

THE DE BRZIE LANCKORONSKI FOUNDATION

2020

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED ON 31ST DECEMBER 2020

Charity No: 0266428

McCORMACK & ASSOCIATES
REGISTERED AUDITORS
CHARTERED CERTIFIED ACCOUNTANTS
LONDON N14 6JS

THE DE BRZEZIE LANCKORONSKI FOUNDATION

CONTENTS

Page

Legal and administrative information

3

Report of the trustees

4 - 6

Report of the auditors

7 - 9

Statement of Financial Activities

10

Balance Sheet

11

Notes forming part of the financial statements

12 - 15

Three year summary

16

THE DE BRZIE LANCKORONSKI FOUNDATION

LEGAL AND ADMINISTRATIVE

TRUSTEES:

P. Chlapowski (Chairperson)
Miss C Raczynska
Ms J Soszko
Dr W Mier Jedrzejowicz
Dr. J. Kamieniecki

TRUST DEED:

Dated 24th September 1973

REG. CHARITY NO:

266428

ADDRESS:

Highmead
10 Roxborough Park
Harrow
Middlesex HA1 3BE

BANKERS:

Barclays Bank Plc
114 Gloucester Road
London SW7 4SE

SOLICITORS:

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

INVESTMENT MANAGERS:

Investec Wealth and Investment Ltd
30 Gresham Street
London EC2V 7QN

AUDITORS:

McCormack & Associates
Registered Auditors
Chartered Certified Accountants
311 Chase Road
Southgate
London N14 6JS

THE DE BRZEZIE LANCKORONSKI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020

The Trustees present their report along with the financial statements of the charity for the year ended 31st December 2020. The financial statements have been prepared in accordance with the accounting policies set out on page 12 and comply with the charity's trust deed and applicable law.

Trustees

The Trustees named on page 3 have served during the year. Appointment of trustees is governed by the Trust Deed of the charity. The Board of Trustees is authorised to appoint new trustees to fill vacancies arising through resignation or death of an existing trustee.

The Board of Trustees is responsible for the management of the Charity. The board meets twice a year.

Investment powers

The Trust Deed authorises the Trustees to make and hold investments using the general funds of the Charity. The overall objectives are to create sufficient income and capital growth to enable the Charity to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of and if possible, enhancement of the real value of the endowment. The Board approved the Foundation's investment policy and communicated this to the Investment Managers, Investec Wealth and Investment Limited.

Constitution, objects and policies

The purposes for which the Charity was established are to provide for exclusively charitable objects as set-out within the Trust Deed. These include:

1. Assistance to Poles, to people of Polish origin and to Polish institutions especially in the fields of education and culture;
2. The provision of grants to Polish academics undertaking further education abroad;
3. Assistance to organisations which in general promote awareness of Poland's history and in particular its contribution in the Second World War.

Development, activities and achievements

As in previous years the foundation awarded 34 monthly bursaries to scholars from universities and, institutes and museums in Poland to enable them to conduct research in the U.K., in the various fields of history, art history, literary and religious studies and philosophy.

However, due to Covid-19 only 12 scholars (one of them had to interrupt the stay) of the 34 scholars were able to come to the U.K. and take advantage of the bursaries. It was therefore decided jointly with PAU (Polish Academy of Arts and Sciences) that the remaining scholars will be able to use up the bursaries in 2021.

As a result the second tranche of the allocated funds for 2020 bursaries was not transferred to PAU as planned in the spring of 2020 (the first tranche of £22,100 was transferred in autumn 2019) nor have we transferred any funds yet for 2021 bursaries.

THE DE BRZIE LANCKORONSKI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020 (Contd.)

Development, activities and achievements (Contd.)

We have approved 34 bursaries for 2021 but due to Covid-19 situation it is not yet known when the scholars will be able to come.

The Foundation has funded two causes in 2020:

Grant of £1,500 to PUNO (the Polish University abroad) towards the cost of the conference on the General Wladyslaw Anders.

Grant of £2,500 to Professor Halina Taborska to cover the cost of translation to English of her book on the art and monuments commemorating the European victims of Nazis.

In November 2020 the chairman and trustee, Mr. Jan Kamieniecki attended an annual meeting (through video conferencing) with Investec to be briefed on the performance of the portfolio, and agree the best strategy for reallocation of assets, to respond to the general economic and financial situation. Subsequently the proposed strategy was agreed by the remaining trustees and Investec started to restructure the portfolio.

Due to Covid-19 only one meeting of the trustees was held in 2020.

Financial review

The Income of the Foundation was £71,798 (2019 : £93,296). Total expenditure was £74,658 (2019: £73,686). Direct charitable expenditure was 66% of total expenditure (2019 : 65%). The net deficit for the year was £2,860 (2019 : surplus £19,610). The net profits arising on Stock Exchange Investments were £11,215 (2019 Profits : £364,040) of which £165,918 were realised losses and £177,133 were unrealised profits. There was an overall surplus of £8,355 for the year (2019 : surplus £383,650).

