

Polish Social and Cultural Association

England & Wales · Charity number 236745

Details

Other names	POLISH SOCIAL AND CULTURAL ASSOCIATION LIMITED, P O S K - POLSKI OSRODEK SPOLECZNO-KULTURALNY, POLSKI OSRODEK SPOLECZNO KULTURALNY, POSK
Status	Registered
Legal form	Charitable company
Company number	00816310
Registered	1965-08-23
Register	View on the Charity Commission register

Contact

Address	POLISH SOCIAL & CULTURAL Association Ltd 238-246 King Street London W6 0RF
Phone	02087426411
Email	admin@posk.org
Website	www.posk.org

Activities

Objects: (1) THE OBJECTS FOR WHICH THE ASSOCIATION IS ESTABLISHED ARE:(A) TO PROMOTE AND FURTHER EDUCATION AND LEARNING IN THE RESPECTIVE HISTORIES, ARTS, LITERATURES, LANGUAGES AND CULTURES OF POLAND AND OF THE UNITED KINGDOM AND GENERALLY TO PROPAGATE EDUCATION, AND WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING OBJECTS TO CARRY OUT THE SAME WITH A VIEW, IN PARTICULAR, TO ADVANCING, DEVELOPING AND ENCOURAGING A GREATER MUTUAL UNDERSTANDING AND A GREATER DEGREE OF INTELLECTUAL CO-OPERATION AND CULTURAL INTERCOURSE BETWEEN PERSONS WHO ARE EITHER WHOLLY OR IN PART OF POLISH EXTRACTION, ORIGIN OR DESCENT AND WHO ALSO ARE OR SHALL AT ANY TIME HAVE BEEN EITHER PERMANENTLY OR TEMPORARILY RESIDENT WITHIN THE UNITED KINGDOM (WHICH PERSONS ARE HEREINAFTER REFERRED TO AS "POLES") ON THE ONE HAND AND THE OTHER PEOPLE OF THE UNITED KINGDOM ON THE OTHER HAND.(B) TO ADVANCE, PROMOTE, SPONSOR, ENCOURAGE, ASSIST IN, FURTHER AND DEVELOP EDUCATION, TRAINING AND LEARNING IN EVERY FIELD OF ART, SCIENCE, LITERATURE, CULTURE, PHILOSOPHY, TECHNOLOGY, MECHANICS, VOCATIONAL AND PROFESSIONAL STUDIES AND OTHER SUBJECTS AND IN PARTICULAR THE EDUCATION AND TRAINING OF AND LEARNING AMONGST POLES.

Activities: Promotion of Polish Culture, education, history, arts, literature, drama. Maintaining Polish Library and Theatre. Maintaining multi purpose building to provide recreation facilities, offices, restaurant .

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science
- **Who:** Children/young People, Elderly/old People, People Of A Particular Ethnic Or Racial Origin

Geography

- **Area of benefit:** UNITED KINGDOM AND NORTHERN IRELAND
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,552,918	£1,654,110	£9,879,353	20
2023-12-31	£1,266,359	£1,922,293	£9,996,994	21
2022-12-31	£1,287,131	£1,177,874	£10,650,945	21
2021-12-31	£1,106,026	£783,254	£10,226,459	21
2020-12-31	£1,204,117	£886,721	£9,142,712	25

Trustees

Name	Role	Appointed
Andrzej Stanislaw Markowski		2025-07-14
Dorota Agata Lewis		2025-07-14
Marcin Slawomir Kalinowski		2024-11-09
Monika Kobylec		2024-11-09
Tomasz Szpringer		2024-11-09
Wiktor Moszczynski		2024-11-09
Wlodzimierz Anthony Christopher Mier-Jedrzejowicz		2024-11-09
Zaneta Brudzinska		2024-11-09

Accounts

Charity registration number 236745 (England and Wales)

Company registration number 00816310

POLISH SOCIAL AND CULTURAL ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

POLISH SOCIAL AND CULTURAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Marcin Kalinowski	Appointed 9 November 2024
	Monika Kobylec	Appointed 19 November 2024
	Richard Wojciech Tobiasiewicz	Appointed 19 November 2024
	Tomasz Szpringer	Appointed 19 November 2024
	Wiktoria Moszczynski	Appointed 19 November 2024
	Włodzimierz Anthony Christopher Mier-Jedrzejowicz	Appointed 19 November 2024
	Janusz Wajda	Appointed 19 November 2024
	Małgorzata Nyga	Appointed 19 November 2024
	Zaneta Brudzinska	Appointed 19 November 2024
Secretary	Włodzimierz Mier – Jedrzejowicz	
Charity number	236745	
Company number	00816310	
Registered office	238-246 King Street Hammersmith London W6 0RF	
Auditor	Richard Place Dobson Services Limited 1-7 Station Road Crawley West Sussex RH10 1HT	
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	

POLISH SOCIAL AND CULTURAL ASSOCIATION

CONTENTS

	Page
Trustees report	1 - 8
Statement of Trustees report responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13 - 14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 28

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees submit their report and the audited financial statements for the year ended 31 December 2024 for the Polish Social and Cultural Association ("POSK" or the "Charitable Company" or the "Charity") These financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Reference and administrative details

POSK is a company limited by guarantee (number 816310) and a registered charity (number 236745). It was incorporated on 19 August 1964 and is governed by its Memorandum and Articles as adopted at an Extraordinary General Meeting of Members on 18 May 2019. Each member has provided a guarantee up to a limit of £1 each.

None of the Trustees has any financial interest in the company. All of the Trustees are members of the company and guarantee £1 in the event of a winding up.

Objectives and activities

The overarching mission of the Polish Social and Cultural Association (POSK) is to serve the Polish community in the United Kingdom by promoting culture, education and social integration. These objectives are defined as follows:

- the promotion of Polish culture, including literature, language, arts, and the history of both Poland and the United Kingdom
- the organisation of social and cultural events aimed at the Polish diaspora, as well as initiatives that foster integration across diverse communities,
- the support of education, training, and development initiatives targeted at Poles residing in the UK,
- the provision of support and opportunities for recreation, particularly for those in need due to age, disability, poverty, or challenging socio-economic circumstances.

To achieve these aims, POSK established a centre which it now strives to maintain in the best possible condition for the benefit of the wider community. The centre initiates and hosts a broad range of cultural, artistic, social, and educational events.

The organisation's operations are funded primarily through donations, income generated from the commercial hire of offices and venues and actively sought project-specific grants. POSK consistently seeks to maintain a balance between delivering a high-quality, ambitious programme and ensuring the financial sustainability of its activities.

The Polish Social and Cultural Association (POSK) fulfils its statutory aims through a broad range of cultural, educational, and community-oriented activities, including:

- **Providing space and resources for the Polish Library**, which collects, preserves, and offers access to an extensive collection of books and archival materials related to Polish history and culture. The library operates a lending service and reading room, collaborates with public libraries across the United Kingdom through the Central Circulating Library, which supplies books in Polish to local branches, and is recognised by both the United Kingdom and Poland (MAB). In addition, it plays an active role in delivering a rich programme of cultural and educational events.
- **Making available key cultural spaces** such as the Theatre, Atrium, Gallery, Studio, and Malinowa Hall for the regular use of artistic, educational, and professional organisations. These include long-standing resident groups such as POSK Opera, the Tatr Polish Song and Dance Ensemble, the Polish Stage Company UK, the Syrena Children's Theatre, and the Association of Polish Artists.
- **Offering office space at preferential rates** to organisations such as the Polish Educational Society, Medical Aid for Poland, the Polish Weekly, the Polish University Abroad (University of the Third Age), the Association of Polish Engineers in the UK, and the Joseph Conrad Society. These arrangements also extend to the rental of venues for cultural, academic, and social events such as lectures, conferences, and commemorative gatherings.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

- **Operating themed clubs** including Jazz Café, POSK Theatre for Children, and the POSK Gallery, and organising numerous cultural events open to both Polish and international audiences – notably the annual Chopin Festival. POSK also maintains an active presence on social media platforms such as Facebook and Instagram.

All of these initiatives contribute to POSK's role as the leading centre for Polish culture in the United Kingdom, promoting the Polish language and cultural heritage within the Polish community and across wider British society. Through its work, POSK highlights the enduring contribution and significance of Polish culture to the cultural life of the UK.

Achievements and performance

Under the leadership of the current Chair and a restructured Board of Trustees, POSK undertook a review and evaluation of the previous management's three-year term. The start of 2024 presented a period of significant transition, marked by notable changes within the Board. Several director roles experienced turnover, which presented challenges to continuity and governance. Despite this, POSK remained committed to its core mission.

Throughout the year, the former Chair continued to perform their leadership role while also supporting financial oversight responsibilities. These dual roles highlighted the need to review and strengthen internal controls, governance structures, and administrative processes. Following the election of new leadership in November 2024, efforts were made to stabilise operations and regain full access to essential systems and accounts. While some technical and administrative hurdles remain, the organisation continued to deliver many of its statutory functions and began laying the groundwork for longer-term improvements.

POSK Theatre staged two productions: *The Three Little Pigs* and *The Wawel Dragon – A Different Story*, created by the in house children's theatre group Teatr POSK Dzieciom (TPD). These performances generated notable profits and achieved great success in terms of public perception. TPD also successfully secured and accounted for a production grant, marking a considerable achievement. Additionally, Teatr Syrena celebrated its 65th anniversary with a performance of *Puss in Boots*. The theatre also hosted external productions such as *The Ulma Family*, the operatic programme *Flis / Perpetuum Nobile*, the annual Chopin Festival, and children's events including *Śpiewowisko* and the *Wierszowisko* finale.

Jazz Café POSK continues to strengthen its position as one of London's key jazz venues. It attracts a different audience compared to other POSK events, enriching the centre's cultural offer. Regular concerts generate reliable ticket income, supporting the sustainable growth of this programme.

The POSK Gallery, a hallmark of the institution due to its central location, effectively capitalises on its visibility by presenting a diverse and engaging series of exhibitions.

POSKino suspended its operations during the year due to challenges around operational oversight. Reactivating the cinema and enhancing its long-term viability have since been identified as key priorities by the current Chair and the Board.

The POSK Library remains a top tier humanist institution, steadily expanding its collection, which currently includes around 35,000 items. It also organises exhibitions, conferences, and meetings with notable figures in culture including a screening and discussion with the director of a film about Zbigniew Herbert.

The POSK Atrium continues to enjoy popularity as a venue for classical music concerts, poetry evenings, and presentations. In 2024, it was equipped with a new grand piano, and the renovated space provides a refined setting for events.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

The POSK Virtual Museum, developed as part of the Anglo Polish Cultural Exchange project, encountered a number of delivery and cost challenges. The project involved significant expenditure and required careful review to ensure contractual and financial compliance. The current management initiated a comprehensive assessment of the initiative, which had previously lacked transparency. While concerns had been raised earlier in the year, access to project documentation was limited. Work is ongoing to evaluate lessons learned and ensure improved oversight for future initiatives.

Many POSK facilities including the theatre continued to be hired commercially by external organisations such as schools, choirs, and theatre, music, and opera groups. This activity benefits both local and international communities (e.g. Chinese opera) and serves as a key revenue stream. Tenants included The Arts Educational Schools, W11 Opera, Addison Singers, City Academy, and others. POSK also maintains working relationships with the Polish government, the Embassy and Consulate, British cultural institutions, and the local council.

According to the Trustees, the main indicators of POSK's success are the continuity and diversity of its programming, which engages both post war émigrés and the newer Polish community in the UK. This translates into strong attendance and ongoing development of new initiatives. POSK is currently reassessing its operations and evaluating the needs of the community it serves, while also identifying events that could attract new audiences to the centre.

Community outreach, particularly programmes aimed at supporting senior citizens, was stopped during the year to allow for restructuring and the development of more robust operational procedures. Similarly, activity within the Family Department has been scaled back to facilitate a review of its future direction. These changes form part of a broader effort to enhance service delivery and ensure sustainability.

POSK's residential properties continued to provide a stable source of income in 2024, with tenants of offices and flats regularly meeting their payment obligations. The POSK Library received substantial financial support from the Polish Ministry of Culture and National Heritage. POSK also began implementing an investment grant the first stage of which was the renovation of the Malinowa Hall.

The Trustees express their sincere gratitude to all staff, volunteers, tenants, and donors who support POSK's mission of building and maintaining a vibrant Polish cultural centre in London.

Volunteers

Volunteers are key to POSK's success. Trustees and Council Members provide their professional expertise in a voluntary capacity, specifically in terms of day to day running of POSK as well as strategic planning.

Indeed POSK has numerous volunteers who kindly give up their time and provide their expertise and skills. Such volunteers assist in running POSK and putting on POSK events, POSK's Gallery being run by them. It is hard to estimate the number of hours put in by volunteers; nonetheless the Trustees acknowledge that without this significant input POSK would find it difficult to carry out its activities, even to function at all.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Financial review

POSK uses a Xero system. A part-time bookkeeper and external accountant are employed as well as a project and administrative volunteer to help the Treasurer.

Income generation

Total income for POSK in 2024 amounted to £1,552,918 in comparison to 2023 - £1,266,359. This was in line with the approved budget.

POSK's income remains subject to significant fluctuations and continues to depend on grants, donations, and bequests. In 2024, there were no testamentary bequests. The POSK Library continued to receive its annual grant of £200,000 from the Polish Ministry of Culture. Total income from grants, donations and bequests therefore amounted to £528,844, compared to £311,135 in 2023.

In 2024, rental income from premises remained stable, providing a healthy financial foundation. However, the gradual decline in audience attendance emerged as a challenge and prompted reflection for the new management. While cultural and community activities are not intended to generate maximum profit, events should also not result in consistent financial losses, as this threatens the centre's long-term development, particularly when it aims to pursue a clear and ambitious cultural mission.

During 2024 POSK received £84,000 from the POSK Foundation in comparison to 2023 – £60,000. The Trustees express their sincere thanks to the POSK Foundation for its continued support. The relatively high level of investment income reflects the effectiveness of the Trustees' policy of diversifying income streams without negatively impacting POSK's charitable activities.

POSK extends its heartfelt gratitude to all supporters for their ongoing commitment and to all donors for their generosity, which made these outcomes possible.

Resources Expended

Resources expended on charitable activities and governance costs in 2024 were £1,654,110 in comparison with 2023 – £1,922,293. These costs appear to reflect organisational needs and are therefore considered justified, though they warrant close analysis to ensure that revenue-generating activities remain financially sustainable.

Net Funds Movement

In 2024, POSK recorded an operational deficit of £101,192, this compares to an operational deficit of £653,934 in 2023. The Trustees acknowledge this result. While the downward trend in the deficit is encouraging, it is concerning that the shortfall was not the result of any significant capital investment. Furthermore, the absence of bequests in 2024 contributed to the funding gap, as these have historically supported POSK's income. One of the main challenges for the management team in 2025 will be to balance the budget and avoid further deficits, except in cases where spending can be clearly justified — for example, through investment in income-generating property that secures long-term revenue.

Changes in fixed assets

During the year, POSK made several capital investments in musical instruments to support its cultural programme. The total expenditure amounted to £130,196. While the investments were intended to enrich the organisation's artistic offerings, they prompted reflection on the importance of thorough consultation and budgeting processes. The current Board recognises the need for enhanced financial planning and oversight in relation to significant capital purchases and is committed to strengthening these procedures going forward.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Reserves Policy and Going Concern

The reserves held by POSK are detailed in Note 22 in the Statement of Financial Activities. The purpose of these reserves is to ensure the continued maintenance and development of the building in which POSK operates.

POSK maintains an investment portfolio, the income from which is used to support ongoing charitable activities and the upkeep of its large, historic building, which requires regular expenditure. The Trustees are of the opinion that POSK's net assets are fully represented by these investments and that this policy will remain in place until the organisation reaches a state of positive cash flow and can sustain itself without the need for one-off income from asset sales or bequests.

As of 2024, POSK's total reserves amounted to £9,879,353, compared to £9,996,994 in 2023 and £10,650,945 in 2022. Considering POSK's projected cash flows and available resources, the Trustees consider the risk to POSK's status as a going concern to be minimal.

Investments

POSK's investment policy is to invest in revenue generating assets in order to provide stable, foreseeable cash flows to fund its ongoing activities. The primary aim of this policy is to generate a return that is both a reasonable hedge against inflation and above the Bank of England base rate at the time the investment decision is made. Investment decisions are made by the Trustees and material investment decisions are ratified at Council Meetings.

During the year to 31 December 2024, POSK has continued to benefit from a high level of rental income. POSK has no intention of selling any UK Investment Property and any revaluation movements will have no effect on future rental streams.

Risk management

The Trustees have introduced a formal risk management process to assess business and operational risks. As part of this process a system of internal controls was set up, which were designed to provide reasonable assurance against material misstatement, mismanagement or loss. These controls include:

- Annual operational [OpEx] and capital [CapEx] budgets approved by the Council;
 - Regular reviews of the financial results and variances from these budgets;
 - Delegation of authority and segregation of duties;
 - Identification and management of risks;
 - An internal audit review.
-
- a. Uncertainties over the receipt of donations and grants;
 - b. An increase in property related expenses, which cannot easily be recovered from tenants;
 - c. An increase in costs that are outside of POSK's control (such as Utilities costs, business rates, Workplace Pensions and the Working Wage;
 - d. The loss of commercial tenants as a result of post-pandemic working practices;
 - e. Difficulties in attracting and retaining suitable volunteers.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

POSK manages its risks by striving to achieve positive returns on investments that support its statutory activities, while also conducting regular reviews of expenditure to assess potential savings. The organisation actively seeks new sources of grants and donations, as well as new commercial tenants and venue hirers. Investments made in museum-related projects have proved unsuccessful. In light of the implementation challenges and the limited prospects for financial return, the decision has been made to terminate this initiative entirely to prevent further costs.

POSK's residential property portfolio has proven to be an exceptionally successful investment, once again providing a stable and regular stream of income to support its operations. However, in 2024, no bequests were received – a reminder of the inherent uncertainty of what had been a consistent but unpredictable revenue stream. POSK remains committed to ensuring that all income sources generate sufficient surplus to enable further development of its social, educational and cultural programmes and is actively working towards that objective.

The existing strategy focusing on cultural, educational and community activities has revealed the need for strategic revision, particularly in the preparation and execution of such programmes. A key priority for the future is to rebuild the declining audience base, improve the quality of events, and enhance the organisation's outreach, especially through a more effective promotional and marketing approach. POSK also aims to increase its capacity to support other groups and organisations with limited resources to stage events at the Centre – which remains a vital part of its mission.

POSK intends to further strengthen and professionalise its staffing structure, both voluntary and employed. Given the complexity of the organisation, it is not feasible to rely solely on volunteers for the delivery of core functions.

Plans for future periods

The Trustees continue to pursue a strategy aimed at establishing POSK on a firm financial footing to ensure that future generations can benefit from its resources. The sale of the inherited Frascati property in Warsaw has provided capital that will be directed towards further investments. Among the most rational plans is the expansion of the rentable residential portfolio. With the support of targeted grants, essential modernisation works will also be undertaken to ensure the building not only functions effectively but also avoids rising costs associated with ageing infrastructure.

Upon assuming office in November 2024, the current Chairman's priority has been to fulfil previously undertaken commitments, notably continuing the investment project which includes the renovation of the theatre and expansion of the library – both of which are deemed necessary. Plans to develop museum spaces have been entirely abandoned, as they were not only financially unviable but consistently met with internal opposition and did not reflect the actual needs of the Polish community.

POSK has returned to the idea of reviving its cinema, recognising strong public interest in the project and its prior success. A broader review of POSK's programme offering has also been undertaken to assess how effectively it meets the needs of the Polish community and other potential audiences. This includes exploring ways to attract new visitors while offering content that generates interest in other areas of the Centre's activities.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

The key executive responsibilities at POSK are carried out by the Trustees. While day-to-day operations are managed by a small staff team, all strategic decisions are made by the Trustees, who are directly involved in the organisation's affairs and are fully accountable for its oversight and success.

POSK is governed by two principal bodies: the Council of Management and the Executive Committee, which serves as the Board of Trustees and also functions as the Board of Directors. The Council currently consists of 51 elected POSK members and one Permanent Member. In addition, seven members are appointed by affiliated member organisations. The Chair is elected at the Annual General Meeting. At the first Council meeting following the AGM, the Chair nominates the Executive Committee from among the elected Council Members and presents it to the Council for confirmation. In 2024, the AGM was held in person and also broadcast via Zoom, with voting conducted by those physically present, including proxies.

The Executive Committee formulates strategy and policy but also performs key management roles and its members are therefore selected for their professional expertise and experience they can bring to the role as well as their interest and enthusiasm. Members of the Executive Committee who of course simultaneously acted as the Trustees and Directors of POSK in 2024, are listed above in this Report.

According to the Articles of Association, one third of the elected Council Members retire each year at the AGM but are eligible for re-election. The role of Permanent Council Member was introduced for the first time in 2023. The Council meets quarterly, while the Executive Committee meets monthly to review and manage POSK's operations, with the support of consultants when necessary since 2023.

POSK maintains a close relationship with the POSK Foundation, a registered charity (no. 802083), which shares its charitable objectives. One of the Foundation's primary purposes is to support the social, cultural, and educational activities carried out or recommended by POSK.

