

Registration number: 06211791  
Charity Registration No. 1119423

# The Polish Catholic Mission

Annual Report and Audited Financial Statements

for the year ended 31 December 2022

# **The Polish Catholic Mission**

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## **The Polish Catholic Mission**

### **Company Information**

#### **Trustees**

Rev B Kolodziej  
Rev A Strzepka  
Rev R Jaroslowski  
Mr Z Green  
Dr M Marzanski  
Rev R Szczodrowski  
Mr M Tomas

#### **Registered office**

2 Devonian Road  
London  
Islington  
N1 8JJ

#### **Auditor**

Johnsons, Chartered Accountants  
1-2 Craven Road Ealing  
London  
W5 2UA

## **The Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022**

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 2022.

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 2022 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.

## **The Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022 (continued)**

#### **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.

##### **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 which are relevant for the current year. 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 for the year ended 31 December 2022 (continued)**

#### **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 74 Local Polish Catholic Missions and 221 places where Mass in Polish carried out. The number of priests ministering in the Polish Catholic Mission in 2022 was 93.

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 a promotion of church teaching and Christian lifestyle and 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 is 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 24 churches and 13 chapels.

## **The Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022 (continued)**

#### **Polish Catholic Mission Archives**

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

#### **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.

##### **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.

## **The Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022 (continued)**

#### **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.

#### **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 1 January 2008. On the 8 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.

The trustees present their report and the financial statements for the year ended 31 December 2022.



## **The Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022 (continued)**

#### **Trustees**

The trustees who held office during the year were as follows:

Rt Rev Mgr S Wylezek - (resigned 1 July 2023)

Rev Canon K Tyliszcak - (resigned 5 September 2022)

Rev A Strzepka - (appointed 13 September 2022)

Dr M Marzanski

Rev R Jaroslowski

Rev R Szczodrowski

Mr M Tomas

Dr N Langer - (resigned 14 February 2023)

The following trustees were appointed after the year end:

Rev B Kolodziej - (appointed 2 May 2023)

Mr Z Green - (appointed 23 February 2023)

#### **Financial instruments**

#### **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.

#### **Organisational Structure**

The Trustees are ultimately responsible for the policies, activities and assets of the charity. In the year 2022, 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 Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022 (continued)**

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 74 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 charities 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.

#### **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:

## **The Polish Catholic Mission**

### **Trustees' Report for the year ended 31 December 2022 (continued)**

#### **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.

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 Members of Staff of the Polish Catholic Mission belong to 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 for the year ended 31 December 2022 (continued)

#### 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.

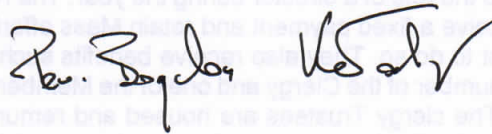
#### Disclosure of information to auditor

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.

25 October 2023

Approved by the Trustees on ..... and signed on their behalf by:

Rev B Kolodziej



## **Independent Auditor's Report to the Trustees of The Polish Catholic Mission**

### **Qualified opinion**

We have audited the financial statements of The Polish Catholic Mission (the 'charity') for the year ended 31 December 2022 which comprise the Statement of financial activities including income and expenditure account, the Balance sheet, the Statement of Cashflows, and Notes to the financial statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matters described in the Basis of qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for qualified opinion**

We have included the qualification on the following matters:

At 31 December 2022, the cost of Land and buildings is £15,254,659 and accumulated depreciation is £782,341 with net book value at £14,472,318. Management is unable to provide sufficient appropriate evidence in support of this valuation of the land and building and there is no specific value assigned to the building. Consequently, we are unable to determine any adjustments might have been necessary in respect of the accumulated depreciation in relation to building for the year-ended 31 December 2021 and consequent impact on the balances as at 31 December 2022.

At 31 December 2022, the cost of long leasehold property is £656,885 and accumulated depreciation is £49,269 with net book value at £607,616. Management is unable to provide sufficient appropriate evidence in support of the cost of long leasehold property. Management is unable to provide basis for assumption of useful life used for depreciation calculation. Consequently, we are unable to determine any adjustments might have been necessary in respect of the net book value of leasehold property for the year-ended 31 December 2021 and consequent impact on the balances as at 31 December 2022.

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.

