,377 |
| | | <hr/> |
| Net assets | | 288,133,377 |
| | | <hr/> |
| Funds | | |
| Unrestricted capital fund | 12 | 288,133,377 |
| Unrestricted income fund | | - |
| | | <hr/> |
| Total unrestricted funds | | 288,133,377 |
| | | <hr/> |

The financial statements were approved by the Board of the Rothschild Foundation on 25 May 2011 and signed on their behalf by


Lord Rothschild
Trustee

The notes on pages 11 to 19 form part of these financial statements
Company number 07350078

THE ROTHSCHILD FOUNDATION

CASHFLOW STATEMENT FOR THE PERIOD 28 FEBRUARY 2011

| | 2011 £ | 2011 £ |
|---|-------------|-------------|
| Net cash inflow from operating activities (Note 14) | | 3,885,118 |
| Returns on investment and servicing of finance | | |
| Investment income received | 857 | |
| | | 857 |
| Capital expenditure and financial investment | | |
| Purchase of investments | (3,000,000) | |
| | | (3,000,000) |
| Management of liquid resources | | |
| Purchase of short term investments | (410,698) | |
| | | (410,698) |
| Net increase in cash | | 475,277 |

Analysis of changes in net funds

| | Net balance as at 18 August 2010 £ | Cash increase in the period £ | Non-cash movement in the period £ | Net balance as at 28 February 2011 £ |
|--------------------------|---|--|--|---|
| Cash at bank and in hand | - | 310,028 | (13,828) | 296,200 |
| Investment cash | - | 165,249 | (24,090) | 141,159 |
| Total movement | - | 475,277 | (37,918) | 437,359 |

The notes on pages 12 to 19 form part of these financial statements

THE ROTHSCILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 FEBRUARY 2011

1. Accounting policies

a) Basis of financial statements

The financial statements have been prepared under the historical cost convention as modified by the policies on investment revaluations and applicable accounting standards. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP) revised in March 2005, applicable accounting standards and the Companies Act 2006.

b) Incoming resources

Donations are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is only deferred when the charity 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 period. Gift aid is added to the value of the donation to which it relates.

Investment income is accounted for on a receivable basis.

Rental income is accounted for on a receivable basis.

c) Resources expended

Expenditure is included on an accruals basis.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income, together with the gross expenditure of the subsidiary company.

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 attaching are fulfilled or at the point when the fulfilment of the conditions are no longer seen to be within the control of the Trustees. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

d) Support costs

Support costs are allocated to the charitable activity as incurred.

e) Governance costs

Governance costs comprise of all costs involving the public accountability of the charity and costs related to statutory requirements.

f) Investments and investment properties

Investments, listed and quoted, are included at market value.

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

Unquoted investments, as in the case of collective investment funds and private equity investments for which no market value is readily available, are carried at the Trustees' valuation. For 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. 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.

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.

g) Heritage assets

Heritage assets comprise the collection of chattels more fully described in Note 10. Assets are acquired or received as donations in pursuit of the Foundation's general objective to preserve and advance historical and educational aspects of Waddesdon Manor. 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.

h) Tangible fixed assets and depreciation

Freehold land is not depreciated. Freehold buildings are depreciated over a period of fifty years. However, in accordance with Financial Reporting Standard 15, no depreciation charge is made where the residual value of the property is considered to be equal to its carrying value. An impairment review will be undertaken every 5 years to assess the economic residual value.

The other tangible fixed assets held as part of the income fund 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:

| | |
|-----------------------------------|--------------------------------------|
| Freehold improvements | over ten years |
| 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 five 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.

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

2. Voluntary income

| | 2011 £ |
|--|--------------------|
| Donation of shares and other investments, including cash | 164,117,515 |
| Donation of property | 30,000 |
| Donation of chattels | 15,692,302 |
| Donations of other assets | <u>1</u> |
| | <u>179,839,818</u> |

The gift of shares and other investments for 2011 represents the open market value of those investments received by the Foundation as an unrestricted donation that can be retained as capital at the Trustees' discretion

3. Investment income

| | 2011 £ |
|-------------------|------------|
| Other investments | <u>857</u> |
| | <u>857</u> |

4. Resources expended

a) Charitable

The Foundation did not make any grants since the date of its formation. This was primarily because they awaited the transfer of the donations and other assets and wished to consider their future grant making policy.

b) Governance

| | 2011 £ |
|--|---------------|
| Audit fees | 8,500 |
| Legal and administrative fees – set-up costs | <u>11,477</u> |
| | <u>19,977</u> |

The Foundation did not have any direct employees during the period. It procured its administrative services during its set-up from a third party. Hence no employee received remuneration amounting to more than £60,000 in the period.

Trustees received no remuneration nor were they reimbursed for any out-of-pocket expenses in 2011.