The Trustees, who are also Directors for the purpose of Company Law, and who served during the year 2024 and up to the date of signature of the financial statements were:

Barbara Bakst	Resigned 7 April 2024
Damian Kazimierz Barczyk	Resigned 19 November 2024
Dr Marek Conrad Laskiewicz	Resigned 9 November 2024
Elwira Olbrich	Resigned 13 June 2024
Jan Dariusz Wurszt	Resigned 19 November 2024
Janusz Wajda	Resigned 1 May 2024 and Appointed 19 November 2024
Jaroslav Klys	Resigned 30 September 2024
Malgorzata Nyga	Resigned 18 June 2024 and Appointed 19 November 2024
Marcin Slawomir Kalinowski	Resigned 17 June 2024 and Appointed 9 November 2024
Marek Jakubowski	Resigned 7 April 2024
Mariusz Wozniak	Resigned 19 November 2024
Monika Kobylec	Appointed 19 November 2024
Richard Zoltaniecki	Appointed 1 October 2024 and Resigned 9 November 2024
Richard Wojciech Tobiasiewicz	Appointed 19 November 2024
Ryszard Zoltaniecki	Resigned 9 November 2024
Sylvia Kosiec	Resigned 19 November 2024
Tomasz Lech Kliszewski	Resigned 19 November 2024
Tomasz Szpringer	Appointed 19 November 2024
Wiktoria Moszczynski	Appointed 19 November 2024
Włodzimierz Anthony Christopher Mier-Jedrzejowicz	Appointed 19 November 2024
Zaneta Brudzinska	Resigned 4 April 2024 and Appointed 19 November 2024
Iwona Agata Zaluska	Resigned 4 April 2024

Auditor

In accordance with the company's articles, a resolution proposing that Richard Place Dobson be reappointed as auditor of the company will be put at a General Meeting.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Charity's Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance and ensured that all activities throughout the year have been in the interest of public benefit. This is evidenced by the continuing work undertaken to keep the building open to the general public and to ensure that it continues to provide educational, social and cultural events. It also contains and maintains donated Polish artifacts of historic significance for public access.

Trustees' Declaration

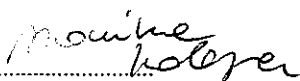
Each of the persons who are Members of the Executive Committee at the time when this report is approved has confirmed that:

- (a) So far as each Member is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- (b) each Member, in their capacity as a Trustee, has taken all the steps that they ought to have taken as a Trustee, including making appropriate enquiries of their fellow Trustees and of the charity's auditors for that purpose, in order to make them aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

Auditor

A resolution to re-appoint Richard Place Dobson Services Limited as the Charity's auditor will be put to the forthcoming AGM.

The Trustees' Report was approved by the Board of Trustees on 21 May 2025.



M Kobylec

Trustee

Date: 21.05.2025

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF TRUSTEES REPORT RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees, who are also the directors of Polish Social and Cultural Association for the purpose of company law, are responsible for preparing the Trustees Report 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Polish Social and Cultural Association (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 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 report 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.

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 requires 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
- we have not received all the information and explanations we require for our audit.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Responsibilities of trustees

As explained more fully in the statement of Trustees report 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, General Data Protection Regulations, Charities Act 2011, Charities Statement of Recommended Practice and employment law and regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

1. Revenue recognition - this was tested substantively for rental and lease income, we performed proof in total testing over grant income
2. Management override of controls - we reviewed large journals to discover any evidence of management override

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

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.



Darren Harding (Senior Statutory Auditor)
Richard Place Dobson Services Limited

27/05/2025

Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Current financial year		Unrestricted funds general	Unrestricted funds Designated funds	Restricted funds	Total	Total
	Notes	2024 £	2024 £	2024 £	2024 £	2023 £
Income from:						
Donations and legacies	3	313,668	-	215,176	528,844	311,135
Charitable activities	4	696,285	-	-	696,285	719,836
Investments	5	327,789	-	-	327,789	235,388
Total income		<u>1,337,742</u>	<u>-</u>	<u>215,176</u>	<u>1,552,918</u>	<u>1,266,359</u>
Expenditure on:						
Charitable activities	6	1,438,934	-	215,176	1,654,110	1,922,293
Total expenditure		<u>1,438,934</u>	<u>-</u>	<u>215,176</u>	<u>1,654,110</u>	<u>1,922,293</u>
Net expenditure		(101,192)	-	-	(101,192)	(655,934)
Other recognised gains and losses:						
Other gains/(losses)	12	(16,449)	-	-	(16,449)	1,983
Net movement in funds	8	(117,641)	-	-	(117,641)	(653,951)
Reconciliation of funds:						
Fund balances at 1 January 2024		<u>2,316,434</u>	<u>7,680,560</u>	<u>-</u>	<u>9,996,994</u>	<u>10,650,945</u>
Fund balances at 31 December 2024		<u>2,198,793</u>	<u>7,680,560</u>	<u>-</u>	<u>9,879,353</u>	<u>9,996,994</u>

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

Prior financial year		Unrestricted funds general	Unrestricted funds Designated funds	Restricted funds	Total
	Notes	2023 £	2023 £	2023 £	2023 £
Income from:					
Donations and legacies	3	111,026	-	200,109	311,135
Charitable activities	4	719,836	-	-	719,836
Investments	5	235,388	-	-	235,388
Total income		1,066,250	-	200,109	1,266,359
Expenditure on:					
Charitable activities	6	1,703,823	-	218,470	1,922,293
Total expenditure		1,703,823	-	218,470	1,922,293
Net income		(637,573)	-	(18,361)	(655,934)
Transfers between funds		(560)	560	-	-
Other recognised gains and losses:					
Other gains	12	1,983	-	-	1,983
Net movement in funds	8	(636,150)	560	(18,361)	(653,951)
Reconciliation of funds:					
Fund balances at 1 January 2023		2,952,584	7,680,000	18,361	10,650,945
Fund balances at 31 December 2023		2,316,434	7,680,560	-	9,996,994

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		2,617,133		2,369,965
Investment property	15		5,550,000		5,550,000
Investments	16		61,167		49,477
			<u>8,228,300</u>		<u>7,969,442</u>
Current assets					
Debtors	17	227,886		217,980	
Cash at bank and in hand		1,590,802		1,945,529	
		<u>1,818,688</u>		<u>2,163,509</u>	
Creditors: amounts falling due within one year	18	(167,635)		(135,957)	
Net current assets			<u>1,651,053</u>		<u>2,027,552</u>
Total assets less current liabilities			<u>9,879,353</u>		<u>9,996,994</u>
The funds of the charity					
Unrestricted funds - general			2,198,793		2,316,434
Unrestricted funds - Designated funds	21		7,680,560		7,680,560
			<u>9,879,353</u>		<u>9,996,994</u>

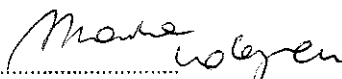
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 21.05.2025



M Kobylec
Trustee

Company registration number 00816310 (England and Wales)

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(384,284)		(850,746)
Investing activities					
Purchase of tangible fixed assets		(280,636)		(11,037)	
Proceeds from disposal of tangible fixed assets		(5,906)		-	
Proceeds from disposal of investments		(11,690)		-	
Investment income received		327,789		235,388	
Net cash generated from investing activities			29,557		224,351
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(354,727)		(626,395)
Cash and cash equivalents at beginning of year			1,945,529		2,571,924
Cash and cash equivalents at end of year			1,590,802		1,945,529

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Charity information

Polish Social and Cultural Association is a private company limited by guarantee incorporated in England and Wales. The registered office is 238-246 King Street, Hammersmith, London, W6 0RF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

Restricted funds are subject to specific conditions by donors or grantors 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.

1.4 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.6 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.

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:

Freehold land and buildings	1% per annum on cost
Plant and equipment	10 - 25% reducing balance
Fixtures and fittings	10 - 25% reducing balance
	10% straight line for Improvements

Freehold land and buildings are not being depreciated as residual values are rising and exceed cost.

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.

1.7 Investment property

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 valuation is tested for impairment by comparing to external valuator reports. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

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, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

POSK's UK Investment properties are valued by the Trustees, the basis of valuation is stated in Note 16 of the account.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	313,668	-	313,668	111,026	-	111,026
Grants	-	215,176	215,176	-	200,109	200,109
	<u>313,668</u>	<u>215,176</u>	<u>528,844</u>	<u>111,026</u>	<u>200,109</u>	<u>311,135</u>
Grants						
MKiDN library grant	-	215,176	215,176	-	200,109	200,109
	<u>-</u>	<u>215,176</u>	<u>215,176</u>	<u>-</u>	<u>200,109</u>	<u>200,109</u>

4 Income from charitable activities

	Charitable rental income 2024 £	Facilities, Arts Centre, Theatre and Jazz Café 2024 £	Total 2024 £	Charitable rental income 2023 £	Facilities, Arts Centre, Theatre and Jazz Café 2023 £	Total 2023 £
Sale of goods	<u>485,628</u>	<u>210,657</u>	<u>696,285</u>	<u>556,686</u>	<u>163,150</u>	<u>719,836</u>
Analysis by fund						
Unrestricted funds - general	<u>485,628</u>	<u>210,657</u>	<u>696,285</u>	<u>556,686</u>	<u>163,150</u>	<u>719,836</u>

5 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Rental income	234,225	193,142
Other income	93,564	42,246
	<u>327,789</u>	<u>235,388</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

6 Expenditure on charitable activities

	Charitable expenditure 2024 £	Charitable expenditure 2023 £
Direct costs		
Staff costs	476,754	453,749
Depreciation and impairment	39,374	27,343
Donation to POSK Foundation	-	500,000
Grants payable	17,808	24,168
Legal and professional	41,429	35,024
Printing, postage, and stationary	36,852	18,608
Cost of Jazz Café events	43,860	36,865
Other expenses	172,794	121,817
Rates	71,594	40,890
Speakers and performers' fees and expenses	111,665	79,611
Repairs, renewals and property maintenance	66,342	59,706
Insurance	54,628	56,424
Advertising	55,655	68,333
Cleaning	94,747	88,910
Maintenance	147,996	96,042
Heat & light	120,660	113,826
	<u>1,552,158</u>	<u>1,821,316</u>
Share of support and governance costs (see note 7)		
Support	92,702	92,227
Governance	9,250	8,750
	<u>1,654,110</u>	<u>1,922,293</u>
Analysis by fund		
Unrestricted funds - general	1,438,934	1,703,823
Restricted funds	215,176	218,470
	<u>1,654,110</u>	<u>1,922,293</u>

7 Support costs allocated to activities

	2024 £	2023 £
Staff costs	77,611	74,328
Accountancy	15,091	17,899
Governance costs	9,250	8,750
	<u>101,952</u>	<u>100,977</u>
Analysed between:		
Charitable expenditure	<u>101,952</u>	<u>100,977</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

8	Net movement in funds	2024	2023
		£	£
	The net movement in funds is stated after charging/(crediting):		
	Fees payable for the audit of the charity's financial statements	9,250	8,750
	Depreciation of owned tangible fixed assets	39,374	27,343
		<u></u>	<u></u>

9 Trustees

None of the trustees or connected persons received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
House	10	10
Library	6	6
Part Time	4	5
	<u></u>	<u></u>
Total	20	21
	<u></u>	<u></u>

Employment costs	2024	2023
	£	£
Wages and salaries	501,738	479,221
Social security costs	42,713	39,485
Other pension costs	9,914	9,371
	<u></u>	<u></u>
	554,365	528,077
	<u></u>	<u></u>

POSK employs part time employees in various positions, most notably Front of House. Their hours are minimal and combined in total equivalent to under one full time annual employee. All other staff noted above are full time employees.

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

11 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

12 Other gains or losses

	Unrestricted funds	Unrestricted funds
	general	general
	2024	2023
	£	£
Foreign exchange gains/(losses)	(16,449)	1,983
	<u></u>	<u></u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

12 Other gains or losses

(Continued)

13 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 January 2024	3,240,430	100,734	897,247	4,238,411
Additions	145,847	134,789	-	280,636
At 31 December 2024	3,386,277	235,523	897,247	4,519,047
Depreciation and impairment				
At 1 January 2024	1,109,870	86,329	672,247	1,868,446
Depreciation charged in the year	-	16,874	22,500	39,374
Eliminated in respect of disposals	(5,906)	-	-	(5,906)
At 31 December 2024	1,103,964	103,203	694,747	1,901,914
Carrying amount				
At 31 December 2024	2,282,313	132,320	202,500	2,617,133
At 31 December 2023	2,130,560	14,405	225,000	2,369,965

14 Heritage assets

The Charity has been bequeathed, over a number of years, artefacts of cultural and historical significance. These include furniture, paintings, books and sculptures. Due to the unique and specific nature of the artefacts and the context in which they were bequeathed there is no readily ascertainable market value and it has not been sought to attribute one within the financial statements. These assets are therefore included at £nil and it is not practical to provide a five-year summary for the reporting periods prior to 1 January 2024.

There were no sales or purchases of heritage assets during the year.

The ownership of the contents of the Central Circulating Library and Polish Library was vested in the Charity by the British Government with effect from 1 April 1967 and 1 August 1967 respectively. The value of these has not been ascertained and has not been brought into the accounts at 31 December 2024.

15 Investment property

	2024
	£
Fair value	
At 1 January 2024 and 31 December 2024	5,550,000

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

15 Investment property

(Continued)

POSK's UK Investment properties are valued by the Trustees by comparing the rental yield obtained on these properties to local market yields on similar properties and extrapolating this yield to obtain an estimate of fair value. Furthermore this estimate of fair value is compared to information received from local estate agents in order to ensure that the fair value as calculated is reasonable and adjusting it if necessary. Where external valuations are unable to be obtained, the trustees will conduct an internal review of and ascertain the valuation of investment properties as at the year-end.

The Charity's Investment Property investment portfolio is the key to its long-term financial viability. The Trustees have adopted a policy of investing the Charity's funds into investments that will create additional recurring annual income to support the activities of the Charity. Such investments consist of investment properties and UK equities.

In 2024 the Trustees have confirmed that there is no change to the value of investment property.

16 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2024 & 31 December 2024	49,477
Carrying amount	
At 31 December 2024	49,477
At 31 December 2023	49,477

17 Debtors

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	117,888	111,278
Other debtors	70,156	49,184
Prepayments and accrued income	39,842	57,518
	227,886	217,980

18 Creditors: amounts falling due within one year

	2024 £	2023 £
Other taxation and social security	10,114	30,325
Trade creditors	47,614	31,114
Other creditors	72,193	33,972
Accruals and deferred income	37,714	40,546
	167,635	135,957

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

19 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,914	9,371

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

20 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2024	Incoming resources	Resources expended	At 31 December 2024
	£	£	£	£
Library Grants/donations	-	215,176	(215,176)	-
Previous year:				
	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Library Grants/donations	-	200,109	(200,109)	-
Restricted library legacy	18,361	-	(18,361)	-
	18,361	200,109	(218,470)	-

The MKiDN Library Fund represents funding from the Polish Ministry of Culture (Ministerstwo Kultury i Dziedzictwa Narodowego)

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Unrestricted funds - Designated funds

These are unrestricted funds which are material to the charity's activities.

	At 1 January 2024 £	Transfers £	At 31 December 2024 £
Land & Buildings Fund	2,130,560	-	2,130,560
Investment Property Fund	5,550,000	-	5,550,000
	<u>7,680,560</u>	<u>-</u>	<u>7,680,560</u>
 Previous year:	 At 1 January 2023 £	 Transfers £	 At 31 December 2023 £
	7,680,000	560	7,680,560
	<u>7,680,000</u>	<u>560</u>	<u>7,680,560</u>

The Land and Buildings Fund represent the funds tied up in freehold land and buildings.

The Investment Property Fund represents investment properties which generate an income from which the charity uses to pursue its objects.

22 Analysis of net assets between funds

	Unrestricted funds general 2024 £	Unrestricted funds Designated funds 2024 £	Total 2024 £
At 31 December 2024:			
Tangible assets	486,573	2,130,560	2,617,133
Investment properties	-	5,550,000	5,550,000
Investments	61,167	-	61,167
Current assets/(liabilities)	1,651,053	-	1,651,053
	<u>2,198,793</u>	<u>7,680,560</u>	<u>9,879,353</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

22 Analysis of net assets between funds

(Continued)

	Unrestricted funds general	Unrestricted funds Designated funds	Total
	2023	2023	2023
	£	£	£
At 31 December 2023:			
Tangible assets	239,405	2,130,560	2,369,965
Investment properties	-	5,550,000	5,550,000
Investments	49,477	-	49,477
Current assets/(liabilities)	2,027,552	-	2,027,552
	<u>2,316,434</u>	<u>7,680,560</u>	<u>9,996,994</u>

23 Related party transactions

The POSK Foundation was formed in 1989 to support the charitable objectives of Polish Social and Cultural Association Limited ("POSK") and is a related party to the charity.

In 2024 Dr M Laskiewicz who was a trustee in the year, was also a trustee of The Polish Trustee Association Ltd and director of Puno Ltd. During the year to December 2024 a total of £365 (2023: £672) was paid by The Polish Trustee Association Ltd to POSK, a total of £234 was paid to POSK by Puno Ltd. Dr Marek Laskiewicz's associated company, Wspolnota Polska w WB, also has a lease agreement to rent out a room within one of POSK's buildings. During the year to December 2024 a total of £2,055 (2023: £2,004) was paid to POSK. Dr Marek Laskiewicz was also reimbursed £1,642 in the period for expenses incurred on behalf of POSK..

One of the acting trustees in the year, Damian Kazimierz Barczyk, was reimbursed £25,818 in the period for expenses incurred on behalf of POSK.

One of the acting trustees in the year, Sylwia Kosiec, was reimbursed £1,066 in the period for expenses incurred on behalf of POSK.

Zaneta Brudzinska who is a current trustee was reimbursed £380 in the period for expenses incurred on behalf of POSK.

Janusz Wajda who is a current trustee was reimbursed £475 in the period for expenses incurred on behalf of POSK.

Ryszard Zoltaniecki, one of the acting trustees in the year, paid £450 in the period for Gallery hire.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

24	Cash absorbed by operations	2024 £	2023 £
	Deficit for the year	(101,192)	(655,934)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(327,789)	(235,388)
	Foreign exchange differences	(16,449)	1,983
	Depreciation and impairment of tangible fixed assets	39,374	27,343
	Movements in working capital:		
	(Increase) in debtors	(9,906)	(1,653)
	Increase in creditors	31,678	12,903
	Cash absorbed by operations	<u>(384,284)</u>	<u>(850,746)</u>

25 Analysis of changes in net funds

The charity had no material debt during the year.

26 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

Accounts

Charity registration number 236745

Company registration number 00816310 (England and Wales)

POLISH SOCIAL AND CULTURAL ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

POLISH SOCIAL AND CULTURAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	T Kliszewski	(Appointed 2 December 2023)
	M Wozniak	(Appointed 23 March 2024)
	J Wurszt	(Appointed 3 August 2024)
	Dr M Laskiewicz	
	S Kosiec	
	J Klys	
	D Barczyk	
	R Zoltaniecki	
Secretary	Jaroslav Klys	
Charity number	236745	
Company number	00816310	
Registered office	238-246 King Street Hammersmith London W6 0RF	
Auditor	Richard Place Dobson Services Limited 1-7 Station Road Crawley West Sussex RH10 1HT	
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	

POLISH SOCIAL AND CULTURAL ASSOCIATION

CONTENTS

	Page
Trustees report	1 - 8
Statement of Trustees report responsibilities	9
Independent auditor's report	10 - 12
Statement of financial activities	13 - 14
Balance sheet	15 - 16
Statement of cash flows	17
Notes to the financial statements	18 - 31

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees submit their report and the audited financial statements for the year ended 31 December 2023 for the Polish Social and Cultural Association ("POSK" or the "Charitable Company" or the "Charity") These financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Reference and administrative details

POSK is a company limited by guarantee (number 816310) and a registered charity (number 236745). It was incorporated on 19 August 1964 and is governed by its Memorandum and Articles as adopted at an Extraordinary General Meeting of Members on 18 May 2019. Each member has provided a guarantee up to a limit of £1 each.

None of the Trustees has any financial interest in the company. All of the Trustees are members of the company and guarantee £1 in the event of a winding up.

Objectives and activities

The overall objectives of POSK can be summarised as follows:

- to promote education and learning in the respective histories, arts, literatures, languages and cultures of Poland and of the UK
- to promote education, training and learning amongst Poles in the UK
- to provide assistance and facilities for recreation and leisure, in particular to persons in need by reason of youth, age, infirmity or disablement, poverty or social or economic circumstances

In pursuance of these aims, POSK has built and maintains a centre where it promotes and fulfills these aims, largely thanks to the generosity of its members both institutional and individual, but also by raising income from the hire of offices and venues on its premises at commercial rates as well as seeking grants.

The activities carried out on a regular basis are:

- The provision of appropriate space and resources to allow the Polish Library to flourish. The Polish Library collects, maintains and provides access to Polish books and other publications as well as extensive archives of materials relating to Polish life, history and culture. It runs a lending library and reading room as well as supplies the Central Circulating Library which provides books in Polish for local public libraries in Great Britain. It is recognised by both the UK and Poland (it is in MAB)
- The provision of appropriate spaces, such as the Theatre, Atrium, Gallery, Studio and Malinowa hall, and resources for the regular activities of cultural, educational and professional organisation within POSK, such as the POSK children's Theatre and POSK Opera, and those having their base here, such as the Tetry Polish Song and Dance Group, the Polish Stage Company in the UK, the Polish Children's Theatre Syrena, the Association of Polish Artists which organises classical music concerts.
- The provision of office space at significantly reduced rates to other Polish organisations and charities, such as the Polish Educational Society, Medical Aid for Poland, the Polish Weekly, the Polish University Abroad (University of the Third Age), and the Association of Polish Engineers in the UK as well as Anglo-Polish organisations such as the Joseph Conrad Society together with British ones such as Standing Together Against Domestic Violence, and also (again, at significantly reduced rates) the use of the Theatre and other venues for their social and cultural events as well as educational and academic events such as lectures and conferences.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

- POSK also runs clubs, such as the Jazz Café, POSK Cinema and POSK Gallery for exhibitions of the visual arts. It organises productions of Polish cultural events open to both Polish and non-Polish audiences such as the annual Chopin Festival. It also has its own social media such as it owns Facebook and Youtube, both in English and Polish.

All these activities are carried out with the aim of acting as a focal point within the Polish community for promoting Polish culture and language both within it as well as to the wider community.