## **Independent Auditor's Report to the Trustees of The Polish Catholic Mission (continued)**

### **Other information**

The other information comprises the information included in the Trustees 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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 is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **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
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees 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.

## **Independent Auditor's Report to the Trustees of The Polish Catholic Mission (continued)**

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identification and assessment of potential risks**

In identifying and assessing potential risks related to irregularities and in identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we conducted:

- Meetings throughout the year with those charged with governance;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the charity's material policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance relating to the detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- Our review of design of controls at local parishes including visit to 10 parishes selected on the basis of materiality and at random incorporating the element of unpredictability;
- Our reviews of the charity's remuneration policies and bonus levels;
- Our assessment of any material transactions with related parties and key individuals; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the Audit Director and staff who have extensive experience of working with charities in the same sectors as the charity, and this experience was relevant to the discussion about where fraud risks may arise.

## Independent Auditor's Report to the Trustees of The Polish Catholic Mission (continued)

### Risks arising from legal and regulatory frameworks

We are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks in which the charity operates, focusing on provisions of those areas that had a direct effect on the determination of material amounts and disclosures in the financial statements.

We did not identify any material audit matters related to the potential risk of fraud or non-compliance with laws and regulations from our work:

- Reviewing management override of controls;
- Testing the appropriateness of journal entries and other accounting adjustments;
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated our assessment of the relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

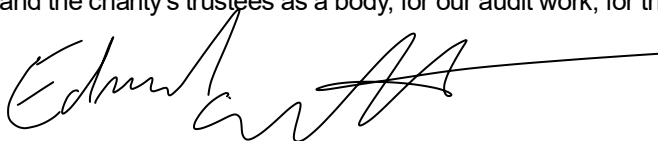
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed 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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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.



Edmund Cartwright, FCCA MAAT (Senior Statutory Auditor)

for and on behalf of Johnsons, Chartered Accountants, Statutory Auditor

London, United Kingdom

26<sup>th</sup> October 2023



## The Polish Catholic Mission

### Statement of financial activities including income and expenditure account for the year ended 31 December 2022

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		2022	2022	2022	2021	2021	2021
					Restated	Restated	Restated
	Note	£	£	£	£	£	£
Income and endowments	3	6,705,113	-	6,705,113	6,883,806	-	6,883,806
Expenditure on charitable activities	5	(6,355,365)	(55,888)	(6,411,253)	(4,071,398)	(57,165)	(4,128,563)
Net gains/(losses) on investments	6	168,770	-	168,770	307,530	-	307,530
<b>Net income for the year</b>		<b>518,518</b>	<b>(55,888)</b>	<b>462,630</b>	<b>3,119,938</b>	<b>(57,165)</b>	<b>3,062,773</b>
<b>Other recognised gains/(losses):</b>							
Loss on revaluation of fixed assets		-	-	-	(211,635)	-	(211,635)
<b>Net movement in funds</b>		<b>518,518</b>	<b>(55,888)</b>	<b>462,630</b>	<b>2,908,303</b>	<b>(57,165)</b>	<b>2,851,138</b>
<b>Reconciliation of funds:</b>							
Fund balances brought forward		23,480,793	631,071	24,111,864	20,572,490	688,236	21,260,726
<b>Fund balances carried forward</b>		<b>23,999,311</b>	<b>575,183</b>	<b>24,574,494</b>	<b>23,480,793</b>	<b>631,071</b>	<b>24,111,864</b>

The statement of financial activities including income and expenditure account include all gains and losses recognised in the year. All income and expenditure derive from the continuing activities.

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


The notes on pages 20 to 35 form part of these financial statements.