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

5. Net incoming resources

| | 2011 £ |
|---|--------------|
| This is stated after charging Auditors' remuneration | <u>8,500</u> |

6. Transfer of assets from The Alice Trust

The assets transferred in from the unincorporated charity - Alice Trust (charity number 290859) are shown in the reconciliation of funds section of the Statement of Financial Activities and reproduced in detail below

| | £ | £ |
|--|-------------------|--------------------|
| Transfer in of assets from Alice Trust at cost or market value | | |
| Heritage assets | 12,406,291 | |
| Investments | <u>94,646,503</u> | |
| | | <u>107,052,794</u> |

7. Investments

| | 2011 £ |
|---|---------------------|
| Market value at 18 August 2010 | - |
| Donation of shares and other investments received | 160,311,654 |
| Transfer in from unincorporated charity – The Alice Trust | 94,646,503 |
| Purchases made in the period | 3,000,000 |
| Sales proceeds on disposal | - |
| Increase in investment cash | 141,159 |
| Investment gains for the year | <u>1,218,310</u> |
| Market value at 28 February 2011 | <u>259,317,626</u> |
| Historical cost at 28 February 2011 (excluding investment cash) | <u>£257,958,158</u> |

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

| | 2011 Total £ |
|---|--------------------|
| Analysis of market value at 28 February 2011 | |
| Equities – listed on recognised exchanges | 70,312,331 |
| Collective investment funds | 177,108,713 |
| Private equity investments | 7,444,427 |
| Cash liquidity funds | 4,310,996 |
| Cash on deposit awaiting investment | 141,159 |
| | <u>259,317,626</u> |

All investments are held in the capital fund (see note 12) Of the total value of investments shown above, £190.5 million is held overseas. Investments include the following holdings, which are considered material in the context of the market value of the total fund

| | Market value as at 28 February 2011 £ | Percentage of total investments |
|--------------------------|---|---------------------------------------|
| First Arrow Managed Fund | 170,341,662 | 66% |
| RIT Capital Partners plc | 64,722,666 | 25% |
| Baupost Value Partners | 6,767,051 | 3% |
| | <u> </u> | <u> </u> |

8. Investment property

On 31st December 2010, the Foundation received 2.93 acres of land at Warmstone Lane, Waddesdon as a donation from a UK charity. The land was carried at the Trustees' valuation as at the date of donation. The valuation was based on the advice of an independent property agent.

| | £ |
|---|---------------|
| Open market value at 18 August 2010 | - |
| Donation received during the period from a UK charity | 30,000 |
| Open market value at 28 February 2011 | <u>30,000</u> |

9. Intangible fixed assets

The Foundation received the Copyrights as a donation from another UK charity. It is carried in these financial statements at a nominal value of £1.

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

10. Heritage assets

| | £ |
|---|--------------------------|
| Cost | |
| At 18 August 2010 | - |
| Donations received during the period | 15,692,302 |
| Transfer in from unincorporated charity – The Alice Trust | 12,406,291 |
| At 28 February 2011 | <u>28,098,593</u> |

The Foundation's heritage assets are held for the long term in furtherance of its philanthropic objectives, predominantly for the benefit of Waddesdon Manor, 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.

Future acquisitions would be made by purchase or donation. It is the Trustees' stated intention not to dispose of objects held within the Foundation's collection.

The value of the heritage assets at 28 February 2011 is shown at the value on the date the donations were received as in the opinion of the Trustees there has been no significant impairment to their value since that date.

The Foundation's heritage assets are managed by the Collections Department at Waddesdon Manor. The management and loan policies adopted by the Collections Department 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 (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

11. Creditors - Amounts falling due within one year

| | 2011 £ |
|---------------------------|----------------|
| Grant commitments accrued | 15,000 |
| Other creditors | 54,800 |
| Accruals | 49,511 |
| | <u>119,311</u> |

12. Analysis of net assets between funds

| | Unrestricted income fund | Unrestricted capital fund | 2011 Total £ |
|-------------------------|-----------------------------|------------------------------|--------------------|
| | £ | £ | |
| Fixed asset investments | - | 259,317,626 | 259,317,626 |
| Investment properties | - | 30,000 | 30,000 |
| Intangible fixed asset | - | 1 | 1 |
| Heritage assets | - | 28,098,593 | 28,098,593 |
| Net current assets | - | 687,157 | 687,157 |
| Net assets | <u>-</u> | <u>288,133,377</u> | <u>288,133,377</u> |

13. Revaluation reserve

Included within the unrestricted capital fund explained in note 12 above are revaluation reserves with the following values

| | Total £ |
|-------------------------|------------------|
| Fixed asset investments | 1,218,310 |
| Short term investments | 99,570 |
| | <u>1,317,880</u> |

THE ROTHSCHILD FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 28 FEBRUARY 2011

14. Reconciliation of net incoming resources to operating activities

| | 2011 £ |
|--|------------------|
| Net incoming resources for the year | 179,786,793 |
| Donation of shares and property | (176,033,957) |
| Investment income | (857) |
| Realised loss on foreign currency | 13,828 |
| Increase in creditors | 119,311 |
| Net cash inflow from operating activities | 3,885,118 |

15. Financial commitments

At 28 February 2011, the Foundation had capital commitments in respect of investments in limited partnerships amounting to £631,000

16. Company status

The Company is limited by the guarantee of its members. In the event of a winding up, each member guarantees to pay an amount not exceeding £1. At 28th February 2011, the total of such guarantees was £3.