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

Achievements and performance

Under its current Chairman and a reconstituted Board of Trustees, POSK started to implement his campaign program, presented in his earlier Inauguration Speech and his electoral program. So POSK continued to invite in the New Polish community, which arrived after the Fall of the Berlin Wall; this successfully brought in over 100 new members and culminated in a full AGM with over 500 voting, up from 300 in 2022, and again a full complement of 51 elected Council Members. Thus in 2023 POSK once more realised and expanded its social and cultural objectives. There were many events held throughout the POSK building, even on the same day or indeed simultaneously as POSK is a multi-venue centre.

POSK Theatre presented several successful productions, all aimed at a wide audience such as “Nie kochać w taką noc to grzech!”, including in particular young people of school age such as “Nowe Szaty Króla” and the new TPD’s “Księżniczka na ziarnku grochu!”. It also remains the venue for the POSK Members’ Christmas Dinner. There were concerts such as the Chopin Festival, plays such as “Tuwim Wspaniałe I Niepoprawny”, opera namely “Straszny Dwór”, children’s events such as “Wierszowisko”, conferences such as “The Second World War Through Anglo-Polish Eyes”, and celebrations such as “Święto Żołnierza”.

Jazz Café POSK once again proved to be a very popular venue for many fans of various forms of jazz, swing and blues from all over London and beyond, of all ages, backgrounds and cultures, who come to POSK to see a variety of high-class acts in a convivial atmosphere such as Mark Buckingham Big Band, Anita Łazińska Quartet, Svarc Hanley Longhawn, Janette Mason: Rewired and Hannah Horton as well as the Krzysztof Urbański Quartet and Elina Duni & Rob Luft in the London Jazz Festival.

The POSK Gallery put on several very interesting exhibitions during the year such as “Inspirations” by Paweł Jasiński and “Punks, Princes and Protests” by Fundacja Topolski Memoir. The exhibitions, as ever, brought to the Centre many artists and visitors of culturally diverse backgrounds, and the subjects varied.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

POSKino presented films such as “Wyklęty” and “Piosenki o miłości”. The tickets were modestly priced and brought a new audience to POSK. POSK is committed to bringing the best Polish cinema to audiences here.

POSK Library remains a first-class humanist library and continues to add to its collection of 35,000 literary items. It also organises exhibitions such as and conferences such as “Gustaw Herling-Grudziński”.

The Atrium remains a much sought-after venue for classical music, poetry, presentations and meetings.

The POSK Virtual Museum which is the Anglo-Polish Cultural Exchange has increased its website. It held a conference about the underrepresentation of Polish culture in the UK, notably in its galleries and museums.

The Malinowa Hall, Eagle Hall and Sapphire Room provided a venue for many literary evenings including book launches by organisations such as the Polish Writers Abroad, and discussions and celebrations of anniversaries of historical events as well as other meetings and debates on a wide variety of subjects such as by the Independent Thinkers’ Circle. The new Families Department held monthly meetings here.

Many of POSK’s function rooms, halls and the theatre are hired out on a commercial basis by external organisations such as schools, choirs, drama, music and opera groups for rehearsals and performances, providing a benefit to the local and other communities including foreign such as Chinese opera as well as much needed revenue for POSK. They include The Arts Educational Schools, W11 Opera, Addison Singers, City Academy and others. POSK also works closely with the Polish Government, Embassy and Consulate as well as British cultural and political institutions – whilst vigilantly maintaining its independence.

The Trustees consider that the main measures of POSK’s success are a continuing vibrant and diverse program of events involving both the postwar émigrés and New Polish communities so creating a high utilisation of the POSK building in terms of the number of people visiting POSK and attending events as well as proposing new ones. It is currently planning to reach out to the British Poles, who were born in the UK.

The Welfare Society, now the Seniors Department, activity continued as before the pandemic. The new Families Department has successfully helped many younger Poles and now has 16 volunteers.

The residential property for rent belonging to POSK proved its worth in 2023, when it served as a reliable source of ongoing revenue from those office and apartment tenants who were able to keep up their rent and service charges payments as they fell due. In addition POSK Library received a substantial grant from the Polish Ministry of Culture and POSK itself applied successfully for a refurbishment grant from the Polish State. Moreover POSK now invested its funds from bequests providing more income until they are needed.

The Trustees would like to extend their most sincere thanks to all its staff, suppliers, volunteers, tenants and donors who all contributed towards its ability to remain solvent and continue its activities.

Volunteers

Volunteers are key to POSK’s success. Trustees and Council Members provide their professional expertise in a voluntary capacity, specifically in terms of day to day running of POSK as well as strategic planning.

Indeed POSK has numerous volunteers who kindly give up their time and provide their expertise and skills. Such volunteers assist in running POSK and putting on POSK events, POSK’s Gallery being run by them. It is hard to estimate the number of hours put in by volunteers; nonetheless the Trustees acknowledge that without this significant input POSK would find it difficult to carry out its activities, even to function at all

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

Financial review

POSK uses a Xero system. A part-time bookkeeper and external accountant are employed as well as a project and administrative volunteer to help the Treasurer.

Income generation

Total income for POSK in 2023 was £1,266,359 in comparison to 2022 – £1,287,131, 2021 – £1,106,026 and 2020 – £1,204,117. This was in line with the budget.

POSK's income is volatile and depends also upon grants, donations and bequests. In 2023 the Frascati bequest of £1,900,000 was invested and the Library continued to receive its annual grant of £200,000 in comparison to 2022 – £179,173 and 2021 – £77,228 from the Polish Ministry of Culture, so the total income from grants, donations and bequests was £200,000 in comparison to 2022 – £2,150,000, 2021 – £368,420, 2020 – £471,221 and 2019 – £179,939. POSK's other income has stabilised; moreover the level of bequests is likely to be low owing to membership demographic changes, so large bequests are unlikely hence treated as one-off revenues: consequently according to the new strategy previously presented by the Chairman, POSK will now be actively seeking grants and donations as opposed to treating these as one-offs.

During 2023 POSK received £60,000 from the POSK Foundation in comparison to 2022 – £60,000, 2020 – £110,000 and 2019 – £60,000; the Trustees thank the POSK Foundation for its continuing support. POSK also received £235,388 in investment income in comparison to 2022 – £219,453, 2021 – £304,957 and 2020 – £273,294; the relatively high level of investment income shows the positive effect of the Trustees' policy of finding new revenue streams which do not impact materially on POSK's charitable activities.

POSK gives heartfelt thanks to all its supporters for their continued hard work and to all its donors for their generosity in achieving these results.

Resources Expended

Resources expended on charitable activities and governance costs in 2023 were £1,922,293 in comparison with 2022 – £1,177,874, 2021 – £1,107,026 and 2020 – £1,204,117. The Trustees are pleased that steps taken to renegotiate contracts and curtail expenditure have resulted in controlling costs, which are in line with the budget.

POSK continues to be affected by a high fixed cost base and the Trustees intend to carry on in seeking methods that enable it to minimise this. Moreover POSK now increasing its activities and strengthening its marketing and advertising so as to attract more visitors and expand its membership.

Net Funds Movement

A deficit of £653,951 in 2023 in comparison with previous surpluses of 2022 – £424,486, 2021 – £1,083,747 and 2020 – £301,424 were recorded on the Statement of Financial Activities for the year 2023. The Trustees consider the results for the year to be reasonable as bequests are decreasing; they are hopeful that the continuing policy of keeping costs stable whilst expanding its activities, improving its marketing, increasing investment income and seeking grants and donations will ensure the long-term success of POSK.

Changes in fixed assets

The policy regarding movements in fixed assets during the year is as before but under review.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reserves Policy and Going Concern

The reserves held by POSK are detailed in Note 22 in the Statement of Financial Activities. The purpose of these reserves is to allow it to continue to maintain and develop its building, which is used for its activities.

POSK has a portfolio of investments that are used to generate income to fund its on-going charitable activities and to maintain its traditional large old building that requires constant expenditure. The Trustees are of the opinion that the net assets of POSK are wholly represented by such assets and that this policy will apply until such a time as it is cash-flow neutral and can support itself from on-going cash flows without recourse to one-off inflows from asset sales or bequests.

POSK's total reserves amount to £9,996,994 in comparison to 2022 – £10,650,945, 2021 – £10,226,459 and 2020 - £9,142,712 of which £2,316,434 is unrestricted in comparison to 2022 – £2,952,584, 2021 – £10,005,725 and 2020 – £8,985,188). Given the future cash flow projections of POSK and resources available to it, the Trustees consider the risk of its not being a going concern to be minimal.

Investments

POSK's investment policy is to invest in revenue generating assets in order to provide stable, foreseeable cash flows to fund its ongoing activities. The primary aim of this policy is to generate a return that is both a reasonable hedge against inflation and above the Bank of England base rate at the time the investment decision is made. Investment decisions are made by the Trustees and material investment decisions are ratified at Council Meetings.

During the year to 31 December 2023 POSK has continued to benefit from a high level of rental income and the occupancy of its UK investment property remains at almost 100%. POSK has no intention of selling any UK Investment Property and any revaluation movements will have no effect on future rental streams.

Risk management

The Trustees have introduced a formal risk management process to assess business and operational risks. As part of this process a system of internal controls was set up, which were designed to provide reasonable assurance against material misstatement, mismanagement or loss. These controls include:

- Annual operational [OpEx] and capital [CapEx] budgets approved by the Council;
 - Regular reviews of the financial results and variances from these budgets;
 - Delegation of authority and segregation of duties;
 - Identification and management of risks;
 - An internal audit review.
-
- a. Uncertainties over the receipt of donations and grants;
 - b. An increase in property related expenses, which cannot easily be recovered from tenants;
 - c. An increase in costs that are outside of POSK's control (such as Utilities costs, business rates, Workplace Pensions and the Working Wage;
 - d. The loss of commercial tenants as a result of post-pandemic working practices;
 - e. Difficulties in attracting and retaining suitable volunteers.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

POSK manages these risks by aiming to make a positive return on investment to help fund its activities and regularly reviewing its expenses to ascertain whether they can be decreased. It also attempts to seek new sources of grants and donations for its activities and both new commercial tenants and venue hirers as well as developing new functions such as the Museum and improving its marketing in order to increase and diversify its revenue streams so as to become self-sufficient. In particular POSK's residential property portfolio is providing reliable regular income to supplement POSK's current income streams as does its investment of its bequests. Therefore, POSK hopes that all income received will generate a surplus to allow it to further expand its social, educational and cultural activities.

Once there is a reduction of financial pressures, POSK would be able to concentrate more on social, educational and cultural activities; nonetheless it is already attempting to broaden the scope of these with those resources at hand. More theatrical productions as well as on a larger scale are a goal, so POSK hopes to be able to respond to audience demand in this sphere in the future. It will also be better able to support other groups and organisations with limited resources to stage events at POSK.

POSK will be looking at further increasing and improving its personnel, both voluntary and employed. POSK is a very complex organisation, hence relying solely on volunteers to perform key tasks is not viable.

Plans for future periods

The Trustees are continuing to implement strategies to put POSK on a sound financial footing so that future generations may benefit from its facilities. As POSK has been finally able to sell its Frascati property bequeathed to it in Warsaw, this along with grants will provide funds for investment in personnel, the fabric of the building, and its social and cultural activities.

The Chairman plans to make POSK into a first-class institution by: expanding the Museum physically so that it can hold important exhibitions of Polish culture as well as work with top-class Polish and British institutions; purchasing two grand pianos, one a Steinway B for the Atrium and another for the Theatre so the Malinowa Hall also has a grand piano (from the Theatre) for superb classical concerts; improving the appearance and functioning of the POSK building; attracting in Polish academic, cultural and business organisations; hybridising events which would increase audience outreach, especially important as POSK is a national community institution; and increasing the scope of POSK activities with more clubs and events such as gastronomic showcasing the Polish cuisine. With this strategy POSK will also find it easier to receive grants and donations.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The key executive functions of POSK are carried out by the Trustees. While a small number of staff manage the day-to-day affairs of POSK, all strategic decisions are taken by the Trustees, who are directly involved in its running and who are of course responsible for its governance and success.

POSK is governed by two main bodies: the Council of Management (Council) and the Executive Committee who constitute the Board of Trustees, also being the Board of Directors. The Council currently comprises 51 Members who are POSK members; they are elected at the POSK Annual General Meetings; in addition to these there are 7 Council Members appointed by member organisations. The Chair is elected at POSK's AGM. At the first Council Meeting after this, the Executive Committee is selected by the Chair from amongst elected Council Members and presented to the Council. In 2023 the AGM was held physically but also presented on Zoom; the voting was by those physically present including proxies.

The Executive Committee formulates strategy and policy but also performs key management roles and its members are therefore selected for their professional expertise and experience they can bring to the role as well as their interest and enthusiasm. Members of the Executive Committee who of course simultaneously acted as the Trustees and Directors of POSK in 2023, are listed above in this Report.

There are no formal policies and procedures for the training and induction of Trustees. Persons elected as Trustees are usually familiar with POSK and/or charitable organisations in general as they have to be Council Members, and are therefore considered as not needing general induction.

At each Annual General Meeting, under the Articles of Association, one third of the elected Members of the Council retire, though still remaining eligible, may offer themselves for re-election; there is also a Permanent Member for this first time. The Council meets quarterly, but the Executive Committee meets monthly to review and take decisions about POSK's activities, with since 2023 the help of consultants if needed.

POSK is closely affiliated with the POSK Foundation, a charity that is registered under charity no. 802083 and has broadly the same charitable objectives as POSK. One of the POSK Foundation's main charitable objects is to support the social, cultural and educational activities undertaken or recommended by POSK.

The Trustees, who are also Directors for the purpose of Company Law, and who served during the year 2023 and up to the date of signature of the financial statements were:

A Newsome	(Resigned 6 January 2023)
M Tkaczyk	(Resigned 23 June 2023)
Z Brudzinska	(Resigned 4 April 2024)
I Zaluska	(Appointed 2 December 2023 and resigned 4 April 2024)
B Bakst	(Resigned 7 April 2024)
M Jakubowski	(Resigned 1 May 2024)
J Wajda	(Resigned 1 May 2024)
E Olbrich	(Resigned 13 June 2024)
M Kalinowski	(Resigned 17 June 2024)
M Nyga	(Appointed 2 December 2023 and resigned 18 June 2024)
T Kliszewski	(Appointed 2 December 2023)
M Wozniak	(Appointed 23 March 2024)
J Wurszt	(Appointed 3 August 2024)
Dr M Laskiewicz	
S Kosiec	
J Klys	
D Barczyk	
R Zoltaniecki	

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

Charity's Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance and ensured that all activities throughout the year have been in the interest of public benefit. This is evidenced by the continuing work undertaken to keep the building open to the general public and to ensure that it continues to provide educational, social and cultural events. It also contains and maintains donated Polish artifacts of historic significance for public access.

Trustees' Declaration

Each of the persons who are Members of the Executive Committee at the time when this report is approved has confirmed that:

- (a) So far as each Member is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- (b) each Member, in their capacity as a Trustee, has taken all the steps that they ought to have taken as a Trustee, including making appropriate enquiries of their fellow Trustees and of the charity's auditors for that purpose, in order to make them aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

Auditor

A resolution to re-appoint Richard Place Dobson as the Charity's auditor will be put to the forthcoming AGM.

The Trustees' Report was approved by the Board of Trustees on 10 June 2024.



Dr M Laskiewicz

Trustee

30 June 2024

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF TRUSTEES REPORT RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Polish Social and Cultural Association for the purpose of company law, are responsible for preparing the Trustees Report 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Polish Social and Cultural Association (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 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 report 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.

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
- we have not received all the information and explanations we require for our audit.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Responsibilities of trustees

As explained more fully in the statement of Trustees report 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, General Data Protection Regulations, Charities Act 2011, Charities Statement of Recommended Practice and employment law and regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

1. Revenue recognition - this was tested substantively for rental and lease income, we performed proof in total testing over grant income
2. Management override of controls - we reviewed large journals to discover any evidence of management override

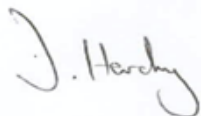
POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

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.



Darren Harding (Senior Statutory Auditor)
Richard Place Dobson Services Limited

27/09/2024

Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Current financial year

		Unrestricted funds general 2023	Unrestricted funds designated 2023	Restricted funds 2023	Total 2023	Total 2022
	Notes	£	£	£	£	£
<u>Income from:</u>						
Donations and legacies	3	111,026	-	200,109	311,135	391,238
Charitable activities	4	719,836	-	-	719,836	676,440
Investments	5	235,388	-	-	235,388	219,453
Total income		1,066,250	-	200,109	1,266,359	1,287,131
<u>Expenditure on:</u>						
Raising funds	6	-	-	-	-	18,128
Charitable activities	7	1,703,823	-	218,470	1,922,293	1,159,746
Total expenditure		1,703,823	-	218,470	1,922,293	1,177,874
Net gains/(losses) on investments	11	-	-	-	-	199,121
Net (outgoing)/incoming resources before transfers		(637,573)	-	(18,361)	(655,934)	308,378
Gross transfers between funds		(560)	560	-	-	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(638,133)	560	(18,361)	(655,934)	308,378
Other recognised gains and losses						
Other gains or losses	13	1,983	-	-	1,983	116,108
Net movement in funds		(636,150)	560	(18,361)	(653,951)	424,486
Fund balances at 1 January 2023		2,952,584	7,680,000	18,361	10,650,945	10,226,459
Fund balances at 31 December 2023		2,316,434	7,680,560	-	9,996,994	10,650,945

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

Prior financial year

		Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £
	Notes				
<u>Income from:</u>					
Donations and legacies	3	168,094	-	223,144	391,238
Charitable activities	4	676,440	-	-	676,440
Investments	5	219,453	-	-	219,453
Total income		1,063,987	-	223,144	1,287,131
<u>Expenditure on:</u>					
Raising funds	6	18,128	-	-	18,128
Charitable activities	7	949,937	-	209,809	1,159,746
Total expenditure		968,065	-	209,809	1,177,874
Net gains/(losses) on investments	11	199,121	-	-	199,121
Net (outgoing)/incoming resources before transfers		295,043	-	13,335	308,378
Gross transfers between funds		(7,464,292)	7,680,000	(215,708)	-
Net (expenditure)/income for the year/ Net (outgoing)/incoming resources		(7,169,249)	7,680,000	(202,373)	308,378
Other recognised gains and losses					
Other gains or losses	13	116,108	-	-	116,108
Net movement in funds		(7,053,141)	7,680,000	(202,373)	424,486
Fund balances at 1 January 2022		10,005,725	-	220,734	10,226,459
Fund balances at 31 December 2022		2,952,584	7,680,000	18,361	10,650,945

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	14	2,369,965		2,386,272	
Investment property	16	5,550,000		5,550,000	
Investments	17	49,477		49,477	
		7,969,442		7,985,749	
Current assets					
Debtors	18	217,980		216,327	
Cash at bank and in hand		1,945,529		2,571,924	
		2,163,509		2,788,251	
Creditors: amounts falling due within one year	19	(135,957)		(123,055)	
Net current assets		2,027,552		2,665,196	
Total assets less current liabilities		9,996,994		10,650,945	
Income funds					
Restricted funds	20	-		18,361	
<u>Unrestricted funds</u>					
Designated funds	21	7,680,560		7,680,000	
General unrestricted funds		2,316,434		2,952,584	
		9,996,994		10,632,584	
		9,996,994		10,650,945	

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 26/09/2024



Dr M Laskiewicz

Trustee

Company registration number 00816310

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	24		(850,746)		(21,481)
Investing activities					
Purchase of tangible fixed assets		(11,037)		(19,573)	
Proceeds from disposal of investment property		-		1,931,702	
Proceeds from disposal of other investments		-		(1)	
Investment income received		235,388		219,453	
Net cash generated from investing activities			224,351		2,131,581
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(626,395)		2,110,100
Cash and cash equivalents at beginning of year			2,571,924		461,824
Cash and cash equivalents at end of year			1,945,529		2,571,924

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Polish Social and Cultural Association is a private company limited by guarantee incorporated in England and Wales. The registered office is 238-246 King Street, Hammersmith, London, W6 0RF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

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.

1.4 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.6 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.

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:

Freehold land and buildings	1% per annum on cost
Plant and equipment	10 - 25% reducing balance
Fixtures and fittings	10 - 25% reducing balance
	10% straight line for Improvements

Freehold land and buildings are not being depreciated as residual values are rising and exceed cost.

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.

