

Charity Registration No. 1119423

Company Registration No. 06211791 (England and Wales)

**THE POLISH CATHOLIC MISSION**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# THE POLISH CATHOLIC MISSION

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Rev R Jaroslowski Dr N Langer Dr M Marzanski Rev R Szczodrowski Rt Rev S Wylezek M P Tomas Rev A Strzepka	(Appointed 7 October 2021) (Appointed 13 September 2022)
<b>Charity number</b>	1119423	
<b>Company number</b>	06211791	
<b>Registered office</b>	2 Devonian Road Islington London N1 8JJ	
<b>Auditor</b>	Shaw Gibbs (Audit) Limited 264 Banbury Road Oxford Oxfordshire OX2 7DY	
<b>Bankers</b>	Lloyds Bank PLC- London 19-20 Upper Street Islington London N1 0PJ	
<b>Solicitors</b>	Stone King LLP 28 Ely Place London EC1N 6TD	

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# THE POLISH CATHOLIC MISSION

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# **THE POLISH CATHOLIC MISSION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021**

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The trustees, who are also the directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives and aims**

Objectives of the Polish Catholic Mission as set out in the Memorandum of Association and they include:

- The advancement of the Roman Catholic religion for the Polish Community;
- The advancement of religious education for the Polish Community;
- The relief of poverty for the Polish Community;
- Other charitable purposes which the Trustees judge fit for the benefit of the Polish Community.

#### **Explanation of the Charity Aims**

The primary objective of the charity is the advancement for the Polish Community of the Roman Catholic religion. In pursuit of this aim the Charity, through its various ministries, strives to meet the needs of our times as manifested in England and Wales wherever possible and as far as our resources allow.

#### **Explanation of the Charity main objective for the year**

The main objective of the charity for the year is to continue to practice and further advance the Roman Catholic religion within the Polish community. In order to support this objective at a local level, the Head Office provides a variety of support measures, including the support with administration and finances. In 2021 the Polish Catholic Mission continued to concentrate on supporting the Local Polish Catholic Missions in a continuing and effective implementation of the financial system suitably designed to the financial activities of the Charity.

#### **Explanation of the Charity Strategies for achieving its stated objective**

The Charity's softwares for the financial control of the Local Polish Catholic Missions includes Sage, Cashbooks, HMRC RTT. A secure implementation of the program allows the quarterly consolidations, as well as the reporting which, by the decision of the trustees, became internally required by the Charity and is provided by the Treasurer during the Board Meetings.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

#### **Significant activities**

##### **Financial**

The Finance Director produces the accounts to include the quarterly Financial Reports, Head Office Payroll, maintains the internal control of the Deposited Funds and the Internal Loans, HMRC liabilities, funding from the Ministry of Justice, the dual authorization of payments, production of the annual integration and reconciliation of the consolidated data of the Charity.

# **THE POLISH CATHOLIC MISSION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Volunteer Contribution**

The number of volunteers in the Local Polish Catholic Missions remains collectively estimated as 1,300. On average, they provide at least 3 hours of volunteer time per week, which totals to the volunteers offering around 202,800 hours per year. In addition, there are volunteer Pastoral Councils and numerous other volunteers for particular events. The Polish Catholic Mission is exceptionally fortunate in that the volunteers see their contribution as an integral part of their individual Catholic vocation. Volunteers, together with the Administrative and Pastoral Councils in the Local Polish Catholic Mission, support the Priests and assist them in numerous ad hoc events organised by the Polish Catholic Mission.

In all of the activities undertaken by the Polish Catholic Mission, the Trustees are immensely grateful for the help received from the volunteers without whose assistance the Charity would not be able to carry out its work.

### **Fundraising**

The charity raises funds directly without the use of professional fundraisers and is not a member of any regulatory scheme. The charity monitors fundraising activities by observing quarterly financial returns received from parishes.

### **Policy Review**

The Trustees considered their obligations under Safeguarding and Child Protection and Reporting Serious Incidents. A significant progress has been made with the Investment Strategy with the recommendations made in June 2016 and their implementation taking place in August 2017. Money Laundering and Financial Crime Policies have been set in place in 2022.

### **Public Benefit**

Statement of Public Benefit: The Polish Catholic Mission exists to serve the spiritual needs of persons professing the Roman Catholic religion who were born or have lived in Poland, as well as their spouses, children, or remoter issue and other persons who collectively belong to the Polish Community in England and Wales.

Wherever possible the Charity collaborates with other Christian bodies. The Charity's facilities such as churches, church halls and meeting rooms are available to the public.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including guidance 'public benefit: running a charity' (PB2).

# THE POLISH CATHOLIC MISSION

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### ACHIEVEMENTS AND PERFORMANCE

#### Charitable Activities

##### Outreach work

The Polish Catholic Mission aims to support the religious and other charitable works carried out by the members of the Polish Community. The ministry of the Polish Priests benefits numerous members of the general public, falling into the following main areas:

- Religious education;
- Social and pastoral work;
- Enhancement of Anglo-Polish relations in the communities.

The activities take place in 92 Local Polish Catholic Missions and 221 places where Mass in Polish is held. The number of priests ministering in the Polish Catholic Mission in 2021 was 101.