**The Polish Catholic Mission**  
**Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 Restated £
<b>Fixed assets</b>			
Tangible assets	10	15,120,806	15,151,923
Investment properties	11	4,405,658	3,389,850
Social investments	12	-	534,428
		<u>19,526,464</u>	<u>19,076,201</u>
<b>Current assets</b>			
Debtors	13	152,390	445,740
Social investments	12	53,171	208,035
Current asset investments	14	2,236,091	2,332,129
Cash at bank and in hand	15	3,029,699	2,396,539
		<u>5,471,351</u>	<u>5,382,443</u>
<b>Creditors: Amounts falling due within one year</b>	17	(219,272)	(139,731)
		<u>5,252,079</u>	<u>5,242,712</u>
<b>Net current assets</b>			
		<u>5,252,079</u>	<u>5,242,712</u>
<b>Total assets less current liabilities</b>		24,778,543	24,318,913
<b>Creditors: Amounts falling due after more than one year</b>	17	(204,049)	(207,049)
		<u>24,574,494</u>	<u>24,111,864</u>
<b>Net assets</b>			
		<u>24,574,494</u>	<u>24,111,864</u>
<b>Income funds</b>			
Restricted funds	21	575,183	631,071
<u>Unrestricted funds:</u>			
General unrestricted funds		23,999,311	23,480,793
		<u>24,574,494</u>	<u>24,111,864</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 25 October 2023 and signed on its behalf by:

Rev B Kolodziej 

The notes on pages 20 to 35 form part of these financial statements.

## The Polish Catholic Mission

### Statement of Cash Flows for the year ended 31 December 2022

	Notes	2022 £	2021 Restated £
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	22	(562,791)	960,376
<b>Cash flow from investing activities</b>			
Purchase of investment property		(207,490)	(2,771,897)
Proceeds on disposal of tangible fixed assets		527,500	1,053,340
Repayments of loans by related parties		170,927	381,891
Interest received/(paid)		7,720	-
Investment income received		696,538	622,503
Rental income		756	-
Net cash from investing activities		1,195,951	(714,163)
<b>Net cash used in financing activities</b>		-	-
Net increase in cash and cash equivalents		633,160	246,213
Cash and cash equivalent at beginning of year		2,396,539	2,150,326
<b>Cash and cash equivalent at end of year</b>		<u>3,029,699</u>	<u>2,396,539</u>

The notes on pages 20 to 35 form part of these financial statements.

**The Polish Catholic Mission**  
**Notes to the financial statements**  
**for the year ended 31 December 2022**

**1 General information**

The Polish Catholic Mission is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 2 Devonian 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.

**2 Accounting policies**

**Basis for preparing the financial statements**

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 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 transactions value unless otherwise stated in the relevant accounting policy. The principal accounting policies adopted are set out below.

**Going concern**

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

**Fund accounting**

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

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 subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are 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 2022**

#### **Income and endowments**

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 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.

#### **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 2022**

#### **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 are included in the measurement of cost.

LPCM repairs & renovations projects costing £10,000 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 charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Leasehold land and buildings – Over the life of the lease

Fixtures & Fittings – 10%

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.

#### **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 statement of financial activities.

#### **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.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

# **The Polish Catholic Mission**

## **Notes to the financial statements (continued) for the year ended 31 December 2022**

### **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.

#### ***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.

### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 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 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 Income and endowments

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022	2021
	£	£
Donations and legacies	4,512,274	4,480,715
Charitable activities	846,312	551,427
Investment income	732,134	622,503
Other income	614,393	1,229,161
	<u>6,705,113</u>	<u>6,883,806</u>

Donations and legacies represent the income received from offertories (gift aid and non-gift aid), donations (gift aid and non-gift aid), legacies (will) and tax refunds.

Charitable activities represent income received from charitable events organised during the current year. During the year, income from charitable activities include an amount of £220,216 (designated fund) received for specific purposes (2021: £nil) which was spent by the charity in full during the year.

Investment income represent income from dividends and rent.

Other income represent gain on disposal of asset and income from parking facilities.



## The Polish Catholic Mission

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 4 Employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Head Office	6	4
Local Missions	6	6
Total	12	10

	2022	2021
	£	£
Wages and salaries	283,335	182,078
Social security costs	7,755	3,878
Other pension costs	1,083	981
	292,173	186,937

Total employee benefits attributable to key management personnel (note 8) in 2022 is £76,662 (2021: £74,034).

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

#### 5 Expenditure

The analysis of the company's expenditure for the year from continuing operations is as follows:

	2022	2021
	£	Restated £
Pastoral work	4,605,863	322,656
Church related activities	1,321,340	3,229,382
Outreach and events	32,798	43,055
Special projects and giving	102,347	248,776
Other expenses	349,176	284,694
	6,411,523	4,128,563

Church related activities include £55,888 (2021: £57,165) incurred by the charity from the restricted funds.