1.7 Investment property

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 valuation is tested for impairment by comparing to external valuator reports. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

POSK's UK Investment properties are valued by the Trustees, the basis of valuation is stated in Note 16 of the account.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

	Unrestricted funds general 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds general 2022 £	Restricted funds 2022 £	Total 2022 £
Donations and gifts	111,026	-	111,026	168,094	25,610	193,704
Legacies receivable	-	-	-	-	18,361	18,361
Grants receivable	-	200,109	200,109	-	179,173	179,173
	<u>111,026</u>	<u>200,109</u>	<u>311,135</u>	<u>168,094</u>	<u>223,144</u>	<u>391,238</u>
Grants receivable for core activities						
MKiDN library grant	-	200,109	200,109	-	179,173	179,173
	<u>-</u>	<u>200,109</u>	<u>200,109</u>	<u>-</u>	<u>179,173</u>	<u>179,173</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Charitable activities

	Charitable rental income	Facilities, Arts Centre, Theatre and Jazz Café	Total 2023	Charitable rental income	Facilities, Arts Centre, Theatre and Jazz Café	Total 2022
	2023	2023		2022	2022	
	£	£	£	£	£	£
Sales within charitable activities	556,686	163,150	719,836	551,282	125,158	676,440
	<u>556,686</u>	<u>163,150</u>	<u>719,836</u>	<u>551,282</u>	<u>125,158</u>	<u>676,440</u>

5 Investments

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Rental income	193,142	216,983
Income from shares and other investments	42,246	2,470
	<u>235,388</u>	<u>219,453</u>

6 Raising funds

	Total 2023 £	Unrestricted funds general 2022 £
<u>Investment management</u>	-	18,128
	<u>-</u>	<u>18,128</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

7 Charitable activities

	Charitable Expenditure 2023 £	Charitable Expenditure 2022 £
Staff costs	453,749	406,322
Depreciation and impairment	27,343	70,705
Donation to POSK Foundation	500,000	-
Grants payable	24,168	7,744
Legal and professional	35,024	30,016
Printing, postage and stationary	18,608	9,153
Cost of Jazz Café events	36,865	14,184
Other expenses	162,707	97,974
Bad debts written off	-	(21,748)
Speakers and performers' fees and expenses	79,611	48,028
Repairs, renewals and property maintenance	59,706	80,334
Insurance	56,424	62,118
Advertising	68,333	61,831
Cleaning	88,910	72,279
Maintenance	96,042	36,507
Heat & Light	113,826	112,734
	<u>1,821,316</u>	<u>1,088,181</u>
Share of support costs (see note 8)	92,227	63,215
Share of governance costs (see note 8)	8,750	8,350
	<u>1,922,293</u>	<u>1,159,746</u>
Analysis by fund		
Unrestricted funds - general	1,703,823	949,937
Restricted funds	218,470	209,809
	<u>1,922,293</u>	<u>1,159,746</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	74,328	-	74,328	57,191	-	57,191
Accountancy	17,899	-	17,899	6,024	-	6,024
Audit fees	-	8,750	8,750	-	8,350	8,350
	<u>92,227</u>	<u>8,750</u>	<u>100,977</u>	<u>63,215</u>	<u>8,350</u>	<u>71,565</u>
Analysed between						
Charitable activities	<u>92,227</u>	<u>8,750</u>	<u>100,977</u>	<u>63,215</u>	<u>8,350</u>	<u>71,565</u>

Governance costs includes payments to the auditors of £8,350 (2022- £7,850) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
House	10	10
Library	6	6
Part Time	5	6
Total	<u>21</u>	<u>22</u>

Employment costs

	2023 £	2022 £
Wages and salaries	479,221	419,950
Social security costs	39,485	34,147
Other pension costs	9,371	9,416
	<u>528,077</u>	<u>463,513</u>

POSK employs part time employees in various positions, most notably Front of House. Their hours are minimal and combined in total equivalent to under one full time annual employee. All other staff noted above are full time employees.

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Net gains/(losses) on investments

	Total 2023 £	Unrestricted funds general 2022 £
Revaluation of investment properties	-	(12,581)
Gain/(loss) on sale of investment properties	-	211,702
	-	199,121

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Other gains or losses

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Foreign exchange gains/(losses)	1,983	116,108

14 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2023	3,239,870	90,257	897,247	4,227,374
Additions	560	10,477	-	11,037
At 31 December 2023	3,240,430	100,734	897,247	4,238,411
Depreciation and impairment				
At 1 January 2023	1,109,870	83,986	647,247	1,841,103
Depreciation charged in the year	-	2,343	25,000	27,343
At 31 December 2023	1,109,870	86,329	672,247	1,868,446
Carrying amount				
At 31 December 2023	2,130,560	14,405	225,000	2,369,965
At 31 December 2022	2,130,000	6,272	250,000	2,386,272

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Heritage assets

The Charity has been bequeathed, over a number of years, artefacts of cultural and historical significance. These include furniture, paintings, books and sculptures. Due to the unique and specific nature of the artefacts and the context in which they were bequeathed there is no readily ascertainable market value and it has not been sought to attribute one within the financial statements. These assets are therefore included at £nil and it is not practical to provide a five-year summary for the reporting periods prior to 1 January 2023.

There were no sales or purchases of heritage assets during the year.

The ownership of the contents of the Central Circulating Library and Polish Library was vested in the Charity by the British Government with effect from 1 April 1967 and 1 August 1967 respectively. The value of these has not been ascertained and has not been brought into the accounts at 31 December 2023.

16 Investment property

2023

£

Fair value

At 1 January 2023 and 31 December 2023 5,550,000

POSK's UK Investment properties are valued by the Trustees by comparing the rental yield obtained on these properties to local market yields on similar properties and extrapolating this yield to obtain an estimate of fair value. Furthermore this estimate of fair value is compared to information received from local estate agents in order to ensure that the fair value as calculated is reasonable and adjusting it if necessary.

The Charity's Investment Property investment portfolio is the key to its long-term financial viability. The Trustees have adopted a policy of investing the Charity's funds into investments that will create additional recurring annual income to support the activities of the Charity. Such investments consist of investment properties and UK equities.

17 Fixed asset investments

Listed
investments
£

Cost or valuation

At 1 January 2023 & 31 December 2023 49,477

Carrying amount

At 31 December 2023 49,477

At 31 December 2022 49,477

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	111,278	77,652
Other debtors	49,184	37,184
Prepayments and accrued income	57,518	101,491
	<u>217,980</u>	<u>216,327</u>

19 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other taxation and social security	30,325	30,790
Trade creditors	31,114	34,920
Other creditors	33,972	44,018
Accruals and deferred income	40,546	13,327
	<u>135,957</u>	<u>123,055</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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				Movement in funds			
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£	£	£	£
Building Fund	170,473	-	-	(170,473)	-	-	-	-
Asset Purchase Fund	50,261	-	(5,026)	(45,235)	-	-	-	-
MKiDN Library Fund	-	179,173	(179,173)	-	-	-	-	-
Library Grants/donations	-	25,610	(25,610)	-	-	200,109	(200,109)	-
Restricted library legacy	-	18,361	-	-	18,361	-	(18,361)	-
	<u>220,734</u>	<u>223,144</u>	<u>(209,809)</u>	<u>(215,708)</u>	<u>18,361</u>	<u>200,109</u>	<u>(218,470)</u>	<u>-</u>

The Building Fund represents amounts received in respect of donations towards building works (Atrium). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these building works.

The Asset Purchase Fund represents amounts received in respect of donations towards replacement of fixed assets (Main Lifts). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these fixed assets.

The MKiDN Library Fund represents funding from the Polish Ministry of Culture (Ministerstwo Kultury i Dziedzictwa Narodowego)

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 2022	Transfers	Balance at 1 January 2023	Transfers	Balance at 31 December 2023
	£	£	£	£	£
Land & Buildings Fund	-	2,130,000	2,130,000	560	2,130,560
Investment Property Fund	-	5,550,000	5,550,000	-	5,550,000
	<u>-</u>	<u>7,680,000</u>	<u>7,680,000</u>	<u>560</u>	<u>7,680,560</u>

The Land and Buildings Fund represent the funds tied up in freehold land and buildings.

The Investment Property Fund represents funds tied up in the charity's investment properties.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Designated funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Designated funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 December 2023 are represented by:								
Tangible assets	239,405	2,130,560	-	2,369,965	237,911	2,130,000	18,361	2,386,272
Investment properties	-	5,550,000	-	5,550,000	-	5,550,000	-	5,550,000
Investments	49,477	-	-	49,477	49,477	-	-	49,477
Current assets/(liabilities)	2,027,552	-	-	2,027,552	2,665,196	-	-	2,665,196
	<u>2,316,434</u>	<u>7,680,560</u>	<u>-</u>	<u>9,996,994</u>	<u>2,952,584</u>	<u>7,680,000</u>	<u>18,361</u>	<u>10,650,945</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Related party transactions

The POSK Foundation was formed in 1989 to support the charitable objectives of Polish Social and Cultural Association Limited ("POSK") and is a related party to the charity.

During the year, POSK donated £500,000 and received donations of £18,753 (2022: £70,365) from the POSK Foundation. Mr R W Tobiasiewicz, was a trustee of the POSK Foundation. The administrative costs of the POSK Foundation are borne by POSK.

In 2023 Mr M Jakubowski who was a trustee in the year, was also a trustee of The Polish Educational Society. During the year to December 2023 a total of £15,890 (2022: £11,425) was paid by The Polish Educational Society to POSK.

POSK also paid £2,118 (2022: £5,133) to Smartnet Solutions Limited, a company which trustee Mr D Kazimierz Barczyk was a director of.

Dr Marek Laskiewicz is the chair of POSK and is also a director of the Polish Trustee Association. POSK received payments totalling £40 from the association.

One of the trustees, Marcin Kalinowski, is also the director of T&M Plumbers Ltd, with whom POSK paid £1,020 for plumbing work in the year.

One time payment of £40 to POSK from ZJEDNOCZENIE POLSKIE W WIELKIEJ BRYTANII C.I.O. who Monika Tkaczyk is also a trustee for.

24 Cash generated from operations	2023 £	2022 £
(Deficit)/surplus for the year	(655,934)	308,378
Adjustments for:		
Investment income recognised in statement of financial activities	(235,388)	(219,453)
Foreign exchange differences	1,983	116,108
Gain on disposal of investment property	-	(211,702)
Fair value gains and losses on investment properties	-	12,581
Depreciation and impairment of tangible fixed assets	27,343	70,705
Movements in working capital:		
(Increase)/decrease in debtors	(1,653)	53,151
Increase/(decrease) in creditors	12,903	(151,249)
Cash absorbed by operations	(850,746)	(21,481)

25 Analysis of changes in net funds

The charity had no debt during the year.

26 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

Accounts

Charity registration number 236745

Company registration number 00816310 (England and Wales)

POLISH SOCIAL AND CULTURAL ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

POLISH SOCIAL AND CULTURAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr M Laskiewicz	
	M Jakubowski	(Appointed 5 November 2022)
	S Kosiec	(Appointed 5 November 2022)
	J Klys	(Appointed 5 November 2022)
	M Kalinowski	(Appointed 5 November 2022)
	D Barczyk	(Appointed 5 November 2022)
	Z Brudzinska	(Appointed 5 November 2022)
	B Bakst	
	R Zoltaniecki	
Secretary	E Olbrych	
	J Wajda	
Charity number	236745	
Company number	00816310	
Registered office	238-246 King Street	
	Hammersmith	
	London	
	W6 0RF	
Auditor	Richard Place Dobson Services Limited	
	1-7 Station Road	
	Crawley	
	West Sussex	
	RH10 1HT	
Solicitors	Bates Wells	
	10 Queen Street Place	
	London	
	EC4R 1BE	

POLISH SOCIAL AND CULTURAL ASSOCIATION

CONTENTS

	Page
Trustees report	1 - 7
Statement of Trustees report responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12 - 13
Balance sheet	14 - 15
Statement of cash flows	16
Notes to the financial statements	17 - 31

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees submit their report and the audited financial statements for the year ended 31 December 2022 for the Polish Social and Cultural Association ("POSK" or the "Charitable Company" or the "Charity"). These financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, 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

The overall objectives of POSK can be summarised as follows:

- to promote education and learning in the respective histories, arts, literatures, languages and cultures of Poland and of the UK
- to promote education, training and learning amongst Poles in the UK
- to provide assistance and facilities for recreation and leisure, in particular to persons in need by reason of youth, age, infirmity or disablement, poverty or social or economic circumstances

In pursuance of these aims, POSK has built and maintains a centre where it promotes and fulfills these aims, largely thanks to the generosity of its members both institutional and individual, but also by raising income from the hire of offices and venues on its premises at commercial rates.

The activities carried out on a regular basis are:

- The provision of appropriate space and resources to allow the Polish Library to flourish. The Polish Library collects, maintains and provides access to Polish books and other publications as well as extensive archives of materials relating to Polish life and culture. It runs a lending library and reading room as well as supplies the Central Circulating Library service which provides books in Polish for local public libraries.
- The provision of appropriate spaces, notably the Theatre, Atrium, Studio and Malinowa Hall, and resources for the regular activities of cultural, educational and professional organisations having their home at the Centre such as the Tatry Polish Song and Dance Group, the Polish Stage Company in UK, the Polish Children's Theatre Syrena, the POSK Children's Theatre and the Confraternity of Polish Artists, which organise classical music concerts.
- The provision of office space at significantly reduced rates to other Polish organisations and charities, notably the Polish Educational Society, Polish Writers Abroad, Medical Aid for Poland, the Polish Weekly, the Polish University Abroad (University of the Third Age), and the Association of Polish Engineers in the UK as well as Anglo-Polish organisations such as the Joseph Conrad Society together with British ones such as Standing Together Against Domestic Violence, and also (again, at significantly reduced rates) the use of the Theatre and other venues for their social and cultural events as well as their educational and academic events such as lectures and conferences.
- POSK also runs clubs, notably the Jazz Café, POSKino, POSK Cinema and POSK Gallery for exhibitions of the visual arts. It organises productions of Polish opera and other cultural events open to both Polish and non-Polish audiences. It also has its own social media such as its own Facebook and YouTube channel.

All these activities are carried out with the aim of acting as a focal point within the Polish community for promoting Polish culture and language both within it as well as to the wider community.

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

Under its new Chairman and a freshly constituted Board of Trustees, POSK started to implement his campaign program, presented in detail in his Inauguration Speech. So POSK above all invited in the New Polish community, which had arrived after the Fall of the Berlin Wall; this successfully brought in over 200 new members and culminated in a well-attended Annual General Meeting, the first such for years with over 400 voting, up from 251 in 2021, and a full complement of 51 elected Council Members, also not seen for years, up from 41 in 2021. Thus in 2022 POSK started again to realise and even expand its social and cultural objectives. There were many events held throughout the POSK building, even on the same day, for POSK is a multi-venue centre.

POSK Theatre presented several successful productions, including for Ukraine, all aimed at a wide audience such as "Baby, ach te baby", including in particular young people of school age such as the puppet theatre "Dziadek do orzechów". It also remains the venue for the POSK Members' Christmas Dinner. There were concerts such as the Chopin Festival, plays such as "Moralność Pani Dulskiej", children's events such as "Wierszowisko" and celebrations such as Christmas and New Year's Eve Dinners.

Jazz Café POSK once again proved to be a very popular venue for many fans of various forms of jazz, swing and blues from all over London and beyond, of all ages, backgrounds and cultures, who come to POSK to see a variety of high-class acts in a convivial atmosphere such as Emma Rawicz or the Jakub Klimiak Quartet.

The POSK Gallery also managed to put on several very interesting exhibitions during the year such as "12 Cities" by Titus Brzowski or "Parts" by Marta Maskowska. The exhibitions, as ever, brought to the Centre many artists and visitors of culturally diverse backgrounds, and the subjects varied.

POSKino presented a very successful film such as "Nedarz i Madame". The tickets were modestly priced and brought in a large new audience to POSK. POSK Cinema also presented a Jerzy Hoffman series such as "Potop". POSK is committed to bringing the best of Polish cinema to audiences here.

POSK Library remains a first-class library, recognised as such in both Poland (it is a member of MAB) and the UK, where it supplies books to the CCL. A stamp was issued in its honour in Poland. It continues to add to its collection of over 350 000 literary and photographic items.

The Atrium was finished and became a much sought-after venue for classical music concerts, poetry evenings, and talks including by visiting Polish Ministers.

The POSK Museum was launched, initially as a virtual museum, the Anglo-Polish Cultural Exchange. This succeeded in coming to the attention of *The Times* and other media.

The Malinowa Hall and Sapphire Room provided a venue for many literary evenings such as book launches and discussions, some organised by the Polish Library, and celebrations in connection with anniversaries of major Polish historical events as well as other meetings and debates on a wide variety of subjects such as by the Independent Thinkers' Circle.

Many of POSK's function rooms, halls and the theatre are hired out on a commercial basis by external organisations such as schools, choirs, drama, music and opera groups for rehearsals and performances, providing a benefit to the Polish and local communities as well as much needed revenue for POSK. They include the Arts Educational Schools, W11 Opera, Addison Singers and City Academy. The Polish Consulate service on POSK premises for parents applying for children's passports also continued.

The Trustees consider that the main measures of POSK's success are a continuing vibrant and diverse program of events involving both the New and Postwar Polish communities so creating a high usage of the POSK building in terms of the number of people visiting POSK and attending events as well as proposing new ones.

The Seniors Department, previously the Welfare Society, continued its activity as before after the pandemic. A new Families Department was created.

The residential property for rent belonging to POSK proved its worth in 2022, when it served as a reliable source of ongoing revenue from those office and apartment tenants who were able to keep up their rent and service charges payments as they fell due. In addition POSK Library received a substantial grant from the Polish Ministry of Culture.

The Trustees would like to extend their most sincere thanks to all its staff, suppliers, volunteers, tenants and donors who all contributed towards its ability to remain solvent and continue its activities.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Volunteers

Volunteers are key to POSK's success. Trustees and Members of the Council provide their professional expertise in a voluntary capacity, specifically in terms of day-to-day running of POSK as well as strategic planning.

In addition to this, POSK has many volunteers who kindly give up their time and without whom POSK would be unable to function. Numerous volunteers assist in putting on POSK events, POSK's Gallery being for example run entirely by volunteers.

It is difficult to estimate the number of hours put in by volunteers; however it is clear to the Trustees that without their significant input POSK would find it very difficult to carry out all its activities.

Financial review

POSK brought in a new Xero accounting system to replace its old SAGE one.

Income generation

Total income for POSK in 2022 was £1,287,131 (2021 – £1,106,026). The Trustees consider this to be a good result.

POSK's income is volatile and depends also upon grants, donations and bequests. In 2022 the Library continued to receive its annual grant of £179,173 (2021 – £77,228) from the Polish Ministry of Culture, so the total income from grants, donations and bequests was £371,577 (2021 – £368,420). POSK's other income is still in decline, which is not unexpected given the effects of the pandemic; moreover the level of bequests is likely to be low owing to membership demographic changes, so large bequests are treated as one-off revenues: consequently according to the new strategy presented by the Chairman, POSK will now be actively seeking grants and donations as opposed to treating these as one-offs.

During 2022 POSK received £60,000 from the POSK Foundation (2021 – £60 000); the Trustees would like to thank the POSK Foundation for its continuing support. POSK then also received £219,453 in investment income (2021 – £304 957). The relatively high level of investment income shows the positive effect of the Trustees' policy of finding new revenue streams which do not impact materially on POSK's charitable activities.

POSK gives heartfelt thanks to all its supporters for their continued hard work and to all its donors for their generosity in achieving these results.

Resources Expended

Resources expended on charitable activities and governance costs in 2022 were £1,177,874 (2021 – £781 760). The Trustees are pleased that steps taken to renegotiate contracts and curtail expenditure have resulted in controlling costs.

POSK continues to be affected by a high fixed cost base and the Trustees intend to carry on seeking methods that enable it to minimise this. Moreover POSK now seeks to increase its activities and to strengthen its marketing and advertising so as to attract more visitors and expand its membership.

Net Funds Movement

A surplus of £424,486 (2021– £1,083,747) was recorded on the Statement of Financial Activities for the year 2022. The Trustees consider the results for the year to be reasonable, and are hopeful that the continuing policy of keeping costs stable whilst expanding its activities, improving its marketing, increasing investment income, and seeking grants and donations will ensure the long-term success of POSK.

Changes in fixed assets

The policy regarding movements in fixed assets during the year is as before but under review.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves Policy and Going Concern

The reserves held by POSK are detailed in the Statement of Financial Activities. The purpose of these reserves is to allow it to continue to maintain and develop the POSK building, which is used for its activities.

POSK has a portfolio of investments that are used to generate income to fund its ongoing charitable activities. Additionally, it is the owner of a large building that requires constant expenditure on its fabric. The Trustees are of the opinion that the net assets of POSK are wholly represented by such assets and that this policy will apply until such a time as it is cash-flow neutral and can support itself from ongoing cash flows without recourse to one-off inflows from asset sales or bequests.

POSK's reserves in 2022 amounted to £10,650,945 (2021 – £10,226,459) of which £18,361 is restricted (2021 – £220,734). Given the future cash flow projections of POSK and resources available to it, the Trustees consider the risk of its not being a going concern to be minimal.

Investments

POSK's investment policy is to invest in revenue generating assets in order to provide stable, foreseeable cash flows to fund its ongoing activities. The primary aim of this policy is to generate a return that is both a reasonable hedge against inflation and above the Bank of England base rate at the time the investment decision is made. Investment decisions are made by the Trustees and material investment decisions are ratified at meetings of the Council of Management

During the year to 31 December 2022 POSK has continued to benefit from a high level of rental income and the occupancy of its UK investment property remains at almost 100%. POSK has no intention of selling any UK Investment Property and any revaluation movements will have no effect on future rental streams.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk management

The Trustees have introduced a formal risk management process to assess business and operational risks. As part of this process a system of internal controls was set up, designed to provide reasonable assurance against material misstatement or loss. These controls include:

- Annual operational [OpEx] and capital [CapEx] budgets approved by the Council;
- Regular reviews of the financial results and variances from these budgets;
- Delegation of authority and segregation of duties;
- Identification and management of risks;
- An internal audit review.

The principal risks and uncertainties facing POSK are:

- a. Uncertainties over the receipt of donations and grants;
- b. An increase in property related expenses, which cannot easily be recovered from tenants;
- c. An increase in costs that are outside of POSK's control such as Utilities costs, business rates, Workplace Pensions and the minimum Working Wage;
- d. The loss of commercial tenants as a result of changed post-pandemic working practices;
- e. Difficulties in attracting and retaining suitable volunteers.

POSK manages these risks by aiming to make a positive return on investment to help fund its activities and regularly reviewing its expenses to ascertain whether they can be decreased. It also attempts to seek new sources of grants and donations for its activities and both new commercial tenants and venue hirers as well as developing new functions such as the Museum and improving its marketing in order to increase and diversify its revenue streams so as to become self-sufficient. In particular POSK's residential property portfolio is providing reliable regular income to supplement POSK's current income streams. Therefore POSK hopes that all income received will generate a surplus to allow it to further expand its social, educational and cultural activities.

Once there is a reduction of financial pressures, POSK would be able to concentrate more on social, educational and cultural activities; nonetheless it is already attempting to broaden the scope of these with those resources at hand. More theatrical productions as well as on a larger scale are a goal, so POSK hopes to be able to respond to audience demand in this sphere in the future. It will also be better able to support other groups and organisations with limited resources to stage events at POSK.

POSK will be looking at further increasing and improving its personnel, both voluntary and paid. POSK has become a very complex organisation, hence relying solely on volunteers to perform key tasks is not viable.

Plans for future periods

The Trustees are continuing to implement strategies to put POSK on a sound financial footing so that future generations may benefit from its facilities. As POSK has been finally able to sell its Frascati property bequeathed to it in Warsaw, this along with grants will provide funds for investment in personnel, the fabric of the building, and its social and cultural activities.