Many congregations respond to the requests to open their church buildings for special services for groups of people who wish to come to together in prayer, outside the scope of the established programme. Notably, the religious gatherings complementing work at the Local Polish Catholic Mission's level included the annual Pentecost and Corpus Christi celebrations at Laxton Hall, as well as the annual Polish Community pilgrimages to the Marian Shrines at Holywell in Flintshire and Walsingham in Norfolk.

The annual pilgrimage to Aylesford is organised jointly by the Polish Catholic Mission and the Institute for Polish Catholic Action in Great Britain (IPAK). The central aim of the Institute's work is the promotion and protection of the National Board of Catholic Women, IPAK enjoys an established presence in the English Catholic Community; the Polish Catholic Mission contributes regularly to conferences and seminars organised by IPAK.

Regular Mass attendance and the reading of the scripture is encouraged to deepen awareness of the Christian Faith and to enrich our understanding of the prime purpose of God's creative and redeeming work on earth, to which all are called to love one's neighbour as oneself. Learning how this was done in the past and building on that for the future, ensures both the continuity as well as the adaptability for today and tomorrow. Requests for Mass in the Polish language are regularly received from new areas in England and Wales.

Special collections are organised throughout the year in all Local Polish Catholic Missions in aid of various needs, for example the Holy Land, Pontifical Mission and other purposes.

The Trustees regularly communicate with the Local Polish Catholic Missions and the Priests in Charge by post, through email, phone and site visits.

The Trustees wish to record their recognition of the commitment of the Priests, Local Polish Catholic Mission Administrative Councils and the Polish Catholic Mission's Staff. Their dedication, professionalism and positive approach are greatly appreciated in the furtherance of the aims of the Charity.

Asset Management: The Trustees continue to receive regular reports and updates from the Local Polish Catholic Missions who wish to spend over £10,000, typically on the refurbishment of church and non-church buildings and halls. The priests are obliged to seek permission from the Trustees, who are thereby kept informed. The Polish Catholic Mission owns 29 churches and 13 chapels.

#### Polish Catholic Mission Archives

The process of digitising the archives of the Polish Catholic Mission have continued throughout the year.

# THE POLISH CATHOLIC MISSION

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Charitable activities

#### Details of performance achieved against objectives

Quarterly financial reporting: There is an electronic quarterly reporting system in place which allows for maintenance and control a regular and transparent financial overview of the Charity.

Charitable activities are in continuation with previous years' activities.

### FINANCIAL REVIEW

#### Financial position

A financial summary of the year's results can be found in the Accounts section.

Roman Catholic Church operates mainly in donations received on the plate, gift aid and small gift aid donation scheme. The Charity asks its priests to try to reach to the parishioners and ask for the support for up keeping of the Parish.

Based on the internal observations after the Covid-19 pandemic, the electronic offerings increased while the plate offerings decreased.

The Charity had strong cash of £2,069,870 (2020: £2,069,870) and reserve levels of £24,352,699 (2020 as restated: £21,260,726) as at 31 December 2021 and overall it is in a good position.

#### Reserves Policy

It is the policy of the Charity that unrestricted funds which have not been designated for a specific use are to be maintained at a level equivalent to approximately 6-12 months' expenditure. The Trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised.

The Trustees have approved the Reserves Policy which is reviewed annually when the financial statements are considered for approval.

#### Investment policy and objectives

The Trustees have reviewed the Charity's funds held as investments and considered new investment opportunities. The objectives are:

- I. To ensure a creation of an investment fund which is sufficient for the charity to fulfil its objectives as stated on page 1 and outlined in the Articles of Association;
- II. To maintain, and, if possible, through capital growth, enhance the value of the invested funds while they are retained, giving due and proper consideration to future potential needs.
- III. To generate an investment income for the furtherance of the Charity's aims.

#### PLANS FOR FUTURE PERIODS

The Trustees plan to continue to support all the activities of the Polish Catholic Mission and do not anticipate any significant change in the coming year. It is the intention of the Trustees to continue to meet the aforementioned objectives.

# THE POLISH CATHOLIC MISSION

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Polish Catholic Mission was established in the United Kingdom in 1894 to serve the pastoral needs of the Polish speaking people who were settled temporarily or permanently in England and Wales. In 1894 there had already been Polish priests ministering to Polish émigrés for about 50 years. The years leading up to the Second World War saw many more Poles establishing cultural and business contracts with the United Kingdom and the need for Polish speaking priests grew and was recognised by the Catholic Bishops of England and Wales.

In 1939, with the outbreak of the war, Poland became the United Kingdom's ally and tens of thousands of Poles found their ways to these shores to fight shoulder to shoulder with British and Allied soldiers, sailors and airmen. Unfortunately, victory in Europe in 1945 did not restore Poland's independence and over 250,000 Poles associated with the Polish Forces of the allied Army and their families remained in the United Kingdom, establishing Polish communities in many towns throughout the country.

In 1948, the Catholic Bishops of England and Wales reached agreement with the Polish Primate and appointed his nominee as Vicar Delegate with a brief to take care of the Polish speaking Roman Catholics in England and Wales. In 1952 the Polish Benevolent Fund (Registration No. 213673) was created under English Charity Law which owned assets of the Polish Catholic communities and which was administered by a Board of Trustees nominated by the Vicar Delegate.