Other expenses include expenses incurred by charity amounting to £220,216 (designated fund) towards the specific purposes for which these funds are raised through charitable activities.

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

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

	2022	2021
	£	£
Gain/(loss) on current asset investments	(97,038)	96,864
Revaluation of investment properties	265,808	210,666
	<u>168,770</u>	<u>307,530</u>

### 7 Depreciation expense

	2022	2021
	£	£
Depreciation expense	<u>21,793</u>	<u>38,199</u>

### 8 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 £38,427 (2021: £36,720) 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 £21,230 (2021: £20,800), Rev K Tyliczszak received a stipend of £10,400 (2021: £15,600) and Rev A Strepka received a stipend of £5,522.

During the year ended 31 December 2022, £3,169 was paid to 4 Trustees (2021: £5,749 to 4 trustees) for reimbursed expenses incurred to carry out their duties as charity trustees.

### 9 Auditors' remuneration

The analysis of auditor's remuneration is as follows.

	2022	2021
	£	£
<b>Fees payable to the charity's auditor and associates:</b>		
Audit of the financial statements	<u>23,000</u>	<u>21,000</u>

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 10 Tangible assets

	Free hold property £	Leasehold Property £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2022	15,432,645	656,885	355,527	16,445,057
Restatement	(165,986)	-	-	(165,986)
At 1 January 2022 (restated)	15,266,659	656,885	355,527	16,279,071
Disposals	(12,000)	-	-	(12,000)
At 31 December 2022	15,254,659	656,885	355,527	16,267,071
<b>Depreciation and impairment</b>				
At 1 January 2022	789,518	46,500	295,631	1,131,649
Restatement	(4,501)	-	-	(4,501)
At 1 January 2022 (restated)	785,017	46,500	295,631	1,127,148
Depreciation charge for the year	-	2,769	19,024	21,793
Disposals	(2,676)	-	-	(2,676)
At 31 December 2022	782,341	49,269	314,655	1,146,265
<b>Carrying amount</b>				
At 31 December 2022	14,472,318	607,616	40,872	15,120,806
At 31 December 2021 (restated)	14,481,642	610,385	59,896	15,151,923

On 15 February 2022, charity sold freehold property (32 Bristol Road, Sheffield S11 8RL) with cost of £12,000 and accumulated depreciation of £2,676 for £527,500. A gain of £518,176 is included in the statement of financial activities.

The freehold property is restated to exclude Ealing property with cost of £228,381 and accumulated depreciation of £16,746 as it does not belong to the charity. The net book value of £211,635 is adjusted in the property fund.

The tangible assets is further restated to correct the incorrect classification of freehold property with net book value amounting to £50,150 (cost of £62,395 and accumulated depreciation of £12,245) as investment property in the prior year.

## The Polish Catholic Mission

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 11 Investment properties

	<b>2022</b>
	<b>£</b>
At 1 January 2022	3,440,000
Restatement	(50,150)
	<hr/> 3,389,850
Additions	750,000
Net gain through fair value adjustments	265,808
At 31 December 2022	<hr/> <hr/> 4,405,658

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

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.

The fair values of the Boston House investment property have been taken from the completion statement as this property was acquired towards the end of the year. This property was acquired by the charity as part of loan settlement from PCM Housing Association Limited. Of the purchase value of £750,000, an amount of £207,490 is paid in cash and the balance amount is off set against the receivable balance.

Management have performed a fair value exercise of the investment properties 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.

#### 12 Social investments

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>Restated</b>
		<b>£</b>
Loans to related parties		
- Due within one year	53,171	208,035
- Due after one year	-	534,428
	<hr/> 53,171	<hr/> 742,463
<b>Movement in balances during the year</b>	<b>2022</b>	
	<b>£</b>	
At 1 January 2022	742,463	
Interest	8,641	
Repayments	(697,933)	
At 31 December 2022	<hr/> <hr/> 53,171	

During the year, PCM Housing Association Limited transferred Boston House property to charity towards settlement of the outstanding loan for £541,827. The balance amount is settled in cash.

The loans provided to PCM Housing Association Limited is unsecured and carries an interest rate of 2%. The 2 outstanding loans mature in 2023.