The Chairman plans to make POSK into a first-class institution by: expanding the Museum physically so that it can hold important exhibitions of Polish culture as well as work with top-class Polish and British institutions; purchasing two grand pianos, one a Steinway B for the Atrium and another for the Theatre so the Malinowa Hall also has a grand piano (from the Theatre) for superb classical concerts; improving the appearance and functioning of the POSK building; attracting in Polish academic, cultural and business organisations; hybridising events which would increase audience outreach, especially important as POSK is a national community institution; and increasing the scope of POSK activities with more clubs and events such as gastronomic showcasing the Polish cuisine. With this strategy POSK will also find it easier to receive grants and donations.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

The key executive functions of POSK are carried out by the Trustees. While a small number of staff manage the day-to-day affairs of POSK, all strategic decisions are taken by the Trustees, who are directly involved in its running.

POSK is governed by two main bodies – the Council of Management ("Council") and the Directors, known as the Executive Committee and comprise the Board of Trustees, also being the Board of Directors.

The Council currently comprises 51 elected Members, who are members of POSK; they are elected at the Annual General Meetings of POSK; in addition to these Members, there are 8 Council Members appointed by member organisations. The Chair is elected at POSK's Annual General Meeting. At the first Council Meeting after the Annual General Meeting, an Executive Committee is selected by the Chair from amongst Members of the elected Council and presented to the Council. In 2022 the Annual General Meeting was held physically but also presented on Zoom; the voting was by those physically present including proxies.

The Executive Committee formulates strategy and policy but also performs key management roles and its members are therefore selected for the professional expertise and experience they can bring to the role. Members of the Executive Committee, who acted as the Trustees and Directors of POSK in 2022, are listed earlier in this Report.

There are no formal policies and procedures for the training and induction of Trustees. Persons elected as Trustees are usually familiar with POSK and/or charitable organisations in general, and are therefore considered as not needing general induction.

At each Annual General Meeting, under the Articles of Association, one third of the elected Members of the Council retire, though still remaining eligible so may offer themselves for re-election. The Council meets quarterly, but the Executive Committee meets monthly to review and take decisions about POSK's activities.

POSK is closely affiliated with the POSK Foundation, a charity that is registered under charity number 802083 and that has broadly the same charitable objectives as POSK. In addition to this, one of the POSK Foundation's main charitable aims is to support the social, cultural and educational activities undertaken or recommended by POSK.

POSK is a company limited by guarantee (number 816310) and a registered charity (number 236745). It was incorporated on 19 August 1964 and is governed by its Memorandum and Articles as adopted at an Extraordinary General Meeting of Members on 18 May 2019. Each member has provided a guarantee up to a limit of £1 each.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

M Tkaczyk	(Appointed 5 November 2022 and resigned 23 June 2023)
Dr M Laskiewicz	
M Jakubowski	(Appointed 5 November 2022)
S Kosiec	(Appointed 5 November 2022)
J Klys	(Appointed 5 November 2022)
M Kalinowski	(Appointed 5 November 2022)
D Barczyk	(Appointed 5 November 2022)
Z Brudzinska	(Appointed 5 November 2022)
A Newsome	(Appointed 5 November 2022 and resigned 6 January 2023)
B Bakst	
R Zoltaniecki	
E Olbrych	
J Wajda	
A Bildziuk	(Appointed 9 July 2022 and resigned 5 November 2022)
R W Tobiasiewicz	(Resigned 5 November 2022)

None of the trustees has any beneficial interest in the company. All of the trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Auditor

At the 2022 AGM Richard Place Dobson were appointed as the Charity's auditors for the next 3 years.

Investments

POSK's investment policy is to invest in revenue generating assets in order to provide stable, foreseeable cash flows to fund its ongoing activities. The primary aim of this policy is to generate a return that is both a reasonable hedge against inflation and above the Bank of England base rate at the time the investment decision is made. Investment decisions are made by the Trustees and material investment decisions are ratified at Council Meetings.

During the year to 31 December 2022 POSK has continued to benefit from a high level of rental income and the occupancy of its UK investment property remains at almost 100%. POSK has no intention of selling any UK Investment Property and any revaluation movements will have no effect on future rental streams.

Charity's Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance and ensured that all activities throughout the year have been in the interest of public benefit. This is evidenced by the continuing work undertaken to keep the building open to the general public and to ensure that it continues to provide educational, social and cultural events. It also contains and maintains donated Polish artifacts of historic significance for public access.

The Trustees report was approved by the Board of Trustees.



Dr M Laskiewicz

Trustee

Date: 01/09/2023

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF TRUSTEES REPORT RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Polish Social and Cultural Association for the purpose of company law, are responsible for preparing the Trustees Report 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Polish Social and Cultural Association (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 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 report 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.

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
- we have not received all the information and explanations we require for our audit.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Responsibilities of trustees

As explained more fully in the statement of Trustees report 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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud, the audit engagement team made enquiries of management, and those charged with governance, regarding the procedures relating to identifying, evaluating and complying with;

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, General Data Protection Regulations, Charities Act 2011, Charities Statement of Recommended Practice and employment law and regulations. We performed audit procedures to detect non-compliance, which may have a material impact on the financial statements. These included reviewing financial statement disclosures and evaluating advice received from external advisors. There were no significant laws and regulations we deemed as having an indirect impact on the financial statements.

1. Revenue recognition - this was tested substantively for rental and lease income, we performed proof in total testing over grant income
2. Management override of controls - we reviewed large journals to discover any evidence of management override

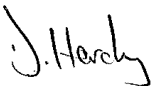
POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

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.



Darren Harding (Senior Statutory Auditor)
Richard Place Dobson Services Limited

05/09/2023
.....

Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

Richard Place Dobson 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds general 2022 £	Unrestricted funds designated 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds general 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:								
Donations and legacies	3	168,094	-	223,144	391,238	83,694	284,726	368,420
Charitable activities	4	676,440	-	-	676,440	432,649	-	432,649
Investments	5	219,453	-	-	219,453	304,957	-	304,957
Total income		1,063,987	-	223,144	1,287,131	821,300	284,726	1,106,026
Expenditure on:								
Raising funds	6	18,128	-	-	18,128	17,349	-	17,349
Charitable activities	7	949,937	-	209,809	1,159,746	542,895	221,516	764,411
Total expenditure		968,065	-	209,809	1,177,874	560,244	221,516	781,760
Net gains/(losses) on investments	11	199,121	-	-	199,121	760,975	-	760,975

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds general 2022	£	Unrestricted funds designated 2022	£	Restricted funds 2022	£	Total 2022	£	Unrestricted funds general 2021	£	Restricted funds 2021	£	Total 2021	£
Net incoming resources before transfers		295,043	-	-	-	13,335	308,378	1,022,031	63,210	1,085,241					
Gross transfers between funds		(7,461,292)	7,680,000	(215,708)	-	-	-	-	-	-	-	-	-	-	-
Net (outgoing)/incoming resources		(7,169,249)	7,680,000	(202,373)	308,378	1,022,031	63,210	1,085,241							
Other recognised gains and losses															
Other gains or losses	13	116,108	-	-	116,108	-	-	(1,494)	-	-	-	-	-	(1,494)	-
Net movement in funds		(7,053,141)	7,680,000	(202,373)	424,486	1,020,537	63,210	1,083,747							
Fund balances at 1 January 2022		10,005,725	-	-	10,226,459	220,734	157,524	8,985,188	220,734	10,005,725	157,524	9,142,712			
Fund balances at 31 December 2022		2,952,584	7,680,000	18,361	10,650,945	18,361	220,734	10,005,725	220,734	10,005,725	220,734	10,226,459			

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14	2,386,272		2,437,403	
Investment property	16	5,550,000		7,270,000	
Investments	17	49,477		62,058	
			7,985,749		9,769,461
Current assets					
Debtors	18	216,327		269,478	
Cash at bank and in hand		2,571,924		461,824	
			2,788,251		731,302
Creditors: amounts falling due within one year	19	(123,055)		(274,304)	
Net current assets			2,665,196		456,998
Total assets less current liabilities			10,650,945		10,226,459
Income funds					
Restricted funds	20		18,361		220,734
<u>Unrestricted funds</u>					
Designated funds	21	7,680,000		-	
General unrestricted funds		2,952,584		10,005,725	
			10,632,584		10,005,725
			10,650,945		10,226,459

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 01/09/2023



Dr M Laskiewicz

Trustee

Company registration number 00816310

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(21,481)		75,893
Investing activities					
Purchase of tangible fixed assets		(19,573)		(277,614)	
Proceeds from disposal of investment property		1,931,702		-	
Proceeds from disposal of other investments		(1)		-	
Investment income received		219,453		304,957	
Net cash generated from investing activities			2,131,581		27,343
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			2,110,100		103,236
Cash and cash equivalents at beginning of year			461,824		358,588
Cash and cash equivalents at end of year			2,571,924		461,824

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Polish Social and Cultural Association is a private company limited by guarantee incorporated in England and Wales. The registered office is 238-246 King Street, Hammersmith, London, W6 0RF.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives and which have not been designated for other purposes.

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.

1.4 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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 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.

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:

Freehold land and buildings	1% per annum on cost
Plant and equipment	10 - 25% reducing balance
Fixtures and fittings	10 - 25% reducing balance

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.

1.7 Investment property

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.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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.

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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.

POSK's UK Investment properties are valued by the Trustees, the basis of valuation is stated in Note 15 of the account.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3	Donations and legacies	Unrestricted funds general	Restricted funds	Total	Unrestricted funds general	Restricted funds	Total
		2022	2022	2022	2021	2021	2021
		£	£	£	£	£	£
	Donations and gifts	168,094	25,610	193,704	83,694	-	83,694
	Legacies receivable	-	18,361	18,361	-	-	-
	Grants receivable	-	179,173	179,173	-	284,726	284,726
		<u>168,094</u>	<u>223,144</u>	<u>391,238</u>	<u>83,694</u>	<u>284,726</u>	<u>368,420</u>
	Grants receivable for core activities	-	-	-	-	136,272	136,272
	Coronavirus support grant	-	179,173	179,173	-	77,228	77,228
	MKiDN library grant	-	-	-	-	71,226	71,226
	Other	-	-	-	-	-	-
		<u>-</u>	<u>179,173</u>	<u>179,173</u>	<u>-</u>	<u>284,726</u>	<u>284,726</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	Charitable rental income	Facilities, Arts Centre, Theatre and Jazz Café	Total 2022	Charitable rental income	Facilities, Arts Centre, Theatre and Jazz Café	Total 2021
	2022	2022		2021	2021	
	£	£	£	£	£	£
Sales within charitable activities	551,282	125,158	676,440	316,771	115,878	432,649

5 Investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Rental income	216,983	250,686
Income from shares and other investments	2,470	54,271
	219,453	304,957

6 Raising funds

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
<u>Investment management</u>	18,128	17,349
	18,128	17,349

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	406,322	311,446
Depreciation and impairment	70,705	85,044
Grants payable	7,744	3,807
Legal and professional	30,016	11,025
Printing, postage and stationary	9,153	1,795
Cost of Jazz Café events	14,184	2,423
Other expenses	97,974	21,724
Bad debts written off	(21,748)	(19,693)
Speakers and performers' fees and expenses	48,028	5,230
Repairs, renewals and property maintenance	80,334	56,553
Insurance	62,118	42,409
Advertising	61,831	9,274
Cleaning	72,279	55,013
Maintenance	36,507	17,563
Heat & Light	112,734	73,972
	<u>1,088,181</u>	<u>677,585</u>
Share of support costs (see note 8)	63,215	78,976
Share of governance costs (see note 8)	8,350	7,850
	<u>1,159,746</u>	<u>764,411</u>
Analysis by fund		
Unrestricted funds - general	949,937	542,895
Restricted funds	209,809	221,516
	<u>1,159,746</u>	<u>764,411</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	57,191	-	57,191	54,886	54,886
Printing, postage and stationery	-	-	-	9,604	9,604
Other expenses	-	-	-	15,209	15,209
Irrecoverable VAT	-	-	-	(3,519)	(3,519)
Accountancy	6,024	-	6,024	2,796	2,796
Audit fees	-	8,350	8,350	-	7,850
	<u>63,215</u>	<u>8,350</u>	<u>71,565</u>	<u>78,976</u>	<u>86,826</u>
Analysed between					
Charitable activities	<u>63,215</u>	<u>8,350</u>	<u>71,565</u>	<u>78,976</u>	<u>86,826</u>

Governance costs includes payments to the auditors of £8,350 (2021- £7,850) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
House	10	9
Library	6	6
Part Time	6	6
Total	<u>22</u>	<u>21</u>

Employment costs

	2022 £	2021 £
Wages and salaries	419,950	336,187
Social security costs	34,147	23,016
Other pension costs	9,416	7,129
	<u>463,513</u>	<u>366,332</u>

POSK employs part time employees in various positions, most notably Front of House. Their hours are minimal and combined in total equivalent to under one full time annual employee. All other staff noted above are full time employees.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Employees

(Continued)

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

11 Net gains/(losses) on investments

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Revaluation of investments	-	750,000
Revaluation of investment properties	(12,581)	10,975
Gain/(loss) on sale of investment properties	211,702	-
	<u>199,121</u>	<u>760,975</u>

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Other gains or losses

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Foreign exchange gains/(losses)	<u>116,108</u>	<u>(1,494)</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2022	3,234,629	85,575	887,597	4,207,801
Additions	5,241	4,682	9,650	19,573
At 31 December 2022	3,239,870	90,257	897,247	4,227,374
Depreciation and impairment				
At 1 January 2022	1,077,189	74,182	619,027	1,770,398
Depreciation charged in the year	32,681	9,803	28,220	70,704
At 31 December 2022	1,109,870	83,985	647,247	1,841,102
Carrying amount				
At 31 December 2022	2,130,000	6,272	250,000	2,386,272
At 31 December 2021	2,157,440	11,393	268,570	2,437,403

15 Heritage assets

The Charity has been bequeathed, over a number of years, artefacts of cultural and historical significance. These include furniture, paintings, books and sculptures. Due to the unique and specific nature of the artefacts and the context in which they were bequeathed there is no readily ascertainable market value and it has not been sought to attribute one within the financial statements. These assets are therefore included at £nil and it is not practical to provide a five-year summary for the reporting periods prior to 1 January 2022.

There were no sales or purchases of heritage assets during the year.

The ownership of the contents of the Central Circulating Library and Polish Library was vested in the Charity by the British Government with effect from 1 April 1967 and 1 August 1967 respectively. The value of these has not been ascertained and has not been brought into the accounts at 31 December 2022.

16 Investment property

	2022 £
Fair value	
At 1 January 2022	7,270,000
Disposals	(1,720,000)
At 31 December 2022	5,550,000

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Investment property

(Continued)

POSK's UK Investment properties are valued by the Trustees by comparing the rental yield obtained on these properties to local market yields on similar properties and extrapolating this yield to obtain an estimate of fair value. Furthermore this estimate of fair value is compared to information received from local estate agents in order to ensure that the fair value as calculated is reasonable and adjusting it if necessary.

The Charity's Investment Property investment portfolio is the key to its long-term financial viability. The Trustees have adopted a policy of investing the Charity's funds into investments that will create additional recurring annual income to support the activities of the Charity. Such investments consist of investment properties and UK equities.

The disposal in the year is in relation to the sale of Frascati 4, a property in Poland. The property was disposed of at the net book value of £1,720,000, being £750,000 revaluation in 2021 and £970,000 original cost.

17 Fixed asset investments

	Listed investments £	Unlisted investments £	Share of freehold £	Total £
Cost or valuation				
At 1 January 2022	55,893	3,165	3,000	62,058
Valuation changes	(12,582)	-	-	(12,582)
At 31 December 2022	43,311	3,165	3,000	49,477
Carrying amount				
At 31 December 2022	43,311	3,165	3,000	49,477
At 31 December 2021	55,893	3,165	3,000	62,058

18 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	77,652	152,847
Other debtors	37,184	81,676
Prepayments and accrued income	101,491	34,955
	216,327	269,478

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	30,790	-
Trade creditors	34,920	117,717
Other creditors	44,018	37,623
Accruals and deferred income	13,327	118,964
	<u>123,055</u>	<u>274,304</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	Balance at 1 January 2021	Movement in funds		Balance at 1 January 2022	Movement in funds		Transfers	Balance at 31 December 2022
	£	Incoming resources	Resources expended	£	Incoming resources	Resources expended	£	£
Building Fund	100,980	71,225	(1,732)	170,473	-	-	(170,473)	-
Asset Purchase Fund	56,544	-	(6,283)	50,261	-	(5,026)	(45,235)	-
MKiDN Library Fund	-	77,228	(77,228)	-	179,173	(179,173)	-	-
Coronavirus Grants Fund	-	136,272	(136,272)	-	-	-	-	-
Library Donations	-	-	-	-	25,610	(25,610)	-	-
Restricted library legacy	-	-	-	-	18,361	-	-	18,361
	157,524	284,725	(221,515)	220,734	223,144	(209,809)	(215,708)	18,361

The Building Fund represents amounts received in respect of donations towards building works (Altrium). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these building works.

The Asset Purchase Fund represents amounts received in respect of donations towards replacement of fixed assets (Main Lifts). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these fixed assets.

The MKiDN Library Fund represents funding from the Polish Ministry of Culture (Ministerstwo Kultury i Dziedzictwa Narodowego)

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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:

	Movement in funds			
	Incoming resources	Balance at 1 January 2022	Transfers	Balance at 31 December 2022
	£	£	£	£
Land & Buildings Fund	-	-	2,130,000	2,130,000
Investment Property Fund	-	-	5,550,000	5,550,000
	<u>-</u>	<u>-</u>	<u>7,680,000</u>	<u>7,680,000</u>

The Land and Buildings Fund represent the funds tied up in freehold land and buildings.

The Investment Property Fund represents funds tied up in the charity's investment properties.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

22 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

	Unrestricted funds 2022	Designated funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£	£
Tangible assets	237,911	2,130,000	18,361	2,386,272	2,216,669	220,734	2,437,403
Investment properties	-	5,550,000	-	5,550,000	7,270,000	-	7,270,000
Investments	49,477	-	-	49,477	62,058	-	62,058
Current assets/(liabilities)	2,665,196	-	-	2,665,196	456,998	-	456,998
	<u>2,952,584</u>	<u>7,680,000</u>	<u>18,361</u>	<u>10,650,945</u>	<u>10,005,725</u>	<u>220,734</u>	<u>10,226,459</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Related party transactions

The POSK Foundation was formed in 1989 to support the charitable objectives of Polish Social and Cultural Association Limited ("POSK") and is a related party to the charity.

During the year, POSK received donations of £70,365 (2021: £60,000) from the POSK Foundation. Mr R W Tobiasiewicz, was a trustee of the POSK Foundation. The administrative costs of the POSK Foundation are borne by POSK.

In 2022 Mr M Jakubowski who was a trustee in the year, was also a trustee of The Polish Educational Society. During the year to December 2022 a total of £11,425 was paid by The Polish Educational Society to POSK. POSK also paid £5,133 to Smartnet Solutions Limited, a company which trustee Mr D Kazimierz Barczyk was a director of.

24 Cash generated from operations	2022 £	2021 £
Surplus for the year	308,378	1,085,241
Adjustments for:		
Investment income recognised in statement of financial activities	(219,453)	(304,957)
Foreign exchange differences	116,108	(1,494)
(Gain)/loss on disposal of tangible fixed assets	-	3
Gain on disposal of investment property	(211,702)	-
Fair value gains and losses on investment properties	12,581	(10,975)
Fair value gains and losses on investments	-	(750,000)
Depreciation and impairment of tangible fixed assets	70,705	85,044
Movements in working capital:		
Decrease in debtors	53,151	15,291
(Decrease) in creditors	(151,249)	(42,260)
Cash (absorbed by)/generated from operations	(21,481)	75,893

25 Analysis of changes in net funds

The charity had no debt during the year.

26 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.

Accounts

Charity registration number 236745

Company registration number 00816310 (England and Wales)

POLISH SOCIAL AND CULTURAL ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

POLISH SOCIAL AND CULTURAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Wajda	(Appointed 9 October 2021)
	R W Tobiasiewicz	(Appointed 9 October 2021)
	E Olbrich	(Appointed 9 October 2021)
	M Laskiewicz	(Appointed 25 September 2021)
	R Zoltaniecki	(Appointed 9 October 2021)
	A Bildziuk	(Appointed 9 July 2022)
Secretary	Janusz Wajda	
Charity number	236745	
Company number	00816310	
Registered office	238-246 King Street London W6 0RF	
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG	
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	

POLISH SOCIAL AND CULTURAL ASSOCIATION

CONTENTS

	Page
Trustees' report	1 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 27

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees submit their report and the audited financial statements for the year ended 31 December 2021 for the Polish Social and Cultural Association ("POSK" or the "Charitable Company" or the "Charity"). These financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Reference and administrative details

POSK (Polish Social and Cultural Association) is a company limited by guarantee (number 816310) and a registered charity (number 236745). It was incorporated on 19 August 1964 and is governed by its Memorandum and Articles as adopted at an Extraordinary General Meeting of Members on 18 May 2019. Each member has provided a guarantee up to a limit of £1 each.

Directors and Trustees:

B Becla (appointed 9 October 2021; resigned 9 July 2022)
K Bell (resigned 24 April 2021)
Dr L Bojanowski (resigned 9 October 2021)
R Lambourne (appointed 19 June 2021; resigned 9 October 2021)
R Gawlowski (appointed 19 June 2021; resigned 9 October 2021)
P Kaczmarek (resigned 9 October 2021)
A Kotowicz (appointed 19 June 2021; resigned 9 October 2021)
J. Krupa (resigned 9 October 2021)
Dr O Lalko (resigned 9 October 2021)
Dr M Laskiewicz (Chair; appointed 25 September 2021)
J Mludzinska (Chair; resigned 25 September 2021)
E Olbrich (appointed 9 October 2021)
P Pastuszek (resigned 9 October 2021)
RW Tobiasiewicz (appointed 9 October 2021)
J Wajda (appointed 9 October 2021)
R Wisniowski (resigned 9 October 2021)
A Zakrzewski (resigned 9 October 2021)
R Zoltaniecki (appointed 9 October 2021)
A Bildziuk (appointed 9 July 2022).