With the passing into law of the Charities acts 1960, 1993, 2006, a modern legal instrument was needed to replace the Trust Deed of the Polish Benevolent Fund. The Polish Benevolent Fund ceased its activities on 31 December 2007 transferring all its assets and liabilities to the new charity, the Polish Catholic Mission, on the 1st January 2008.

On the 8th May 2014 the Catholic Bishops' Conference of England and Wales approved the new Structures and Procedures of the role of the National Coordinator/Vicar Delegate of the Polish Catholic Mission.

### Governing Document

The Polish Catholic Mission is governed by its Memorandum and Articles of Association dated 22 February 2007, and last updated on 16 November 2021.

### Charity Constitution

The Polish Catholic Mission is a Company Limited by Guarantee no. 06211791 registered on 01 January 2008, registered charity number 1119423. The area of benefit is England and Wales. The names of the trustees who served in 2021 are listed below:

Rev R Jaroslowski	
Mr Z Handzel	(Resigned 1 August 2021)
Dr N Langer	
Dr M Marzanski	
Rev R Szczodrowski	
Rev K Tyliczszak	(Resigned 25 August 2022)
Rt Rev S Wylezek	
M P Tomas	(Appointed 7 October 2021)
Rev A Strzepka	(Appointed 13 September 2022)

### Recruitment of Trustees

Trustees are recruited from senior clergy and suitably qualified and experienced lay faithful.

The Rector, also known as the Vicar Delegate of the Polish Catholic Mission, is presented by the Bishops' Conference of Poland and appointed by the Cardinal Archbishop of Westminster on behalf of the Bishops' Conference of England and Wales and in accordance with the Articles of Association 3.3, he alone appoints and dismisses the Trustees of the Charity.



# **THE POLISH CATHOLIC MISSION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **Organisational Structure**

The Trustees are ultimately responsible for the policies, activities and assets of the charity. In the year 2021, in fulfilment of their responsibilities, the trustees held regular Trustee meetings and numerous ad hoc meetings, and when appropriate, took professional advice from property and employment consultants, solicitors and auditors, to assist them in carrying out their duties.

The Rector, Chairman and Chancellor are responsible for the day to day management of the charity and property matters. The Financial Director is responsible for producing and interpreting financial reports, maintaining financial control, and management of the finances. Together with the Finance Committee, the Financial Director is responsible for the financial operations. The Financial Director is responsible for the production of the Statutory Financial Statements of the Polish Catholic Mission in conjunction with the auditors.

The Rector is responsible for the pastoral care of the Charity and is supported by the Council of Deans. The Polish Catholic Mission is divided into 7 Deaneries and 91 Local Polish Catholic Missions serving 219 places where Mass in Polish is celebrated. The Deans, Priests in Charge and other priests ministering in the Local Polish Catholic Missions are appointed by the Rector. The Priests in Charge invite members of the congregation to join the Administrative Council of the Local Polish Catholic Mission. Under the Terms of Reference, the Administrative Councils are appointed for a fixed period of time by the Rector and the Trustees of the Polish Catholic Mission. All the priests ministering in the Polish Catholic Mission meet regularly within their deaneries, as well as annually in September at Priests' Retreat.

#### **Induction and Training of New Trustees**

New trustees are introduced to their role and responsibilities by the Rector. They are issued with the relevant Charity Commission literature together with the copies of the trust deed and the latest financial information. The Treasurer prepares, presents and explains the Financial Reports of the Polish Catholic Mission during the regular meetings of the Board, as well as at the end of the Financial Year.

#### **Relationship with related parties**

The Polish Catholic Mission maintains regular contact with other Polish well established, as well as with new charities and organisations, in administering its pastoral care to the Polish Community. In particular, the Priests in Charge of the Local Polish Catholic Missions support a large number of Polish Saturday Schools providing pastoral care and religious education. The priests provide pastoral care to veteran and youth organisations, and a variety of other groups of the Catholic faith at the heart of their organisations. The Polish Catholic Mission supports the work of the Institute for Polish Catholic Action (IPAK) running joint seminars, conferences and pilgrimages. The Polish Catholic Mission works closely with the Catholic Church in England and Wales. This is evident in some shared ministries and the shared use of churches, as well as presbyteries. Cooperation with the Polish Embassy and Consulate is particularly important to the Polish Catholic Mission's social work amongst the Poles in England and Wales and joint events are held throughout the year.

# **THE POLISH CATHOLIC MISSION**

## **TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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#### **Risk Management**

The Charity has considered risk management in a number of key areas, identifying the potential risk, possible impact and action required to mitigate such risks:

#### **Human Resources/Personnel**

This area of consideration includes reputational risks to The Charity, employment and health and safety issues, sufficient numbers of priests, skilled trustees, care of the elderly and safeguarding. The Charity has considered various actions to mitigate risks arising in these areas including: greater involvement of the laity; encouragement of vocations; trustees' training and access to Charity Commission guidelines; compliance with regulations; staff vetting procedures; following government legislation and Church guidelines; ensuring that priests who recently arrived from Poland are supported in their work by more experienced priests before taking on positions of greater responsibility.