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 13 Debtors

	2022	2021
		Restated
	£	£
Other debtors	16,500	27,650
Prepayments	100,294	418,090
Accrued income	35,596	-
	<u>152,390</u>	<u>445,740</u>

No provision is made against the debtors as of year-end (2021: £nil).

### 14 Current asset investments

	2022	2021
		Restated
	£	£
Investments	<u>2,236,091</u>	<u>2,332,129</u>

### Movement in current asset investments

	2022
	£
<b>Valuation</b>	
At 1 January 2022 (restated)	2,332,129
Revaluations	(97,038)
At 31 December 2022	<u>2,236,091</u>

### 15 Cash and cash equivalents

	2022	2021
		Restated
	£	£
Cash at bank	2,704,032	2,069,870
Cash balance with investment managers	325,667	326,669
	<u>3,029,699</u>	<u>2,396,539</u>

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 16 Summary of funds

The purpose of the Professor Zych Fund is to help the propagation of the devotion of Jesus to the Merciful.

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 Children's Day fund, Gosc niedzielnny fund, Priests fund, Edward Wallace fund, Herpel fund, Special collections fund, Jerzy and Stanislaw fund does have nil balances at year-end (2021: £nil).

### 17 Creditors

	2022	2021
	£	Restated £
<b>Creditors: Amounts falling due within one year</b>		
Social security and other taxes	4,018	2,301
Other payables	143,510	83,422
Accruals	71,744	54,008
	<u>219,272</u>	<u>139,731</u>

Other payables primarily represent the amounts collected by charity for specific purpose through special events at local parishes. The amount collected for specific purpose is subsequently paid as of date.

#### Creditors: Amounts falling due after more than one year

Other payables	<u>204,049</u>	<u>207,049</u>
----------------	----------------	----------------

Other payables include £152,049 received from Mary Immaculate organisation for investment purposes. The balance amount of £52,000 is payable to Halski's Grant charity (290654).

### 18 Pension and other schemes

#### Defined contribution pension scheme

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions paid by the charity amounting to £1,083 (2021: £981). There is not pension payable as at year end (2021: £nil).

## The Polish Catholic Mission

### Notes to the financial statements (continued) for the year ended 31 December 2022

#### 19 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 (2021: £24,000).
- The part reimbursement of accountancy fees of £10,000 (2021: £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 (2021: £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 9. These loans have an agreed interest rate of 2%. The outstanding loan balance due to the charity as at the reporting date was £53,171 (2021: £742,463). The loan was partly settled during the year by transferring the Boston House property from PCM HAL to charity.

The Halski's Grant is a related party to charity. The balance of Halski's Grant at the year-end is £52,000 (2021: £55,000).

#### 20 Events after the reporting date

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

- The purchase of freehold property in Northolt for £612,130 on 19 May 2023.

#### 21 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:

	<b>Movement in funds</b>		
	<b>Balance at 1 January 2022</b>	<b>Resources expended</b>	<b>Incoming resources</b>
	<b>£</b>		<b>£</b>
Professor Zych fund	50,129	(938)	-
MB Grabowski fund	580,942	(54,950)	-
	<b>631,071</b>	<b>(55,888)</b>	<b>-</b>

	<b>Movement in funds</b>		
	<b>Balance at 1 January 2021</b>	<b>Resources expended</b>	<b>Incoming resources</b>
	<b>£</b>		<b>£</b>
Professor Zych fund	50,129	-	-
MB Grabowski fund	638,107	(57,165)	-
	<b>688,236</b>	<b>(57,165)</b>	<b>-</b>

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 22 Cash generated from operations

	2022	2021
	£	Restated £
Surplus for the year	462,630	2,851,138
<b>Adjustments for:</b>		
Investment income recognised in statement of financial activities	(732,134)	(622,503)
Gain on disposal of tangible fixed assets	(518,176)	(1,015,816)
Loss on revaluation of properties	-	211,635
(Gain)/ loss on disposal of investments	97,039	(96,864)
Gain on fair valuation of investment properties	(265,808)	(210,666)
Depreciation of tangible fixed assets	21,793	38,199
Rental income	(756)	-
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	293,350	(313,717)
Increase/(decrease) in creditors	79,271	118,970
Cash generated from operations	(562,791)	960,376