Objectives and activities

The overall objectives of POSK can be summarised as follows:

- to promote education and learning in the respective histories, arts, literatures, languages and cultures of Poland and of the UK
- to promote education, training and learning amongst Poles in the UK
- to provide assistance and facilities for recreation and leisure, in particular to persons in need by reason of youth, age, infirmity or disablement, poverty or social or economic circumstances

In pursuance of these aims, POSK has built and maintains a Centre where it promotes and fulfils these aims, largely thanks to the generosity of its members both institutional and individual, but also by raising income from the hire of some office and other space on its premises at commercial rates.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

The activities carried out on a regular basis are:

- The provision of appropriate space and resources to allow the Polish Library to flourish. The Polish Library collects, maintains and provides access to Polish books and other publications as well as extensive archives of materials relating to Polish life and culture. It runs a lending library and reading room as well as the Central Circulating Library service which provides books in Polish for local public libraries
- The provision of appropriate space and resources for the regular activities of cultural, educational and professional organisations having their home at the Centre such as (among others) the Tatry Polish Song and Dance Group, Polish Stage Company in UK, the Polish Children's Theatre 'Syrena', the Confraternity of Polish Artists who organise classical music concerts, as well as the Polish University Abroad (University of the Third Age), the Polish Society of Arts & Sciences Abroad and the Association of Polish Engineers in the UK.
- The provision of office space at significantly reduced rates to other Polish organisations and charities, and also (again, at significantly reduced rates) the use of the theatre and other halls for their cultural events, as well as educational and academic events such as lectures and conferences.
- POSK also runs its own Jazz Café, community cinema and a Gallery for exhibitions of the visual arts. It organises productions of Polish opera with English subtitles and other cultural events open to both Polish and non-Polish audiences.

All these activities are carried out with the aim of acting as a focal point within the Polish community for promoting Polish Culture and language both within it as well as to the wider local community.

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

Achievements and performance

In 2021 POSK continued realising its cultural objectives as far as was possible within the constraints of government imposed restrictions due to the coronavirus pandemic.

In the first months during lockdown, there were several online events including two successful theatre productions, both aimed at a wide audience but including young people of high school age in particular, a concert and two films.

Subsequently, later in the year when restrictions had eased, POSK re-opened and hosted events. All these were held within the prevailing Covid-safe regulations and attracted a good deal of interest.

Jazz Café POSK once again proved to be a very popular venue for many fans of various forms of jazz, swing and blues from all over London and beyond, of all ages, backgrounds and cultures, who come to POSK to see a variety of high class acts after lockdown in the final quarter, when its activity was resumed having been halted as required of club venues.

The POSK Gallery also managed to put on several very interesting exhibitions in those late months of the year. The exhibitions, as ever, brought to the Centre many artists and visitors of culturally diverse backgrounds, and the subjects varied such as Halima Nalecz & Her Artists and Solidarity in Poland.

POSK Cinema, set up in 2019 was run very successfully by a small group of volunteers working with staff members. The tickets were priced very modestly, all films were shown with English subtitles and the project is bringing in a large new audience to POSK. Its success was crowned in 2020 with the Engholm Prize for Film Society of the Year, awarded by Cinema for All, whose jurors were stunned by its "matchless creativity, dedication to their audiences and the ability to overcome challenges". POSK Cinema very successfully transferred its activity online, continuing to bring the best of Polish cinema to audiences at home, and then opened to live audiences.

In 2020 POSK was able once again to be part of Open House London, with small groups booking visits online and being given guided tours around the building in a Covid-secure manner.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

POSK when it re-opened once again provided a venue for many literary evenings such as book launches and discussions, (some organised by the Polish Library), as well as celebrations in connection with anniversaries of historical events and other meetings and debates on a wide variety of subjects such as by the Independent Thinkers's Circle. In 2020 due to the pandemic and two lockdowns these activities were severely curtailed and a new programme of events – POSK Online – was created. With investment in camera equipment and great enthusiasm from a small team of Directors and staff, POSK Online was able to produce virtually concerts, celebrations and carols; afterwards when it re-opened it was possible once more to stage conventionally concerts, films, plays such as *Moralnosc Pani Dulskiej*, children's events such as *Wierszowisko* and celebrations such as *Andrzejki* and *New Year's Day*.

Many of POSK's function rooms, halls and the theatre are hired out on a commercial basis by local schools, choirs, drama, music and opera groups for rehearsals and performances, providing a benefit to the local community as well as much needed revenue for POSK. They include The Arts Educational Schools, W11 Opera, Addison Singers, City Academy and others. In 2021 nearly all of this activity ceased in the opening months, although ArtsEd were able to use the premises sporadically. The Polish Consulate service on POSK premises for parents applying for children's' passports also continued when the regulations allowed and with special health and safety measures in place.

The Trustees consider that the main measures of POSK's success are a continuing vibrant and diverse programme of events and a high usage of the POSK building in terms of the number of people visiting POSK and attending events. This was obviously severely curtailed during 2021 but the organisation continued to serve all its client groups to the best of its ability in the circumstances of the pandemic, all the while having foremost in mind the health and safety of staff, tenants and visitors.

The Welfare Society's activity, while growing in importance, was also circumscribed by the Covid regulations and was reduced primarily to keeping in contact with known vulnerable individuals to offer them support.

The completed plans for building residential property for rent on property belonging to POSK proved their worth in 2021, when they served as almost the only reliable source of ongoing revenue apart from that from those office tenants who were able to keep up their rent and service charges payments as they fell due.

Other sources of income which were of great help in keeping POSK afloat in 2021 were the Coronavirus Job Retention Scheme, of which it made as much use as was possible while keeping a skeleton staff in place, as well as some grants from London Borough of Hammersmith and Fulham in support of the Jazz Café POSK, which had to close completely for the duration with a consequent loss of revenue.

The Trustees would like to extend their most sincere thanks to all its staff, suppliers, volunteers, tenants and donors who all contributed towards its ability to remain solvent and continue its activities (although clearly on a much diminished scale) during the pandemic

Volunteers

Volunteers are key to POSK's success. Trustees and members of the Council provide their professional expertise in a voluntary capacity, specifically in terms of day to day running of POSK as well as strategic planning.

In addition to this, POSK has many volunteers who kindly give up their time and without whom POSK would be unable to function. Specifically, POSK's Gallery is run entirely by volunteers and numerous volunteers assist in putting on POSK events.

It is difficult to estimate the number of hours put in by volunteers however it is clear to the Trustees that without this significant input POSK would find it very difficult to carry out its activities.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, Governance and Management

The key management functions of POSK are carried out by Trustees. While a small number of staff manage the day to day affairs of POSK, all strategic decisions are taken by the Trustees who are directly involved in its running.

POSK is governed by two main bodies – the Council of Management ("Council") and the Directors, known as the Executive Committee.

The Council currently comprises 41 members of POSK who are elected at General Meetings of POSK plus several members appointed by member organisations. The Chair is elected at POSK's Annual General Meeting. At the first Council meeting after the Annual General Meeting, an Executive Committee selected by the Chair from among members of the elected Council is presented to the Council. In 2021 the Annual General Meeting was held on Zoom and the voting for candidates for Chair and Council was carried out by post.

The Executive Committee formulates strategy and policy but also performs key management roles and its members are therefore selected for the professional expertise and experience they can bring to the role.

Members of the Executive Committee who acted as the Trustees and Directors of POSK in 2021, are listed earlier in this report.

There are no formal policies and procedures for the training and induction of Trustees. Persons elected as Trustees are usually familiar with POSK and/or charitable organisations in general and are therefore considered as not needing general induction.

At each Annual General Meeting, under the Articles of Association, one third of the members of the Council retire and if eligible, may offer themselves for re-election. The Council meets quarterly, but the Executive Committee, which includes chairs of specialist committees, meets monthly to review and take decisions about POSK's activities.

POSK is closely affiliated with the POSK Foundation, a charity that is registered under charity number 802083 and that has broadly the same charitable objectives as POSK. In addition to this, one of the POSK Foundation's main charitable objects is to support the social, cultural and educational activities undertaken or recommended by POSK.

Financial review

Income generation

Total income for POSK in 2021 was £1,106,026 (2020 - £1,204,117).

POSK's income is very volatile due to donations and bequests. According to note 3, in 2021, total income from donations and legacies was £368,420 (2020 – £471,221). This included £1,200 from bequests (2020 – £10,000). Once one – off donations of £284,726 are stripped out POSK's income has declined significantly year on year, which is not unexpected given the pandemic.

During the year POSK received £60,000 from the POSK Foundation (2020 - £111,000) and £304,957 in investment income (2020 - £273,294). The Trustees would like to thank the POSK Foundation for its continuing support. The relatively high level of investment income shows the positive effect of the Trustees' policy of finding new revenue streams which do not impact materially on POSK's charitable activities.

Clearly the relative stability of investment income assisted in negating the fact that the vast majority of POSK's revenue generating activities ceased. The policy of obtaining new revenue streams has led to a relatively stable financial situation insofar as POSK suffered less from the pandemic than if such income did not arise.

POSK gives heartfelt thanks to all its supporters for their continued hard work and generosity in achieving these results.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Resources expended

Resources expended on charitable activities and governance costs in 2021 were £783,254 (2020 - £886,721). The Trustees are pleased that steps taken when the pandemic and lockdowns hit to renegotiate contracts and curtail expenditure resulted in a significant decrease in costs.

POSK continues to be affected by a high fixed cost base and the Trustees intend to carry on in seeking methods that enable it to minimise its cost base.

A surplus of £1,083,747 (2020 – £301,424) was recorded on the Statement of Financial Activities for the year. The majority of the surplus in 2021 is represented by gains on investments of £760,975.

Bearing in mind that 2021 was a very tough year because of the pandemic the Trustees consider the results for the year to be reasonable, and are hopeful that the continuing policy of keeping costs stable whilst growing investment income will ensure the long-term success of POSK.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 13 to the financial statements.

Reserves Policy and Going Concern

The reserves held by POSK are detailed in note 22 in the financial statements. The purpose of these reserves is to allow it to continue to maintain and develop the POSK building, which is used to house its activities.

POSK has a portfolio of investments that are used to generate income to fund its on-going charitable activities. Additionally, it is the owner of a large building that requires constant expenditure on its fabric. The Trustees are of the opinion that the net assets of POSK are wholly represented by such assets and that this policy will apply until such a time as it is cash-flow neutral and can support itself from on-going cash flows without recourse to one off inflows from asset sales or legacies and donations.

POSK's reserves amount to £10,226,459 (2020 - £9,142,712) of which £220,734 is restricted (2020 – £157,525). Given the future cash flow projections of POSK and resources available to it the Trustees consider the risk of its not being a going concern to be minimal.

Risk management

The Trustees have introduced a formal risk management process to assess business and operational risks. As part of this process a system of internal controls was set up, designed to provide reasonable assurance against material misstatement or loss. These controls include:

- An annual budget approved by the Council;
- Regular reviews of the financial results and variances from budget;
- Delegation of authority and segregation of duties;
- Identification and management of risks;
- An internal audit review

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

The principal risks and uncertainties facing POSK are

- (a) Uncertainties over the receipt of donations and bequests
- (b) An increase in property related expenses, which cannot be recovered from tenants.
- (c) An increase in costs that are outside of POSK's control (such as Utilities costs, business rates, Workplace Pensions and the Working Wage)
- (d) The loss of material tenants / hall hirers
- (e) Ability to attract and retain suitable volunteers

POSK manages these risks by aiming to make a positive return on investment (such as the development at 3 Ravenscourt Avenue) to help fund its activities and regularly reviewing its expenses to ascertain whether they can be decreased. It also attempts to seek new sources of funding for its activities and both new tenants and hall hirers to diversify its revenue streams.

POSK's residential property portfolio is providing reliable regular income to supplement POSK's current income streams and has allowed it to move closer to self-sufficiency, when it will be able to free up any income received from time to time in the form of donations or bequests for use on furthering its social and cultural activities.

With the reduction of financial pressures, POSK should be able to concentrate more on such activities and is already attempting to broaden the scope of these in anticipation. Theatrical productions on a large scale are currently beyond its means, but it hopes to be able to respond to audience demand in this sphere in the future. It will also be better able to support other groups and organisations with limited resources to organise events in the POSK building.

POSK will be looking at building human capital once its financial situation allows. POSK has become a very complex organisation and relying on volunteers to perform key tasks is not viable in the long term.

Plans for future periods

The Trustees are continuing to implement strategies to put POSK on a sound financial footing so that future generations may benefit from its facilities. POSK has been unable to sell the property bequeathed to it in Warsaw due to legal and administrative difficulties, but hopes to do so in the coming year in order to provide funds for investment in human capital, the fabric of the building and its activities.

The development of residential property at 3 Ravenscourt Avenue is providing reliable additional regular income to supplement POSK's current income streams and has allowed it to move closer to self-sufficiency, when it will be able to free up any income received from time to time in the form of donations or bequests for use on furthering its social and cultural activities

With the reduction of financial pressures, POSK should be able to concentrate more on such activities and is already attempting to broaden the scope of these in anticipation. Theatrical productions on a large scale are currently beyond its means, but it hopes to be able to respond to audience demand in this sphere in the future. It will also be better able to support other groups and organisations with limited resources to organise events in the POSK building.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2021

Investments

POSK's investment policy is to invest in revenue generating assets in order to provide stable, foreseeable cash flows to fund its ongoing activities. The primary aim of this policy is to generate a return that is both a reasonable hedge against inflation and above the Bank of England base rate at the time the investment decision is made. Investment decisions are made by the Trustees and material investment decisions are ratified at meetings of the Council of Management.

During the year to 31 December 2021 POSK has continued to benefit from a high level of rental income and the occupancy of its UK investment property remains at almost 100%. POSK has no intention of selling any UK Investment Property and any revaluation movements will have no effect on future rental streams.

Charity's Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance and ensured that all activities throughout the year have been in the interest of public benefit. This is evidenced by the continuing work undertaken to keep the building open to the general public and to ensure that it continues to provide educational and cultural experiences. It also contains and maintains donated Polish artefacts of historic significance for public access.

Trustees' Declaration

Each of the persons who are members of the Executive Committee at the time when this report is approved has confirmed that:

- (a) So far as each member is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- (b) each member, in their capacity as a Trustee, has taken all the steps that he ought to have taken as a Trustee, including making appropriate enquiries of his fellow Trustees and of the charity's auditors for that purpose, in order to make him aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

Auditor

A resolution to appoint Bright Grahame Murray as the Charity's auditor will be put to the forthcoming Annual General Meeting.

The trustees' report was approved by the Board of Trustees.



M Laskiewicz

Trustee

Dated: 12/09/2022

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of Polish Social and Cultural Association 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Polish Social and Cultural Association (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 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 charitable company'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.

Emphasis of matter

We draw attention to the Trustees report included in the financial statements which notes that there are currently 6 trustees including the chair acting as directors of the charity as this contravenes the charity's articles of association which states the chair shall appoint between 6 and 14 directors.

Furthermore, we draw attention to the fact the trustees have chosen to omit from their report that the articles state that if the number of Directors falls below the minimum then the Directors may only lawfully act:

- (i) to safeguard the assets of the Association and the interests of its beneficiaries; or
- (ii) to co-opt an Elected Council Member under Article 32(6) above; or
- (iii) to call a meeting of the Council or of the Members; or
- (iv) to admit a new Member under Article 9 above; but not for any other purpose.

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

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.

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
- we have not received all the information and explanations we require for our audit.

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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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.

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

Extent to which our procedures are 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.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

- We obtained an understanding of laws and regulations that affect the Charity, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the tax legislation, Charities Act.
- We enquired of the trustees and reviewed trustees' meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the trustees have in place to ensure compliance.
- We gained an understanding of and evaluated the controls that the trustees have in place to prevent and detect fraud. We enquired of the members about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations and fraud was discussed within the audit team and tests were planned and performed to address these risks. We identified the potential for fraud in the following areas: income recognition, management override, misappropriation of assets.
- We reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above.
- We enquired of the trustees about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Bright Grahame Murray

Mark Cole (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor
Emperor's Gate
114a Cromwell Road

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	83,694	284,726	368,420	88,783	382,438	471,221
Charitable activities	4	432,649	-	432,649	458,972	-	458,972
Investments	5	304,957	-	304,957	273,924	-	273,924
Total income		821,300	284,726	1,106,026	821,679	382,438	1,204,117
Expenditure on:							
Raising funds	7	17,349	-	17,349	17,301	-	17,301
Charitable activities	6	544,389	221,516	765,905	644,506	224,914	869,420
Total expenditure		561,738	221,516	783,254	661,807	224,914	886,721
Net gains/(losses) on investments	11	760,975	-	760,975	(15,972)	-	(15,972)
Net movement in funds		1,020,537	63,210	1,083,747	143,900	157,524	301,424
Fund balances at 1 January 2021		8,985,188	157,524	9,142,712	8,841,288	-	8,841,288
Fund balances at 31 December 2021		10,005,725	220,734	10,226,459	8,985,188	157,524	9,142,712

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	2,437,403		2,244,835	
Investment properties	15	7,270,000		6,520,000	
Investments	14	62,058		51,084	
			9,769,461		8,815,919
Current assets					
Debtors	17	269,478		284,769	
Cash at bank and in hand		461,824		358,588	
			731,302		643,357
Creditors: amounts falling due within one year	18	(274,304)		(316,564)	
Net current assets			456,998		326,793
Total assets less current liabilities			10,226,459		9,142,712
Income funds					
Restricted funds	20	220,734		157,524	
Unrestricted funds		10,005,725		8,985,188	
			10,226,459		9,142,712

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 23/08/2022



M Laskiewicz
Trustee

Company registration number 00816310

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		75,890		(48,984)
Investing activities					
Purchase of tangible fixed assets		(277,614)		(274,906)	
Investment income received		<u>304,960</u>		<u>273,924</u>	
Net cash generated from/(used in) investing activities			27,346		(982)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			103,236		(49,966)
Cash and cash equivalents at beginning of year			<u>358,588</u>		<u>408,554</u>
Cash and cash equivalents at end of year			<u><u>461,824</u></u>		<u><u>358,588</u></u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Polish Social and Cultural Association is a private company limited by guarantee incorporated in England and Wales. The registered office is 238-246 King Street, London, W6 0RF, UK.

1.1 Accounting convention

The accounts 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)" (as amended for accounting periods commencing from 1 January 2016). 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 £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Resources expended

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 make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of attracting voluntary income and the costs of fund raising.
- Expenditure on charitable activities includes the costs of the delivery of its activities and services for its beneficiaries.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. All support costs are allocated to the one charitable activity of Polish social and cultural activities.

1.6 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.

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:

Freehold buildings	1% per annum on cost
Plant and machinery	10-25% reducing balance
Fixtures, fittings & equipment	10-25% reducing balance

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.

1.7 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.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.14 Consolidation

The results of the Polish Trustee Association Limited have not been consolidated on the basis of materiality.

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2021 £	2021 £	2021 £	2020 £
Donations and gifts	83,694	-	83,694	154,744
Legacies receivable	-	-	-	25,195
Grants receivable	-	284,726	284,726	211,451
	<u>83,694</u>	<u>284,726</u>	<u>368,420</u>	<u>471,221</u>
For the year ended 31 December 2020	<u>88,783</u>	<u>382,438</u>		<u>471,221</u>
Donations and gifts				
Bequests to POSK	1,200	-	1,200	10,000
Donations from the POSK Foundation	60,000	-	60,000	60,000
Other donations and membership subscriptions	19,345	-	19,345	15,278
Donations to Library	-	-	-	1,625
Donations to Cinema	693	-	693	3,100
Stowarzyszenie Wspolnota Polska - Lift	-	-	-	62,827
Polish Trustee Association	2,456	-	2,456	4,940
Stowarzyszenie Wspolnota Polska - Atrium	-	71,225	71,225	-
Donations for Atrium	-	-	-	102,000
Coronavirus Job Retention Scheme Grant	-	110,130	110,130	109,340
Ministerstwo Kultury i Dziedzictwa Narodowego grant	-	77,228	77,228	77,111
LBHF – Coronavirus Retail, Hospitality and Leisure Grant Fund	-	26,143	26,143	25,000
	<u>83,694</u>	<u>284,726</u>	<u>368,420</u>	<u>471,221</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Charitable activities

	Charitable rental income	Facilities, Arts Centre, Theatre and Jazz Cafe	Total 2021	Total 2020
	£	£	£	£
Sales within charitable activities	316,771	115,878	432,649	458,972
Analysis by fund				
Unrestricted funds	316,771	115,878	432,649	
For the year ended 31 December 2020				
Unrestricted funds	337,237	121,735		458,972
	383,531	271,597		458,972

5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Rental income	250,686	269,877
Income from shares and other investments	54,271	4,047
	304,957	273,924

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

	2021 £	2020 £
Staff costs	311,446	352,413
Depreciation and impairment	85,044	75,462
Grants payable	3,807	580
Legal and professional	11,025	4,840
Printing, postage and stationery	1,795	15,030
Cost of Jazz café events	2,423	4,325
Other expenses	276,508	251,505
Bad debts written off	(19,693)	58,416
Loss on foreign exchange movements	1,494	4,059
Speakers and performers' fees and expenses	5,230	11,723
	<u>679,079</u>	<u>778,353</u>
Share of support costs (see note 8)	78,976	82,717
Share of governance costs (see note 8)	7,850	8,350
	<u>765,905</u>	<u>869,420</u>
Analysis by fund		
Unrestricted funds	544,389	644,506
Restricted funds	221,516	224,914
	<u>765,905</u>	<u>869,420</u>

7 Raising funds

	2021 £	2020 £
Investment management costs	17,349	17,301
	<u>17,349</u>	<u>17,301</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Support costs

	Support costs £	Governance costs £	2021 Support costs £	Governance costs £	2020 £
Staff costs	54,886	-	54,886	52,800	52,800
Printing, postage and stationary	9,604	-	9,604	8,956	8,956
Other expenses	15,209	-	15,209	16,520	16,520
Irrecoverable VAT	(3,519)	-	(3,519)	-	-
Accountancy	2,796	-	2,796	4,441	4,441
Audit and accounts	-	7,850	7,850	-	8,350
	<u>78,976</u>	<u>7,850</u>	<u>86,826</u>	<u>82,717</u>	<u>91,067</u>
Analysed between Charitable activities	<u>78,976</u>	<u>7,850</u>	<u>86,826</u>	<u>82,717</u>	<u>91,067</u>

Governance costs includes payments to the auditors of £7,850 (2020: £7,350) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. During the year, the Charity paid a sum of £1,888 (2020: £2,114) in respect of trustee indemnity insurance on behalf of the trustees.