#### **Safeguarding**

The Polish Catholic Mission has a dedicated Safeguarding representative supporting the Polish priests. The Local Polish Catholic Missions have Safeguarding Representatives. All priests ministering in the Polish Catholic Mission are required to follow the Safeguarding Policy of the Diocese in England and Wales within which they serve. Priests and lay Safeguarding representatives attend annual Diocesan safeguarding training. Safeguarding training is also provided at Deanery meetings.

#### **Property**

PCM has considered potential risks arising from neglect and insecurity of property, including loss of records and damage to property and equipment. Such risks can be mitigated by regular property assessments, updated inventories, servicing of alarms and security lighting, safe storage and back up of discs, adequate insurance cover.

#### **Finance**

Financial risks are considered under the following sub-headings: security of assets, reserve policy, investment policy, fraud or error, budgetary control, taxation, compliance with legal requirements. Steps to mitigate the risks arising in these areas include: professional investment advice, performance monitoring and diversification of funds, financial control, authorisation limits, security of assets, PAYE compliance, VAT review of legislation, compliance monitoring on the part of auditors.

#### **Remuneration**

No Director received remuneration in relation to the role of a director during the year. The Rector and Priests of the Polish Catholic Mission, in their capacity as such, receive a fixed payment and retain Mass offerings, stole fees and Christmas and Easter collections, unless they choose not to do so. They also receive benefits such as accommodation and living expenses from the Polish Catholic Mission. A number of the Clergy and one of the Lay Members of Staff of the Polish Catholic Mission belong to the the Body of the Trustees. The clergy Trustees are housed and remunerated by the Polish Catholic Mission while all of the trustees are reimbursed with the expenses for carrying out duties as trustees. However, no Trustee received any remuneration from the Charity for acting as a Trustee during the year. No Trustee had any beneficial interest in any contract with the Charity.

# THE POLISH CATHOLIC MISSION

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### Statement of Trustees responsibilities

The trustees, who are also the directors of The Polish Catholic Mission for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Approved by order of the board of trustees on ..... and signed on  
its behalf by:

.....  
**Rt Rev S Wylezek**

Dated: .....

# THE POLISH CATHOLIC MISSION

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF THE POLISH CATHOLIC MISSION

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#### Opinion

We have audited the financial statements of The Polish Catholic Mission (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, 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 charity 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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

# THE POLISH CATHOLIC MISSION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE POLISH CATHOLIC MISSION

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees report and from the requirement to prepare a strategic report.

#### **Responsibilities of trustees**

As explained more fully in the statement of Trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise 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 is detailed below:

- At the planning stage of the audit, we gained an understanding of the laws and regulations which apply to the charity and how the trustees seek to comply with those laws and regulations. This helped us to plan appropriate risk assessments.
- During the audit, we focused on relevant risk areas and reviewed the compliance with the laws and regulations by making relevant enquiries from the trustees and undertaking corroboration, for example by reviewing trustees' minutes and other documentation.
- We assessed the risk of material misstatement in the financial statements including as a result of fraud and undertook the following procedures but were not limited to:
  - a. Reviewing the controls set in place by the trustees;
  - a. Making enquiries of the trustees as to whether they consider fraud or other irregularity may have taken place, or where such opportunity might exist;
  - b. Challenging the trustees' assumptions with regard to accounting estimates;
  - c. Identifying and testing journal entries, particularly those which appear to be unusual by size or nature.

# THE POLISH CATHOLIC MISSION

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE POLISH CATHOLIC MISSION

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Samantha Daniels (Senior Statutory Auditor)**  
**for and on behalf of Shaw Gibbs (Audit) Limited**

.....

**Chartered Certified Accountants**  
**Statutory Auditor**

264 Banbury Road  
Oxford  
Oxfordshire  
OX2 7DY

Shaw Gibbs (Audit) Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# THE POLISH CATHOLIC MISSION

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020 as restated	Restricted funds 2020	Total 2020 as restated
	Notes	£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and legacies	3	4,480,715	-	4,480,715	3,504,769	4,000	3,508,769
Charitable activities	4	551,427	-	551,427	708,002	13,847	721,849
Investment income	5	622,503	-	622,503	519,547	-	519,547
Other income	6	1,229,161	-	1,229,161	142,509	-	142,509
<b>Total income</b>		<b>6,883,806</b>	<b>-</b>	<b>6,883,806</b>	<b>4,874,827</b>	<b>17,847</b>	<b>4,892,674</b>
<b>Expenditure on:</b>							
<u>Charitable activities</u>							
Pastoral work	7	310,169	-	310,169	503,855	-	503,855
Church related activities	7	3,497,363	-	3,497,363	3,160,051	-	3,160,051
Outreach and events	7	43,055	-	43,055	100,458	-	100,458
Special projects and giving	7	209,611	39,165	248,776	292,103	87,525	379,628
<b>Total charitable expenditure</b>		<b>4,060,198</b>	<b>39,165</b>	<b>4,099,363</b>	<b>4,056,467</b>	<b>87,525</b>	<b>4,143,992</b>
Net gains/(losses) on investments	12	307,530	-	307,530	(75,026)	-	(75,026)
<b>Net incoming/(outgoing) resources before transfers</b>		<b>3,131,138</b>	<b>(39,165)</b>	<b>3,091,973</b>	<b>743,334</b>	<b>(69,678)</b>	<b>673,656</b>
Gross transfers between funds		(48,667)	48,667	-	202,369	(202,369)	-
<b>Net income for the year/ Net movement in funds</b>		<b>3,082,471</b>	<b>9,502</b>	<b>3,091,973</b>	<b>945,703</b>	<b>(272,047)</b>	<b>673,656</b>
Fund balances at 1 January 2021		20,753,047	507,679	21,260,726	19,807,344	779,726	20,587,070
<b>Fund balances at 31 December 2021</b>		<b>23,835,518</b>	<b>517,181</b>	<b>24,352,699</b>	<b>20,753,047</b>	<b>507,679</b>	<b>21,260,726</b>