### 23 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021 as restated	Restricted funds 2021 as restated	Total 2021 as restated
	£	£	£	£	£	£
Funds balance at year-end are represented by:						
Tangible assets	15,120,806	-	15,120,806	15,151,923	-	15,151,923
Investment properties	4,405,658	-	4,405,658	3,389,850	-	3,389,850
Social investments	-	-	-	208,035	-	208,035
Current assets/(liabilities)	4,676,896	575,183	5,252,079	4,938,034	631,071	5,569,105
Long term liabilities	(204,049)	-	(204,049)	(207,049)	-	(207,049)
	23,999,311	575,183	24,574,494	23,480,793	631,071	24,111,864



# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 23 Analysis of changes in net funds

	At 1 January 2022 Restated £	Cash flows £	Fair value movements £	At 31 December 2021 £
Cash at bank and in hand	2,396,539	633,160	-	3,029,699
Liquid investments	2,332,129	-	(97,308)	2,236,091
	4,728,668	633,160	(97,308)	5,265,790

# The Polish Catholic Mission

## Notes to the financial statements (continued) for the year ended 31 December 2022

### 23 Prior period adjustment

#### Changes to the balance sheet

		At 31 December 2021		
	Note	As previously report	Adjustment	As restated
		£	£	£
<b>Fixed assets</b>				
Tangible assets	23.1	15,313,408	(161,485)	15,151,923
Social investments	23.2	118,068	416,360	534,428
Investment properties	23.1	3,440,000	(50,150)	3,389,850
		18,871,476	204,725	18,749,808
<b>Current assets</b>				
Debtors	23.2	1,070,134	(624,394)	445,740
Social investments	23.2	-	208,035	208,035
Current asset investments	23.3	2,658,799	(326,670)	2,332,129
Cash at bank and in hand	23.3	2,069,870	326,669	2,396,539
		5,798,803	(416,360)	5,708,836
<b>Creditors:</b> Amounts falling due within one year	23.4	(110,531)	(29,200)	(139,731)
<b>Net current assets</b>		5,688,272	(445,560)	5,569,105
<b>Total assets less current liabilities</b>		24,559,748	(240,835)	24,318,913
<b>Creditors:</b> Amounts falling due after more than one year		(207,049)	-	(207,049)
<b>Net assets</b>		24,352,699	(240,835)	24,318,913
<b>Income funds</b>				
Restricted funds	23.5	517,181	113,890	631,071
<u>Unrestricted funds:</u>				
Designated funds	23.6	18,693,512	(18,693,512)	-
General unrestricted funds	23.6	5,142,006	18,338,787	23,480,793
		24,352,699	(240,835)	24,111,864

#### Changes to statement of financial activities

		At 31 December 2021		
	Note	As previously report	Adjustment	As restated
		£	£	£
<b>Fixed assets</b>				
Expenditure on charitable activities	23.4	4,099,363	29,200	4,128,563
Loss on revaluation of fixed assets	23.1	-	(211,635)	(211,635)

Explanation notes for restatements:

23.1 – Adjustment of £211,635 to tangible fixed assets and loss on revaluation of fixed assets relates to the excluding Ealing property as it does not belong to the charity. Further, in the prior year fixed assets amounting to £50,150 is incorrectly classified as investment property.

## **The Polish Catholic Mission**

### **Notes to the financial statements (continued) for the year ended 31 December 2022**

#### **23 Prior period adjustment (continued)**

Explanation notes for restatement (continued):

23.2 – Adjustment to social investments (long term), debtors and social investments (short term) is due to incorrect grouping of long-term receivable as short-term receivable. Further, social investments are grouped under debtors in the prior year which is currently disclosed in a separate line on the balance sheet.

23.3 – Adjustment to Current asset investments and cash at bank and in hand is due to incorrect grouping of the cash balances available with investment managers as current asset investments.

23.4 – Adjustment to Creditors: Amounts falling due within one year and Expenditure on charitable activities of £29,200 is due to under accrual of expenses in prior year.

23.5 – Adjustment to restricted funds amounting to £113,890 is due to incorrect accounting of the loan provided from the restricted funds as resources expensed in prior year.

23.6 – Adjustment to Designated funds amounting to £18,693,512 is due to incorrect classification of general unrestricted funds as designated funds (property fund).