10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
House	9	9
Library	6	6
Part time staff (see below)	6	10
Total	<u>21</u>	<u>25</u>

Employment costs

	2021 £	2020 £
Wages and salaries	336,187	370,768
Social security costs	23,016	26,863
Other pension costs	7,129	7,582
	<u>366,332</u>	<u>405,213</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

10 Employees

(Continued)

POSK employs part time employees in various positions, most notably Front of House. Their hours are minimal and combined are in total equivalent to under one full time annual employee. All other staff noted above are full time employees.

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

11 Net gains/(losses) on investments

	2021	2020
	£	£
Revaluation of investments	10,975	(15,972)
Revaluation of investment properties (See note 14)	750,000	-
	<u>760,975</u>	<u>(15,972)</u>

12 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2021	3,036,932	84,742	808,513	3,930,187
Additions	197,697	833	79,084	277,614
At 31 December 2021	<u>3,234,629</u>	<u>85,575</u>	<u>887,597</u>	<u>4,207,801</u>
Depreciation and impairment				
At 1 January 2021	1,025,785	70,385	589,186	1,685,356
Depreciation charged in the year	51,404	3,797	29,841	85,042
At 31 December 2021	<u>1,077,189</u>	<u>74,182</u>	<u>619,027</u>	<u>1,770,398</u>
Carrying amount				
At 31 December 2021	<u>2,157,440</u>	<u>11,393</u>	<u>268,570</u>	<u>2,437,403</u>
At 31 December 2020	<u>2,011,150</u>	<u>14,357</u>	<u>219,328</u>	<u>2,244,835</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Heritage assets

The Charity has been bequeathed, over a number of years, artefacts of cultural and historical significance. These include furniture, paintings, books and sculptures. Due to the unique and specific nature of the artefacts and the context in which they were bequeathed there is no readily ascertainable market value and it has not been sought to attribute one within the financial statements. These assets are therefore included at £nil and it is not practical to provide a five-year summary for the reporting periods prior to 1 January 2021.

There were no sales or purchases of heritage assets during the year.

The ownership of the contents of the Central Circulating Library and Polish Library was vested in the Charity by the British Government with effect from 1 April 1967 and 1 August 1967 respectively. The value of these has not been ascertained and has not been brought into the accounts at 31 December 2021.

14 Fixed asset investments

	Listed investments £	Unlisted investments £	Share of freehold £	Total £
Cost or valuation				
At 1 January 2021	44,919	3,165	3,000	51,084
Valuation changes	10,974	-	-	10,974
At 31 December 2021	55,893	3,165	3,000	62,058
Carrying amount				
At 31 December 2021	55,893	3,165	3,000	62,058
At 31 December 2020	44,919	3,165	3,000	51,084

15 Investment property

	2021 £
Fair value	
At 1 January 2021	6,520,000
Net gains or losses through fair value adjustments	750,000
At 31 December 2021	7,270,000

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Investment property

(Continued)

Movement on investment property - 2021

	Market value at 1 January 2021	Additions/(dis- posals)	Change in value in the year	Market value at 31 December 2021
9 Ravenscourt Avenue	1,550,000	-	-	1,550,000
Property in Poland (Frascati	970,000	-	750,000	1,720,000
238A and B King Street	2,150,000	-	-	2,150,000
3 Ravenscourt Avenue	1,850,000	-	-	1,850,000
Total	6,520,000	-	750,000	7,270,000

Movement on investment property - 2020

	Market value at 1 January 2020	Additions/(dis- posals)	Change in value in the year	Market value at 31 December 2020
9 Ravenscourt Avenue	1,550,000	-	-	1,550,000
Property in Poland (Frascati 4)	970,000	-	-	970,000
238A and B King Street	2,150,000	-	-	2,150,000
3 Ravenscourt Avenue	1,850,000	-	-	1,850,000
Total	6,520,000	-	-	6,520,000

POSK's UK investment properties are valued by the Trustees by comparing the rental yield obtained on these properties to local market yields on similar properties and extrapolating this yield to obtain an estimate of fair value. Furthermore this estimate of fair value is compared to information received from local estate agents in order to ensure that the fair value as calculated is reasonable and adjusting it if necessary.

The investment property in Poland was sold post year end and hence the Trustees have based the fair value of this property as POSK's share of the proceeds on sale after deducting (1) all costs of sale, obtaining vacant possession and tax and (2) the remuneration of its lawyers in Poland who have dealt with its recovery from the Warsaw authorities, management and subsequent sale amounting to £1,105,068 (2020: £511,284).

The historic cost of investment properties of £2,343,063 (2020: £2,343,063) comprises of 9 Ravenscourt Avenue at £225,392 (2020: £225,392), 3 Ravenscourt Avenue at £710,418 (2020: £710,418), property held in Poland (Frascati 4) at £900,464 (2020: £900,464) and 238 A/B King Street at £506,789 (2020: £506,789).

The Charity's Investment Property investment portfolio is the key to its long-term financial viability. The Trustees have adopted a policy of investing the Charity's funds into investments that will create additional recurring annual income to support the activities of the Charity. Such investments consist of investment properties and UK equities.

The main risk to the Charity of these investments lies in the uncertainty of the performance of property rental markets.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

16 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	216,360	200,164
Equity instruments measured at cost/ fair value less impairment	62,058	51,084
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	274,304	316,564
	<u> </u>	<u> </u>

Debt instruments are made up of trade debtors (£152,847) and other debtors (£63,514). Equity instruments are made up of both listed (£55,893) and other investments (£6,166).

17 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	152,847	112,231
Other debtors	81,676	143,546
Prepayments and accrued income	34,955	28,992
	<u> </u>	<u> </u>
	269,478	284,769
	<u> </u>	<u> </u>

18 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	117,717	13,022
Other creditors	37,623	139,568
Accruals and deferred income (see note 19)	118,964	163,974
	<u> </u>	<u> </u>
	274,304	316,564
	<u> </u>	<u> </u>

19 Deferred Income

Accruals and deferred income of £118,965 (2020: £163,974) includes £88,518 (2020: £93,690) in respect of income charged to tenants and hall hirers for the period after 31 December 2021.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£
Building Fund	102,000	(1,020)	100,980	71,225	(1,732)	170,473
Asset Purchase Fund	62,827	(6,283)	56,544	-	(6,283)	50,261
MKiDN Library Fund	77,111	(77,111)	-	77,228	(77,228)	-
Coronavirus Grants Fund	134,340	(134,340)	-	136,272	(136,272)	-
Library Fund	1,625	(1,625)	-	-	-	-
Cinema Fund	3,100	(3,100)	-	-	-	-
Minor Events Fund	1,435	(1,435)	-	-	-	-
	<u>382,438</u>	<u>(224,914)</u>	<u>157,524</u>	<u>284,725</u>	<u>(221,515)</u>	<u>220,734</u>

The Building Fund represents amounts received in respect of donations towards building works (Atrium). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these building works.

The Asset Purchase Fund represents amounts received in respect of donations towards replacement of fixed assets (Main Lifts). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these fixed assets.

The MKiDN Library Fund represents funding from the Polish Ministry of Culture (Ministerstwo Kultury i Dziedzictwa Narodowego) to support library activities.

The Coronavirus Grants Fund represents amounts received from HM Government under various initiatives to support businesses during the Coronavirus Pandemic. All amounts received were fully spent in the year

21 Analysis of net assets between funds

	Unrestricted fund	Restricted fund	Total
	£	£	£
Fund balances at 31 December 2021 are represented by:			
Tangible assets	2,216,669	220,734	2,437,403
Investment properties	7,270,000	-	7,270,000
Investments	62,058	-	62,058
Current assets/(liabilities)	456,998	-	456,998
	<u>10,005,725</u>	<u>220,734</u>	<u>10,226,459</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Related party transactions

The POSK Foundation was formed in 1989 to support the charitable objectives of Polish Social and Cultural Association Limited ("POSK") and is a related party to the charity.

During the year, POSK received donations of £60,000 (2020: £111,000) from the POSK Foundation. RW Tobiasiewicz, AM Zakrzewski and R Wisniowski are Trustees of the POSK Foundation. The administrative costs of the POSK Foundation are borne by POSK.

Mr R. Wisniowski, who was a director in the year, was also a director of Polish Daily Publishers Limited, a company that publishes "Tydzien Polski", a weekly newspaper that POSK advertises in. During the year a total of £2,752 (2020: £2,180) was paid by POSK to Polish Daily Publishers Limited.

23 Cash generated from operations	2021 £	2020 £
Surplus for the year	1,083,747	301,424
Adjustments for:		
Investment income recognised in statement of financial activities	(304,957)	(273,924)
Fair value gains and losses on investment properties	(750,000)	-
Fair value gains and losses on investments	(10,975)	15,972
Depreciation and impairment of tangible fixed assets	85,044	75,462
Movements in working capital:		
Decrease/(increase) in debtors	15,291	(62,678)
(Decrease) in creditors	(42,260)	(105,240)
Cash generated from/(absorbed by) operations	75,890	(48,984)
24 Analysis of changes in net funds		
The charity had no debt during the year.		

Accounts

Charity Registration No. 236745

Company Registration No. 00816310 (England and Wales)

**POLISH SOCIAL AND CULTURAL ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

POLISH SOCIAL AND CULTURAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Dr L Bojanowski	
	R Lambourne	(Appointed 19 June 2021)
	R Gawłowski	(Appointed 19 June 2021)
	P Kaczmariski	
	A Kotowicz	(Appointed 19 June 2021)
	J Krupa	
	Dr O Lalko	
	J Mludzinska (Chair)	
	P Pastuszek	
	R Wisniowski	
	A Zakrzewski	
Secretary	A Zakrzewski	
Charity number	236745	
Company number	00816310	
Registered office	238-246 King Street London W6 0RF	
Auditor	Bright Grahame Murray Emperor's Gate 114a Cromwell Road Kensington London SW7 4AG	
Solicitors	Bates Wells 10 Queen Street Place London EC4R 1BE	

POLISH SOCIAL AND CULTURAL ASSOCIATION

CONTENTS

	Page
Trustees' report	1 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 11
Statement of financial activities	12
Balance sheet	13 - 14
Statement of cash flows	15
Notes to the financial statements	16 - 29

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees submit their report and the audited financial statements for the year ended 31 December 2020 for the Polish Social and Cultural Association ("POSK" or the "Charitable Company" or the "Charity"). These financial statements are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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).

Reference and administrative details

POSK is a company limited by guarantee (number 816310) and a registered charity (number 236745). It was incorporated on 19 August 1964 and is governed by its Memorandum and Articles as adopted at an Extraordinary General Meeting of Members on 18 May 2019. Each member has provided a guarantee up to a limit of £1 each.

Directors and Trustees:

K Bell (resigned 24 April 2021)
Dr L Bojanowski
R Lambourne (appointed 19 June 2021)
R Gawłowski (appointed 19 June 2021)
P Kaczmarek
A Kotowicz (appointed 19 June 2021)
J. Krupa
Dr O. Lalko
J Mludzinska (Chair)
P Pastuszek
R Wisniewski
M Wrona (resigned 26 September, 2020)
A Zakrzewski

Objectives and activities

The overall objectives of POSK can be summarised as follows:

- to promote education and learning in the respective histories, arts, literatures, languages and cultures of Poland and of the UK
- to promote education, training and learning amongst Poles in the UK
- to provide assistance and facilities for recreation and leisure, in particular to persons in need by reason of youth, age, infirmity or disablement, poverty or social or economic circumstances

In pursuance of these aims, POSK has built and maintains a Centre where it promotes and fulfils these aims, largely thanks to the generosity of its members both institutional and individual, but also by raising income from the hire of some office and other space on its premises at commercial rates.

The activities carried out on a regular basis are:

- The provision of appropriate space and resources to allow the Polish Library to flourish. The Polish Library collects, maintains and provides access to Polish books and other publications as well as extensive archives of materials relating to Polish life and culture. It runs a lending library and reading room as well as the Central Circulating Library service which provides books in Polish for local public libraries.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

- The provision of appropriate space and resources for the regular activities of cultural, educational and professional organisations having their home at the Centre such as (among others) the Tatry Polish Song and Dance Group, Polish Stage Company in UK, the Polish Children's Theatre 'Syrena', the Confraternity of Polish Artists who organise classical music concerts, as well as the Polish University Abroad (University of the Third Age), the Polish Society of Arts & Sciences Abroad and the Association of Polish Engineers in the UK.
- The provision of office space at significantly reduced rates to other Polish organisations and charities, and also (again, at significantly reduced rates) the use of the theatre and other halls for their cultural events, as well as educational and academic events such as lectures and conferences.
- POSK also runs its own Jazz Café, community cinema and a Gallery for exhibitions of the visual arts. It organises productions of Polish opera with English surtitles and other cultural events open to both Polish and non-Polish audiences.

All these activities are carried out with the aim of acting as a focal point within the Polish community for promoting Polish Culture and language both within it as well as to the wider local community.

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

Achievements and performance

In 2020 POSK continued realising its cultural objectives as far as was possible within the constraints of government imposed restrictions due to the coronavirus pandemic.

In the early months before lockdown, two successful theatre productions took place, both aimed at a wide audience including in particular young people of high school age.

Jazz Café POSK continued to be a very popular venue for many fans of various forms of jazz, swing and blues from all over London and beyond, of all ages, backgrounds and cultures, who come to POSK to see a variety of high class acts most weekends right up until lockdown in March, when its activity was paused due to the nature of the club venue..

The POSK Gallery also managed to put on several very interesting exhibitions in those early months of the year. The exhibitions, as ever, brought to the Centre many artists and visitors of culturally diverse backgrounds, including from Lithuania and Croatia and the subjects varied from the Neo-sacral art of Krzysztof Sokolowski to Urban photography of Amir Farhoud.

Later in the year, when restrictions eased a little, POSK was able to organize and host exhibitions commemorating a number of anniversaries of historical events: the 80th anniversary of the Battle of Britain, the 100th anniversary of the Battle of Warsaw in the Polish-Soviet War and the 40th anniversary of the founding of "Solidarity" in Poland. All these were held within the prevailing Covid-safe regulations and attracted a good deal of interest.

The pandemic forced most cultural activity onto the internet and the annual exhibition of the Association of Polish Artists Abroad was held virtually with remarkable success.

POSK Cinema, set up in 2019 was run very successfully by a small group of volunteers working with staff members and with some sponsorship from the Polish Tourist Organisation in London. The tickets are priced very modestly, all films are shown with English subtitles and the project is bringing in a large new audience to POSK. Its success was crowned with the Engholm Prize for Film Society of the Year, awarded by Cinema for All, whose jurors were stunned by its "matchless creativity, dedication to their audiences and the ability to overcome challenges". POSK Cinema very successfully transferred its activity online, continuing to bring the best of Polish cinema to audiences at home.

In 2020 POSK was able once again to be part of Open House London, with small groups booking visits online and being given guided tours around the building in a Covid-secure manner.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

POSK normally provides a venue for many literary evenings such as book launches and discussions, (organised mainly by the Polish Library), as well as celebrations in connection with anniversaries of historical events and other meetings and debates on a wide variety of subjects. In 2020 due to the pandemic and two lockdowns these activities were severely curtailed and a new programme of events – POSK Online – was created. With investment in camera equipment and great enthusiasm from a small team of Directors and staff, POSK Online was able to produce two classical concerts, a jazz concert, a celebration in words and music for Polish Independence Day and a Christmas carol concert with stars of POSK Polish Opera on stage and joining virtually.

Many of POSK's function rooms, halls and the theatre are hired out on a commercial basis by local schools, choirs, drama, music and opera groups for rehearsals and performances, providing a benefit to the local community as well as much needed revenue for POSK. They include The Arts Educational Schools, W11 Opera, Addison Singers, City Academy and others. In 2020 nearly all of this activity ceased, although ArtsEd were able to use the premises sporadically. The Polish Consulate service on POSK premises for parents applying for children's' passports also continued when the regulations allowed and with special health and safety measures in place.

The Trustees consider that the main measures of POSK's success are a continuing vibrant and diverse programme of events and a high usage of the POSK building in terms of the number of people visiting POSK and attending events. This was obviously severely curtailed during 2020 but the organisation continued to serve all its client groups to the best of its ability in the circumstances of the pandemic, all the while having foremost in mind the health and safety of staff, tenants and visitors.

The Welfare Committee's activity, while growing in importance, was also circumscribed by the Covid regulations and was reduced primarily to keeping in contact with known vulnerable individuals to offer them support.

The completed plans for building residential property for rent on property belonging to POSK proved their worth in 2020, when they served as almost the only reliable source of ongoing revenue apart from that from those office tenants who were able to keep up their rent and service charges payments as they fell due.

Other sources of income which were of great help in keeping POSK afloat in 2020 were the Coronavirus Job Retention Scheme, of which it made as much use as was possible while keeping a skeleton staff in place, as well as some grants from London Borough of Hammersmith and Fulham in support of the Jazz Café POSK, which had to close completely for the duration with a consequent loss of revenue.

The Trustees would like to extend their most sincere thanks to all its staff, suppliers, volunteers, tenants and donors who all contributed towards its ability to remain solvent and continue its activities (although clearly on a much diminished scale) during the pandemic

Volunteers

Volunteers are key to POSK's success. Trustees and members of the Council provide their professional expertise in a voluntary capacity, specifically in terms of day to day running of POSK as well as strategic planning.

In addition to this, POSK has many volunteers who kindly give up their time and without whom POSK would be unable to function. Specifically, POSK's Gallery is run entirely by volunteers and numerous volunteers assist in putting on POSK events.

It is difficult to estimate the number of hours put in by volunteers however it is clear to the Trustees that without this significant input POSK would find it very difficult to carry out its activities.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, Governance and Management

The key management functions of POSK are carried out by Trustees. While a small number of staff manage the day to day affairs of POSK, all strategic decisions are taken by the Trustees who are directly involved in its running.

POSK is governed by two main bodies – the Council of Management (“Council”) and the Directors, known as the Executive Committee.

The Council comprises 51 members of POSK who are elected at General Meetings of POSK plus several members appointed by member organisations. The Chair is elected at POSK’s Annual General Meeting. At the first Council meeting after the Annual General Meeting, an Executive Committee selected by the Chair from among members of the elected Council is presented to the Council. In 2020 the Annual General Meeting was held on Zoom and the voting for candidates for Chair and Council was carried out by post.

The Executive Committee formulates strategy and policy but also performs key management roles and its members are therefore selected for the professional expertise and experience they can bring to the role.

Members of the Executive Committee who acted as the Trustees and Directors of POSK in 2020, are listed earlier in this report.

There are no formal policies and procedures for the training and induction of Trustees. Persons elected as Trustees are usually familiar with POSK and/or charitable organisations in general, and are therefore considered as not needing general induction.

At each Annual General Meeting, under the Articles of Association, one third of the members of the Council retire and, being eligible, may offer themselves for re-election. The Council meets quarterly, but the Executive Committee, which includes chairs of specialist committees, meets monthly to review and take decisions about POSK’s activities.

POSK is closely affiliated with the POSK Foundation, a charity that is registered under charity number 802083 and that has broadly the same charitable objectives as POSK. In addition to this, one of the POSK Foundation’s main charitable objects is to support the social, cultural and educational activities undertaken or recommended by POSK.

Financial review

Income generation

Total income for POSK in 2020 was £1,204,117 (2019 - £1,125,825).

POSK’s income is very volatile due to donations and bequests. According to note 3, in 2020, total income from donations and legacies was £471,221 (2019 – £179,939. This included £10,000 from bequests (2019 – £25,195). Once one – off donations of £376,278 are stripped out POSK’s income has declined significantly year on year, which is not unexpected given the pandemic.

During the year POSK received £111,000 from the POSK Foundation (2019 - £60,000) and £273,924 in investment income (2019 - £260,703). The Trustees would like to thank the POSK Foundation for its continuing support. The relatively high level of investment income shows the positive effect of the Trustees’ policy of finding new revenue streams which do not impact materially on POSK’s charitable activities.

Clearly the relative stability of investment income assisted in negating the fact that the vast majority of POSK’s revenue generating activities ceased. The policy of obtaining new revenue streams has led to a relatively stable financial situation insofar as POSK suffered less from the pandemic than if such income did not arise.

POSK gives heartfelt thanks to all its supporters for their continued hard work and generosity in achieving these results.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Resources expended

Resources expended on charitable activities and governance costs in 2020 were £915,481 (2019 - £1,080,786). The Trustees are pleased that steps taken when the pandemic and lockdowns hit to renegotiate contracts and curtail expenditure resulted in a significant decrease in costs.

POSK continues to be affected by a high fixed cost base and the Trustees intend to carry on in seeking methods that enable it to minimise its cost base.