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

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# THE POLISH CATHOLIC MISSION

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	15,313,408		12,617,234	
Social investments	15	118,068		1,124,353	
Investment properties	14	3,440,000		3,229,334	
		<u>18,871,476</u>		<u>16,970,921</u>	
<b>Current assets</b>					
Debtors	16	1,070,134		132,021	
Investments	17	2,658,799		2,561,937	
Cash at bank and in hand		2,069,870		1,823,657	
		<u>5,798,803</u>		<u>4,517,615</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(110,531)</u>		<u>(20,515)</u>	
Net current assets		<u>5,688,272</u>		<u>4,497,100</u>	
<b>Total assets less current liabilities</b>		<u>24,559,748</u>		<u>21,468,021</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	<u>(207,049)</u>		<u>(207,295)</u>	
<b>Net assets</b>		<u><u>24,352,699</u></u>		<u><u>21,260,726</u></u>	
<b>Income funds</b>					
Restricted funds	20	517,181		507,679	
<u>Unrestricted funds</u>					
Designated funds	21	18,693,512		15,751,119	
General unrestricted funds		<u>5,142,006</u>		<u>5,001,928</u>	
		<u>23,835,518</u>		<u>20,753,047</u>	
		<u><u>24,352,699</u></u>		<u><u>21,260,726</u></u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on .....

.....  
Rt Rev S Wylezek  
Trustee

Company Registration No. 06211791



# THE POLISH CATHOLIC MISSION

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021		2020	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25		960,374		535,867
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,771,897)		(1,413,416)	
Proceeds on disposal of tangible fixed assets		1,053,340		448,450	
Net repayments/ (additions) to social investments		381,891		(654,353)	
Proceeds on disposal of investments		-		688,631	
Investment income received		622,503		135,257	
<b>Net cash used in investing activities</b>			(714,163)		(795,431)
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			246,211		(259,564)
Cash and cash equivalents at beginning of year			1,823,657		2,083,222
<b>Cash and cash equivalents at end of year</b>			2,069,870		1,823,657

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Charity information

The Polish Catholic Mission is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 2 Devonia Road, Islington, London, N1 8JJ.

The members of the company are the Trustees named on the Legal and Administrative Information page. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The 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 £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

#### 1.2 Restatement of comparatives

Following a detailed review of the fixed assets, a prior year adjustment was identified. Details of the impact of this journal is detailed in note 28.

#### 1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Although the income during the year ending 31 December 2021 was impacted by the Covid-19 pandemic, the charity is still in a good position with its strong cash and reserves levels. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### 1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the charitable company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the charitable company, can be reliably measured.

All income of offerings, donations and gifts, as well as income from social clubs and other income are mainly from the Local Polish Catholic Missions (LPCMs) and as such are recognised on a receivable basis. Investment income is also treated on a receivable basis.

Incoming resources from grants, if related to performance and specific deliverable, are accounted for in line with the progression of gaining the right to consideration.

#### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between these activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is inclusive of irrecoverable VAT.

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

LPCM repairs & renovations projects costing £10k or more that are approved by the trustees are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the life of the lease
Fixtures and fittings	10% straight line

No depreciation charge is made against the freehold property as it is considered that the residual value is at least as great as the carrying value and not significantly different to cost, and any depreciation charge would be immaterial.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

#### 1.9 Investments

Listed investments are initially measured at transaction price and subsequently measured at the market value at the reporting date, with changes in the market value being recognised in the statement of financial activities.

Social investments consist of concessionary loans and are initially recognised and measured at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand and short-term liquid investments with original maturities of three months or less.

#### 1.11 Financial instruments

The charity has elected 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.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Basic financial liabilities**

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 1.12 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 2 Critical accounting estimates and judgements

In the application of the charity's 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Accruals

The charity makes an estimate of accruals at the year end based on invoices received after the year end and work undertaken which has not been invoiced based on quotations or estimates of amounts that may be due for payment.

#### Tangible fixed assets

Long term leasehold and plant & machinery are depreciated over their useful lives taking into account their residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

#### Investment properties

The charity estimates the fair value of investment properties based on publicly available data and consults with experts when they consider it necessary.

### 3 Donations and legacies

	<b>Unrestricted funds</b>	Unrestricted funds	Restricted funds	Total
	<b>2021</b>	2020	2020	2020
	<b>£</b>	£	£	£
Donations and gifts	4,454,766	3,479,966	4,000	3,483,966
Legacies receivable	25,949	24,803	-	24,803
	<u>4,480,715</u>	<u>3,504,769</u>	<u>4,000</u>	<u>3,508,769</u>

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 4 Charitable activities

	2021 £	2020 £
Parish Social Club & other income	329,252	429,754
Grants	198,175	268,095
Management charge	24,000	24,000
	<u>551,427</u>	<u>721,849</u>
Analysis by fund		
Unrestricted funds	551,427	708,002
Restricted funds	-	13,847
	<u>551,427</u>	<u>721,849</u>

There are no unfulfilled conditions relating to grants received and recognised in income.

### 5 Investment income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Rental income	523,158	384,290
Investment income	99,345	135,257
	<u>622,503</u>	<u>519,547</u>

### 6 Other income

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Net gain on disposal of tangible fixed assets	1,015,816	27,370
Other income	213,345	115,139
	<u>1,229,161</u>	<u>142,509</u>

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Charitable activities

	Pastoral work	Church related activities	Outreach and events	Special projects and giving	Total 2021
	2021 £	2021 £	2021 £	2021 £	£
Activities undertaken directly	256,242	3,089,476	4,535	155,403	3,505,656
Grant funding activities	-	-	-	39,165	39,165
Support costs <b>note 8</b>	53,927	407,887	38,520	54,208	554,542
	<u>310,169</u>	<u>3,497,363</u>	<u>43,055</u>	<u>248,776</u>	<u>4,099,363</u>
<b>Analysis by fund</b>					
Unrestricted funds	310,169	3,497,363	43,055	209,611	4,060,198
Restricted funds	-	-	-	39,165	39,165
	<u>310,169</u>	<u>3,497,363</u>	<u>43,055</u>	<u>248,776</u>	<u>4,099,363</u>

### For the year ended 31 December 2020

	Pastoral work	Church related activities	Outreach and events	Special projects and giving	Total 2020
	£	£	£	£	£
Activities undertaken directly	454,049	2,783,332	64,881	257,331	3,559,593
Grant funding activities	-	-	-	72,231	72,231
Support costs <b>note 8</b>	49,806	376,719	35,577	50,066	512,168
	<u>503,855</u>	<u>3,160,051</u>	<u>100,458</u>	<u>379,628</u>	<u>4,143,992</u>
	<u>503,855</u>	<u>3,160,051</u>	<u>100,458</u>	<u>379,628</u>	<u>4,143,992</u>
<b>Analysis by fund</b>					
Unrestricted funds	503,855	3,160,051	100,458	292,103	4,056,467
Restricted funds	-	-	-	87,525	87,525
	<u>503,855</u>	<u>3,160,051</u>	<u>100,458</u>	<u>379,628</u>	<u>4,143,992</u>



# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Support costs

	Support costs £	Governance costs £	2021 Total £	Support costs £	Governance costs £	2020 Total £
Pastoral work	50,722	3,205	53,927	46,846	2,960	49,806
Church related activities	383,649	24,238	407,887	354,333	22,386	376,719
Outreach and events	36,231	2,289	38,520	33,463	2,114	35,577
Special projects and giving	50,987	3,221	54,208	47,091	2,975	50,066
	<u>521,589</u>	<u>32,953</u>	<u>554,542</u>	<u>481,733</u>	<u>30,435</u>	<u>512,168</u>
Analysed between						
Insurance	13,146	-	13,146	12,141	-	12,141
Human resources	244,337	-	244,337	225,666	-	225,666
Information technology	6,038	-	6,038	5,577	-	5,577
Other	12,373	-	12,373	11,428	-	11,428
Office	245,695	-	245,695	226,921	-	226,921
Governance	-	32,953	32,953	-	30,435	30,435
	<u>521,589</u>	<u>32,953</u>	<u>554,542</u>	<u>481,733</u>	<u>30,435</u>	<u>512,168</u>

Governance costs includes payments to the auditors of £21,000 (2020: £18,000) for audit fees.

### 9 Trustees

During the year one or more Trustees have been paid remuneration from an employment with or service provided to the charitable company. This remuneration was paid for additional services provided to the charitable company not for those of being a Trustee.

Dr N Langer received remuneration of £36,720 (2020: £36,000) for her role as Financial Director of PCM and Treasurer of PCM HAL, which is combined and reimbursed back to PCM by PCM HAL.

Rt Rev Mgr S Wylezek received a stipend of £20,800 (2020: £20,800).

Rev K Tyliczszak received a stipend of £15,600 (2020: £15,600).

During the year ended 31 December 2021, £4,659 was paid to 2 Trustees (2020: £5,749 to 4 Trustees) for reimbursed expenses incurred during the course of their duties for The Polish Catholic Mission.

### 10 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditor and associates:	2021 £	2020 £
Audit of the charity's annual accounts	<u>21,000</u>	<u>18,000</u>

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Head Office	4	7
Local Missions	6	5
Total	10	12
Wages and salaries	182,078	264,309
Social security costs	3,878	7,156
Other pension costs	981	1,807
	186,937	273,272

Total employee benefits attributable to key management personnel are £74,034 (2020: £73,293).

There were no employees whose annual remuneration was £60,000 or more.