A surplus of £301,424 (2019 – £1,236,319) was recorded on the Statement of Financial Activities for the year. The majority of the surplus in 2020 is represented by one – off income of £376,278 as below:

- Donation from Polish Ministry of Culture towards library running costs: £77,111
- Donation from Stowarzyszenie Wspólnota Polska towards refurbishing the main lifts £62,827
- Donations towards the Atrium: £102,000
- LBHF and HMG Coronavirus related grants £134,340

Without these donations and grants POSK would have been significantly lossmaking. The grants of £102,000 and £62,827 were spent on capital assets (Atrium and lift refurbishment respectively) and form part of restricted funds. As the assets they helped fund are depreciated / amortised these restricted funds are reduced accordingly (see note 20)

Bearing in mind that 2020 was a very tough year because of the pandemic the Trustees consider the results for the year to be reasonable, and are hopeful that the continuing policy of keeping costs stable whilst growing investment income will ensure the long-term success of POSK.

Changes in fixed assets

The movements in fixed assets during the year are set out in note 13 to the financial statements.

Reserves Policy and Going Concern

The reserves held by POSK are detailed in note 22 in the financial statements. The purpose of these reserves is to allow it to continue to maintain and develop the POSK building, which is used to house its activities.

POSK has a portfolio of investments that are used to generate income to fund its on-going charitable activities. Additionally, it is the owner of a large building that requires constant expenditure on its fabric. The Trustees are of the opinion that the net assets of POSK are wholly represented by such assets and that this policy will apply until such a time as it is cash-flow neutral and can support itself from on-going cash flows without recourse to one off inflows from asset sales or legacies and donations.

POSK's reserves amount to £9,142,712 (2018 - £8,841,288) of which £157,525 is restricted (2019 – £nil). Given the future cash flow projections of POSK and resources available to it the Trustees consider the risk of its not being a going concern to be minimal.

Risk management

The Trustees have introduced a formal risk management process to assess business and operational risks. As part of this process a system of internal controls was set up, designed to provide reasonable assurance against material misstatement or loss. These controls include:

- An annual budget approved by the Council;
- Regular reviews of the financial results and variances from budget;
- Delegation of authority and segregation of duties;
- Identification and management of risks;
- An internal audit review

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

The principal risks and uncertainties facing POSK are

- (a) Uncertainties over the receipt of donations and bequests
- (b) An increase in property related expenses, which cannot be recovered from tenants.
- (c) An increase in costs that are outside of POSK's control (such as Utilities costs, business rates, Workplace Pensions and the Working Wage)
- (d) The loss of material tenants / hall hirers
- (e) Ability to attract and retain suitable volunteers

POSK manages these risks by aiming to make a positive return on investment (such as the development at 3 Ravenscourt Avenue) to help fund its activities and regularly reviewing its expenses to ascertain whether they can be decreased. It also attempts to seek new sources of funding for its activities and both new tenants and hall hirers to diversify its revenue streams.

POSK's residential property portfolio is providing reliable regular income to supplement POSK's current income streams and has allowed it to move closer to self-sufficiency, when it will be able to free up any income received from time to time in the form of donations or bequests for use on furthering its social and cultural activities.

With the reduction of financial pressures, POSK should be able to concentrate more on such activities and is already attempting to broaden the scope of these in anticipation. Theatrical productions on a large scale are currently beyond its means, but it hopes to be able to respond to audience demand in this sphere in the future. It will also be better able to support other groups and organisations with limited resources to organise events in the POSK building.

POSK will be looking at building human capital once its financial situation allows. POSK has become a very complex organisation and relying on volunteers to perform key tasks is not viable in the long term.

Plans for future periods

The Trustees are continuing to implement strategies to put POSK on a sound financial footing so that future generations may benefit from its facilities. POSK has been unable to sell the property bequeathed to it in Warsaw due to legal and administrative difficulties, but hopes to do so in the coming year in order to provide funds for investment in human capital, the fabric of the building and its activities.

The development of residential property at 3 Ravenscourt Avenue is providing reliable additional regular income to supplement POSK's current income streams and has allowed it to move closer to self-sufficiency, when it will be able to free up any income received from time to time in the form of donations or bequests for use on furthering its social and cultural activities

With the reduction of financial pressures, POSK should be able to concentrate more on such activities and is already attempting to broaden the scope of these in anticipation. Theatrical productions on a large scale are currently beyond its means, but it hopes to be able to respond to audience demand in this sphere in the future. It will also be better able to support other groups and organisations with limited resources to organise events in the POSK building.

POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Investments

POSK's investment policy is to invest in revenue generating assets in order to provide stable, foreseeable cash flows to fund its ongoing activities. The primary aim of this policy is to generate a return that is both a reasonable hedge against inflation and above the Bank of England base rate at the time the investment decision is made. Investment decisions are made by the Trustees and material investment decisions are ratified at meetings of the Council of Management.

During the year to 31 December 2020 POSK has continued to benefit from a high level of rental income and the occupancy of its UK investment property remains at almost 100%. POSK has no intention of selling any UK Investment Property and any revaluation movements will have no effect on future rental streams.

Charity's Public Benefit

The Trustees have paid due regard to the Charity Commission's guidance and ensured that all activities throughout the year have been in the interest of public benefit. This is evidenced by the continuing work undertaken to keep the building open to the general public and to ensure that it continues to provide educational and cultural experiences. It also contains and maintains donated Polish artefacts of historic significance for public access.

Trustees' Declaration

Each of the persons who are members of the Executive Committee at the time when this report is approved has confirmed that:

- (a) So far as each member is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- (b) each member, in their capacity as a Trustee, has taken all the steps that he ought to have taken as a Trustee, including making appropriate enquiries of his fellow Trustees and of the charity's auditors for that purpose, in order to make him aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

Auditor

A resolution to appoint Bright Grahame Murray as the Charity's auditor will be put to the forthcoming Annual General Meeting.

The trustees' report was approved by the Board of Trustees.

J Mludzinska (Chair)

Trustee

Dated: 28 July 2021

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Polish Social and Cultural Association 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Polish Social and Cultural Association (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charitable company's affairs as at 31 December 2020 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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

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
- we have not received all the information and explanations we require for our audit.

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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Cole (Senior Statutory Auditor)
for and on behalf of Bright Grahame Murray
Chartered Accountants
Statutory Auditor

Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

4 August 2021

Bright Grahame Murray is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
Income from:							
Donations and legacies	3	88,783	382,438	471,221	155,203	24,736	179,939
Charitable activities	4	458,972	-	458,972	661,615	23,568	685,183
Investments	5	273,924	-	273,924	260,703	-	260,703
Total income		821,679	382,438	1,204,117	1,077,521	48,304	1,125,825
Expenditure on:							
Raising funds	6	17,301	-	17,301	20,082	-	20,082
Charitable activities	7	644,506	224,914	869,420	895,399	165,305	1,060,704
Total resources expended		661,807	224,914	886,721	915,481	165,305	1,080,786
Net gains/(losses) on investments	11	(15,972)	-	(15,972)	1,191,280	-	1,191,280
Gross transfers between funds		-	-	-	(117,001)	117,001	-
Net movement in funds		143,900	157,524	301,424	1,236,319	-	1,236,319
Fund balances at 1 January 2020		8,841,288	-	8,841,288	7,604,969	-	7,604,969
Fund balances at 31 December 2020		8,985,188	157,524	9,142,712	8,841,288	-	8,841,288

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.

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12	2,244,835		2,045,391	
Investment properties	14	6,520,000		6,520,000	
Investments	15	51,084		67,058	
		<u>8,815,919</u>		<u>8,632,449</u>	
Current assets					
Debtors	17	284,769		222,089	
Cash at bank and in hand		358,588		408,554	
		<u>643,357</u>		<u>630,643</u>	
Creditors: amounts falling due within one year	18	<u>(316,564)</u>		<u>(421,804)</u>	
Net current assets			326,793		208,839
Total assets less current liabilities		<u>9,142,712</u>		<u>8,841,288</u>	
Income funds					
Restricted funds	20	157,524		-	
Unrestricted funds		8,985,188		8,841,288	
		<u>9,142,712</u>		<u>8,841,288</u>	

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 28 July 2021

J Mludzinska (Chair)

Trustee

Company Registration No. 00816310

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(48,984)		(1,130)
Investing activities					
Purchase of tangible fixed assets		(274,906)		(71,295)	
Purchase of investment property		-		(374,377)	
Investment Income		273,924		260,703	
Net cash used in investing activities			(982)		(184,969)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(49,966)		(186,099)
Cash and cash equivalents at beginning of year			408,554		594,653
Cash and cash equivalents at end of year			358,588		408,554

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Polish Social and Cultural Association is a private company limited by guarantee incorporated in England and Wales. The registered office is 238-246 King Street, London, W6 0RF, UK.

1.1 Accounting convention

The accounts 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)" (as amended for accounting periods commencing from 1 January 2016). 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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of attracting voluntary income and the costs of fund raising.
- Expenditure on charitable activities includes the costs of the delivery of its activities and services for its beneficiaries.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. All support costs are allocated to the one charitable activity of Polish social and cultural activities.

1.6 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.

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:

Freehold buildings	1% per annum on cost
Plant and machinery	10-25% reducing balance
Fixtures, fittings & equipment	10-25% reducing balance

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 net income/(expenditure) for the year.

1.7 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.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and are subsequently measured at their settlement value.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in net income/(expenditure) for the period.

1.14 Consolidation

The results of the Polish Trustee Association Limited have not been consolidated on the basis of materiality.

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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Total
	2020 £	2020 £	2020 £	2019 £
Donations and gifts	78,783	170,987	249,770	154,744
Legacies receivable	10,000	-	10,000	25,195
Grants receivable	-	211,451	211,451	-
	<u>88,783</u>	<u>382,438</u>	<u>471,221</u>	<u>179,939</u>
For the year ended 31 December 2019	<u>155,203</u>	<u>24,736</u>		<u>179,939</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

(Continued)

Donations and gifts

Bequests to POSK	10,000	-	10,000	34,015
Donations from the POSK Foundation	60,000	-	60,000	60,000
Other donations and membership subscriptions	13,843	1,435	15,278	23,418
Donations to Library	-	1,625	1,625	5,220
Donations to Cinema	-	3,100	3,100	-
Stowarzyszenie Wspolnota Polska	-	62,827	62,827	15,916
Polish Trustee Association	4,940	-	4,940	50,190
Donations for Atrium (see below)	-	102,000	102,000	-
Coronavirus Job Retention Scheme Grant	-	109,340	109,340	-
Ministerstwo Kultury i Dziedzictwa Narodowego grant	-	77,111	77,111	-
LBHF – Coronavirus Retail, Hospitality and Leisure Grant Fund	-	25,000	25,000	-
	<u>88,783</u>	<u>382,438</u>	<u>471,221</u>	<u>179,939</u>

Donations for Atrium

The POSK Foundation	51,000
The Polish Ex-Combatants Association in Great Britain Trust Fund	35,000
Polonia Aid Foundation Trust	10,000
The Relief Society for Poles Trust	4,000
The Roman and Natalii Guminski Foundation	2,000
	<u>102,000</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Charitable activities

	Charitable rental income	Facilities, Arts Centre, Theatre and Jazz Cafe	Total 2020	Total 2019
	£	£	£	£
Sales within charitable activities	337,237	121,735	458,972	685,183
Analysis by fund				
Unrestricted funds	337,237	121,735	458,972	
For the year ended 31 December 2019				
Unrestricted funds	394,611	267,004		661,615
Restricted funds	-	23,568		23,568
	383,531	271,597		685,183

5 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Rental income	269,877	252,655
Income from shares and other investments	4,047	8,048
	273,924	260,703

6 Raising funds

	2020	2019
	£	£
Investment management costs	17,301	20,082
	17,301	20,082

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

7 Charitable activities

	2020 £	2019 £
Staff costs	352,413	389,747
Depreciation and impairment	75,462	70,844
Grants payable	580	8,332
Legal and professional	4,840	16,117
Printing, postage and stationary	15,030	8,508
Cost of Jazz café events	4,325	18,771
Other expenses	251,505	357,891
Bad debts written off	58,416	25,226
Loss on foreign exchange movements	4,059	1,072
Speakers and performers' fees and expenses	11,723	59,520
	<u>778,353</u>	<u>956,028</u>
Share of support costs (see note 8)	82,717	96,246
Share of governance costs (see note 8)	8,350	8,430
	<u>869,420</u>	<u>1,060,704</u>
Analysis by fund		
Unrestricted funds	644,506	895,399
Restricted funds	224,914	165,305
	<u>869,420</u>	<u>1,060,704</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	52,800	-	52,800	56,475	-	56,475
Printing, postage and stationary	8,956	-	8,956	13,128	-	13,128
Other expenses	16,520	-	16,520	22,696	-	22,696
Irrecoverable VAT	-	-	-	363	-	363
Accountancy	4,441	-	4,441	3,584	-	3,584
Audit and accounts	-	8,350	8,350	-	8,430	8,430
	<u>82,717</u>	<u>8,350</u>	<u>91,067</u>	<u>96,246</u>	<u>8,430</u>	<u>104,676</u>
Analysed between Charitable activities	<u>82,717</u>	<u>8,350</u>	<u>91,067</u>	<u>96,246</u>	<u>8,430</u>	<u>104,676</u>

Governance costs includes payments to the auditors of £7,350 (2019: £7,350) for audit fees.

9 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year. During the year, the Charity paid a sum of £2,114 (2019: £1,200) in respect of trustee indemnity insurance on behalf of the trustees.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
House	9	10
Library	6	7
Part time staff (see below)	10	9
	<u>25</u>	<u>26</u>

Employment costs

	2020 £	2019 £
Wages and salaries	370,768	406,476
Social security costs	26,863	31,293
Other pension costs	7,582	6,262
	<u>405,213</u>	<u>444,031</u>

POSK employs part time employees in various positions, most notably Front of House. Their hours are minimal and combined are in total equivalent to under one full time annual employee. All other staff noted above are full time employees.

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

11 Net gains/(losses) on investments

	2020 £	2019 £
Revaluation of investments	(15,972)	4,319
Revaluation of investment properties (See note 14)	-	1,186,961
	<u>(15,972)</u>	<u>1,191,280</u>

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

	Freehold buildings	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 January 2020	2,827,848	84,742	742,693	3,655,283
Additions	209,085	-	65,821	274,906
At 31 December 2020	3,036,933	84,742	808,514	3,930,189
Depreciation and impairment				
At 1 January 2020	979,477	65,598	564,817	1,609,892
Depreciation charged in the year	46,306	4,787	24,369	75,462
At 31 December 2020	1,025,783	70,385	589,186	1,685,354
Carrying amount				
At 31 December 2020	2,011,150	14,357	219,328	2,244,835
At 31 December 2019	1,679,342	19,163	346,886	2,045,391

13 Heritage assets

The Charity has been bequeathed, over a number of years, artefacts of cultural and historical significance. These include furniture, paintings, books and sculptures. Due to the unique and specific nature of the artefacts and the context in which they were bequeathed there is no readily ascertainable market value and it has not been sought to attribute one within the financial statements. These assets are therefore included at £nil and it is not practical to provide a five-year summary for the reporting periods prior to 1 January 2020.

There were no sales or purchases of heritage assets during the year.

The ownership of the contents of the Central Circulating Library and Polish Library was vested in the Charity by the British Government with effect from 1 April 1967 and 1 August 1967 respectively. The value of these has not been ascertained and has not been brought into the accounts at 31 December 2020.

14 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	6,520,000

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Investment property

(Continued)

Movement on investment property - 2020

	Market value at 1 January 2020	Additions/ (disposals)	Change in value in the year	Market value at 31 December 2019
9 Ravenscourt Avenue	1,550,000	-	-	1,550,000
Property in Poland (Frascati 4)	970,000	-	-	970,000
238A and B King Street	2,150,000	-	-	2,150,000
3 Ravenscourt Avenue	1,850,000	-	-	1,850,000
Total	6,520,000	-	-	6,520,000

Movement on investment property - 2019

	Market value at 1 January 2019	Additions/ (disposals)	Change in value in the year	Market value at 31 December 2019
9 Ravenscourt Avenue	1,500,000	-	50,000	1,550,000
Property in Poland (Frascati 4)	912,000	110,620	(52,620)	970,000
238A and B King Street	2,100,000	-	50,000	2,150,000
3 Ravenscourt Avenue	446,661	263,757	1,139,582	1,850,000
Total	4,958,661	374,377	1,186,962	6,520,000

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Investment property

(Continued)

POSK's UK investment properties are valued by the Trustees by comparing the rental yield obtained on these properties to local market yields on similar properties and extrapolating this yield to obtain an estimate of fair value. Furthermore this estimate of fair value is compared to information received from local estate agents in order to ensure that the fair value as calculated is reasonable and adjusting it if necessary.

The Trustees have based the fair value of POSK's investment property in Poland as POSK's share of the estimated proceeds on sale after deducting (1) all estimated costs of sale, obtaining vacant possession and tax and (2) the remuneration of its lawyers in Poland who have dealt with its recovery from the Warsaw authorities, management and subsequent sale amounting to £511,284 (2019: £511,284).

The historic cost of investment properties of £2,343,063 (2019: £2,343,063) comprises of 9 Ravenscourt Avenue at £225,392 (2019: £225,392), 3 Ravenscourt Avenue at £710,418 (2019: £710,418), property held in Poland (Frascati 4) at £900,464 (2019: £900,464) and 238 A/B King Street at £506,789 (2019: £506,789).

The Charity's Investment Property investment portfolio is the key to its long-term financial viability. The Trustees have adopted a policy of investing the Charity's funds into investments that will create additional recurring annual income to support the activities of the Charity. Such investments consist of investment properties and UK equities.

The main risk to the Charity of these investments lies in the uncertainty of the performance of property rental markets.

15 Fixed asset investments

	Listed investments £	Unlisted investments £	Share of freehold £	Total £
Cost or valuation				
At 1 January 2020	60,892	3,166	3,000	67,058
Valuation changes	(15,974)	-	-	(15,974)
At 31 December 2020	44,918	3,166	3,000	51,084
Carrying amount				
At 31 December 2020	44,918	3,166	3,000	51,084
At 31 December 2019	60,892	3,166	3,000	67,058

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

16	Financial instruments	2020 £	2019 £
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	200,164	183,139
	Equity instruments measured at cost/ fair value less impairment	51,084	67,058
		<u> </u>	<u> </u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	316,564	414,125
		<u> </u>	<u> </u>

Debt instruments are made up of trade debtors (£112,231) and other debtors (£143,546). Equity instruments are made up of both listed (£44,918) and other investments (£6,166).

17	Debtors	2020 £	2019 £
	Amounts falling due within one year:		
	Trade debtors	112,231	165,076
	Other debtors	143,546	18,063
	Prepayments and accrued income	28,992	38,950
		<u> </u>	<u> </u>
		284,769	222,089
		<u> </u>	<u> </u>

18	Creditors: amounts falling due within one year	2020 £	2019 £
	Other taxation and social security	-	7,679
	Trade creditors	13,022	78,385
	Other creditors	139,568	149,492
	Accruals and deferred income (see note 19)	163,974	186,248
		<u> </u>	<u> </u>
		316,564	421,804
		<u> </u>	<u> </u>

19 Deferred Income

Accruals and deferred income of £163,974 (2019: £186,248) includes £93,690 (2019: £117,770) in respect of income charged to tenants and hall hirers for the period after 31 December 2020.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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		Movement in funds		
	Incoming resources	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£
Building Fund	-	-	102,000	(1,020)	100,980
Asset Purchase Fund	-	-	62,827	(6,283)	56,544
MKiDN Library Fund	-	-	77,111	(77,111)	-
Coronavirus Grants Fund	-	-	134,340	(134,340)	-
Library Fund	-	-	1,625	(1,625)	-
Cinema Fund	-	-	3,100	(3,100)	-
Minor Events Fund	-	-	1,435	(1,435)	-
	<u>-</u>	<u>-</u>	<u>382,438</u>	<u>(224,914)</u>	<u>157,524</u>

The Building Fund represents amounts received in respect of donations towards building works (Atrium). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these building works.

The Asset Purchase Fund represents amounts received in respect of donations towards replacement of fixed assets (Main Lifts). The movement on the fund in the year represents depreciation according to POSK's depreciation policy on these fixed assets.

The MKiDN Library Fund represents funding from the Polish Ministry of Culture (Ministerstwo Kultury i Dziedzictwa Narodowego) to support library activities. All amounts received were fully spent in the year.

The Coronavirus Grants Fund represents amounts received from HM Government under various initiatives to support businesses during the Coronavirus Pandemic. All amounts received were fully spent in the year.

The Library and Cinema funds represent income and expenditure relating to these specific POSK activities.

The Minor Events funds represents income and expenditure for specific POSK concerts or events.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	Total £
Fund balances at 31 December 2020 are represented by:			
Tangible assets	2,087,311	157,524	2,244,835
Investment properties	6,520,000	-	6,520,000
Investments	51,084	-	51,084
Current assets/(liabilities)	326,793	-	326,793
	<u>8,985,188</u>	<u>157,524</u>	<u>9,142,712</u>

22 Related party transactions

The POSK Foundation was formed in 1989 to support the charitable objectives of Polish Social and Cultural Association Limited ("POSK") and is a related party to the charity.

During the year, POSK received donations of £111,000 (2019: £60,000) from the POSK Foundation. AM Zakrzewski and R Wisniowski are Trustees of the POSK Foundation. The administrative costs of the POSK Foundation are borne by POSK.

Mr R. Wisniowski is also a director of Polish Daily Publishers Limited, a company that publishes "Tydzien Polski", a weekly newspaper that POSK advertises in. During the year a total of £2,180 (2019: £5,403) was paid by POSK to Polish Daily Publishers Limited.

23 Cash generated from operations

	2020 £	2019 £
Surplus for the year	301,424	1,236,319
Adjustments for:		
Investment income recognised in statement of financial activities	(273,924)	(260,703)
Fair value gains and losses on investment properties	-	(1,186,961)
Fair value gains and losses on investments	15,972	(4,319)
Depreciation and impairment of tangible fixed assets	75,462	70,844
Movements in working capital:		
(Increase)/decrease in debtors	(62,678)	94,150
(Decrease)/increase in creditors	(105,240)	49,540
Cash absorbed by operations	<u>(48,984)</u>	<u>(1,130)</u>

24 Analysis of changes in net funds

The charity had no debt during the year.