### 12 Net gains/(losses) on investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Gain/(loss) on sale of investments	96,864	(75,026)
Revaluation of investment properties	210,666	-
	307,530	(75,026)

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 13 Tangible fixed assets

	Freehold property	Leasehold land and buildings	Fixtures and fittings	Total
	as restated £	£	£	as restated £
<b>Cost</b>				
At 1 January 2021	12,703,306	656,885	355,527	13,715,718
Additions	2,771,897	-	-	2,771,897
Disposals	(42,558)	-	-	(42,558)
At 31 December 2021	15,432,645	656,885	355,527	16,445,057
<b>Depreciation and impairment</b>				
At 1 January 2021	794,552	43,854	260,078	1,098,484
Depreciation charged in the year	-	2,646	35,553	38,199
Eliminated in respect of disposals	(5,034)	-	-	(5,034)
At 31 December 2021	789,518	46,500	295,631	1,131,649
<b>Carrying amount</b>				
At 31 December 2021	14,643,127	610,385	59,896	15,313,408
At 31 December 2020	11,908,754	613,031	95,449	12,617,234

### 14 Investment property

	2021 £
<b>Fair value</b>	
At 1 January 2021 (as restated)	3,229,334
Net gains or losses through fair value adjustments	210,666
At 31 December 2021	3,440,000

Investment property comprises of four residential properties across Devon, Brighton, Stoke on Trent and Swindon.

The fair values of the Devon and Swindon investment properties have been arrived at on the basis of valuations carried out on 31 December 2021 by Spicerhaart Estate Agents Limited, who are not connected with the charity. The fair values of the Brighton and Stoke Trent investment properties have been arrived at on the basis of valuations carried out on 31 December 2021 by the relevant local parishes' priests.

All valuations were made on an open market value basis (which is considered to be a true reflection of the fair value) by reference to the market conditions and market evidence of transaction prices for similar properties.

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Social investments

	2021 £
At 1 January 2021	1,124,353
Interest	18,100
Repayments	(399,991)
	<u>742,462</u>
At 31 December 2021	<u>742,462</u>
Of which shown as:	
Amounts falling due over one year	118,068
Amounts falling due within one year	note 16 624,394

After the balance sheet date, PCM HAL transferred its owned property, Boston House, to the charity as repayment for part of the charity's loan to PCM HAL.

### 16 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Other debtors	368,398	66,462
Prepayments and accrued income	77,342	65,559
	<u>445,740</u>	132,021
Social investments	note 15 624,394	-
	<u>1,070,134</u>	<u>132,021</u>

### 17 Current asset investments

	2021 £	2020 £
Non-social investments	2,658,799	2,561,937
	<u>2,658,799</u>	<u>2,561,937</u>
<b>Movements in current asset investments</b>		
	£	
<b>Cost or valuation</b>		
At 1 January 2021	2,561,937	
Revaluations	96,862	
	<u>2,658,799</u>	
At 31 December 2021	<u>2,658,799</u>	
<b>Carrying amount</b>		
At 31 December 2021	<u>2,658,799</u>	
At 31 December 2020	<u>2,561,937</u>	

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 18 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	2,301	2,515
Other creditors	83,422	-
Accruals and deferred income	24,808	18,000
	<u>110,531</u>	<u>20,515</u>

### 19 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>207,049</u>	<u>207,295</u>

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds						
	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Balance at 1 January 2021	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Professor Zych	60,683	-	(8,242)	(2,312)	50,129	-	50,129
Herpel	39,909	-	(38,408)	(1,501)	-	-	-
MB Grabowski	665,107	4,000	(13,000)	(198,557)	457,550	(39,165)	467,052
Jerzy and Stanislaw Strzemien	1	13,847	(13,848)	-	-	-	-
Special Collections	14,026	-	(14,026)	-	-	-	-
	<u>779,726</u>	<u>17,847</u>	<u>(87,524)</u>	<u>(202,370)</u>	<u>507,679</u>	<u>(39,165)</u>	<u>517,181</u>

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020	Transfers	Balance at 1 January 2021	Transfers	Balance at 31 December 2021
	as restated £	as restated £	as restated £	£	£
Property Fund	14,761,552	989,567	15,751,119	2,942,393	18,693,512
Special Purposes Fund	246,984	(246,984)	-	-	-
Children's Day	9,575	(9,575)	-	-	-
Gosc Niedzielny	36,362	(36,362)	-	-	-
Priests' Fund	938	(938)	-	-	-
	<u>15,055,411</u>	<u>695,708</u>	<u>15,751,119</u>	<u>2,942,393</u>	<u>18,693,512</u>

### 22 Summary of funds

The Property Fund consists of the net book value of the freehold and leasehold land, buildings and improvements as well as investment properties.

The Special Purposes Fund represents surplus cash that will be used for specific repairs and projects as decided by the trustees. The balance of these monies are held in investment accounts as the trustees have determined this will earn the charity the best rate of return whilst making funds easily accessible when they are needed.

The Children's Day Fund is for financing the annual Children's Day at Laxton Hall.

The Gosc Niedzielny Fund is for future production of the Polish newspaper.

The Priests' Fund is for retired priests, for assisting them in old age.

The purpose of the Professor Zych Fund is to help the propagation of the devotion of Jesus to the Merciful. The resources expended relate to repairs and maintenance work to the chapel of St Briavel's.

The purpose of the Edward Wallace Fund is to help financing the hospital and nursing facilities for elderly.

The purpose of the Herpel Fund is to help financing the education of orphans and relieve poverty amongst people.

The MB Grabowski Fund represents the investment portfolio and cash resources in relation to the previously separate registered charity number 270110. The fund is required to be treated as restricted, following a Uniting Direction from the Charity Commission of 20 July 2007. A thorough analysis of the financial movements in the Fund is produced and approved by the trustees.

The purpose of the Jerzy and Stanislaw Strzemien Fund is to benefit the sick, in need and lonely parishioners of the Ealing PCM.

The Special Collections Fund consists of obligatory regular as well as extra ordinary collection.

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 23 Analysis of net assets between funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 as restated £	Restricted funds 2020 £	Total 2020 as restated £
Fund balances at 31 December 2021 are represented by:						
Tangible assets	15,313,408	-	15,313,408	12,617,234	-	12,617,234
Social investments	118,068	-	118,068	1,124,353	-	1,124,353
Investment properties	3,440,000	-	3,440,000	3,229,334	-	3,229,334
Current assets/(liabilities)	5,171,089	517,183	5,688,272	3,989,421	507,679	4,497,100
Long term liabilities	(207,049)	-	(207,049)	(207,295)	-	(207,295)
	<u>23,835,516</u>	<u>517,183</u>	<u>24,352,699</u>	<u>20,753,047</u>	<u>507,679</u>	<u>21,260,726</u>

### 24 Related party transactions

The control of PCM Housing Association Limited (HAL) is closely related to the charity and offices are shared. In addition, the majority of the Trustees of the charity are Directors of PCM HAL.

The transactions during the year between the two consist of the following:

- An annual donation from PCM HAL to the charity of £24,000 (2020: £24,000).
- The part reimbursement of accountancy fees of £10,000 (2020: £10,000) for Dr N Langer's role as Financial Director of the charity and Treasurer of PCM HAL from the Housing Association to the charity .
- An annual rental fee of £12,000 (2020: £12,000) from PCM HAL to the charity in respect of the shared head office.
- The loans from the charity to PCM HAL to fund a housing project, as disclosed in note 15. The loans have an agreed interest rate of 2%. The outstanding balance due to the charity as at the reporting date was £742,463 (2020: £1,124,353) - refer to notes 15 and 27.



# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

25	Cash generated from operations	2021	2020
		£	£
	Surplus for the year	3,091,973	673,656
	Adjustments for:		
	Investment income recognised in statement of financial activities	(622,503)	(135,257)
	Gain on disposal of tangible fixed assets	(1,015,816)	(27,370)
	(Gain)/loss on disposal of investments	(96,864)	75,026
	Fair value gains and losses on investment properties	(210,666)	-
	Depreciation and impairment of tangible fixed assets	38,199	38,320
	Movements in working capital:		
	(Increase)/decrease in debtors	(313,719)	13,151
	Increase/(decrease) in creditors	89,770	(101,659)
	<b>Cash generated from operations</b>	<b>960,374</b>	<b>535,867</b>

26	Analysis of changes in net funds	At 1 January 2021	Cash flows	Fair value movements	At 31 December 2021
		£	£	£	£
	Cash at bank and in hand	1,823,657	246,213	-	2,069,870
	Liquid investments	2,561,937	-	96,862	2,658,799
		<u>4,385,594</u>	<u>246,213</u>	<u>96,862</u>	<u>4,728,669</u>

## 27 Events after the reporting date

After the balance sheet date, the charity completed the following property transactions:

- the sale of its freehold property 32 Bristol Road, Sheffield S11 8RL for £527,500.
- the transfer of Boston House from PCM HAL as repayment for part of the charity's loan to PCM HAL (the balance as at 31 December 2021 for this part of the loan was £624,394).

# THE POLISH CATHOLIC MISSION

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 28 Prior period adjustment

#### Changes to the balance sheet

	At 31 December 2020		
	As previously reported	Adjustment at 1 Jan 2020	As restated
	£	£	£
<b>Fixed assets</b>			
Tangible assets	12,667,384	(50,150)	12,617,234
Investment properties	729,334	2,500,000	3,229,334
<b>Income funds</b>			
Restricted funds	507,679	-	507,679
Designated funds	13,301,269	2,449,850	15,751,119
Unrestricted funds	5,001,929	-	5,001,929
<b>Total equity</b>	<b>18,810,877</b>	<b>2,449,850</b>	<b>21,260,727</b>

#### Changes to the statement of financial activities

	Period ended 31 December 2020		
	As previously reported	Adjustment	As restated
	£	£	£
Net movement in funds	673,656	-	673,656

Following a detailed review of the fixed assets, a prior year adjustment was identified. Historically, one of the properties in Devon owned by the charity was incorrectly recognised as a freehold property in the tangible fixed assets, however at the end of the 2021 year, it was identified to be an investment property instead. Hence, a prior period restatement was processed in order to transfer this property from freehold to investment property for the prior period's brought forward NBV of £50,150 (made of £62,396 cost and £12,246 accumulated depreciation) as well as to revalue it to its fair value of £2.5m. This resulted in a £2.5m increase on the charity's prior period's brought forward investment properties, £50,150 decrease in the charity's prior period's brought forward freehold properties balance and £2,449,850 increase on the charity's prior periods' brought forward designated funds.