Risk management

The Trustees are well aware of the risks the Charity faces in current Stock Market conditions and believe that their prudent investment policy combined with judicious control of all types of expenditure provides essential safeguards. They maintain close contacts with the Investment Manager whose task is to manage the Foundation's assets in such a way that its objectives and investment targets are consistently met.

Reserves policy

The Trustees' policy is to ensure that direct charitable expenditure over the medium term is kept at a level which allows the Charity to cover all its costs from the total incoming resources and maintain the trust capital.

Trustees' responsibilities in relation to the financial statements

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

THE DE BRZEZIE LANCKORONSKI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2020 (Contd.)

Trustees' responsibilities in relation to the financial statements (Contd)

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity to enable them to ensure that the accounts comply with the Charities Act 2011 the applicable Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust deed. 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.

Auditors

McCormack & Associates were re-appointed as the Charity's auditors during the year and have expressed their willingness to continue in that capacity.

This report was approved by the trustees on 25th March 2021 and signed on their behalf.



(P. Chlapowski – Chairperson)

THE DE BRZEZIE LANCKORONSKI FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE DE BRZEZIE LANCKORONSKI FOUNDATION

Opinion

We have audited the financial statements of The De Brzezcie Lanckoronski Foundation for the year ended 31st December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st 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 Charities Act 2011.

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.

Conclusion relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE DE BRZIE LANCKORONSKI FOUNDATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF

THE DE BRZIE LANCKORONSKI FOUNDATION (Contd.)

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 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;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statements set out on page 5 the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal controls as the trustees determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

THE DE BRZIE LANCKORONSKI FOUNDATION

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF

THE DE BRZIE LANCKORONSKI FOUNDATION (Contd.)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, s.144 and report in accordance with regulations made under 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 on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**H.H. SHAH
STATUTORY AUDITOR
For and on behalf of
McCORMACK & ASSOCIATES
REGISTERED AUDITORS
CHARTERED CERTIFIED ACCOUNTANTS
311 CHASE ROAD
SOUTHGATE
LONDON N14 6JS**

25th March 2021

Mr. H.H. Shah is eligible to act as an auditor in terms of the Companies Act 2006, S.1212

THE DE BRZESIE LANCKORONSKI FOUNDATION**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST DECEMBER 2020**

		<u>Unrestricted Funds</u>	
	<u>NOTES</u>	<u>2020</u>	<u>2019</u>
Incoming Resources			
Dividend and interest income		71,795	93,180
Interest	2	3	116
Total Incoming resources		<u>71,798</u>	<u>93,296</u>
Resources Expended			
Direct charitable expenditure	3	49,500	48,200
Management and administration	4	25,158	25,486
Total expenditure		<u>74,658</u>	<u>73,686</u>
Net Incoming/(outgoing) Resources before investment asset disposals		(2,860)	19,610
Profits/(Losses) arising on Stock Exchange investments:			
Realised Profits/(Losses)	(165,918)	3,799	
Unrealised Profits/(Losses)	177,133	360,241	
		<u>11,215</u>	<u>364,040</u>
Net movement in funds for the year		8,355	383,650
Total funds brought forward		3,168,436	2,784,786
<u>Total funds carried forward</u>		<u>3,176,791</u> =====	<u>3,168,436</u> =====

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

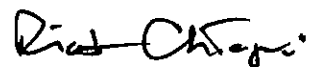
THE DE BRZESIE LANCKORONSKI FOUNDATION

BALANCE SHEET

AS AT 31ST DECEMBER 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
<u>INVESTMENTS</u>	5	3,020,041	2,990,742
<u>CURRENT ASSETS</u>			
Debtors	6	-	23,400
Cash at bank and in hand	7	189,435	164,731
		<u>189,435</u>	<u>188,131</u>
<u>CREDITORS:</u> Amounts falling due within one year	8	32,685	10,437
<u>NET CURRENT ASSETS</u>		<u>156,750</u>	<u>177,694</u>
<u>TOTAL NET ASSETS</u>		<u>3,176,791</u> =====	<u>3,168,436</u> =====
 <u>TOTAL FUNDS</u>		 <u>3,176,791</u> =====	 <u>3,168,436</u> =====


Approved by the Trustees and signed on 25th March 2021.



(P. CHLAPOWSKI) (TRUSTEE)




(DR. J. KAMIENIECKI) (TRUSTEE)



(MISS S. RACZYŃSKA) (TRUSTEE)



(DR. W. MIER JEDRZEJOWICZ) (TRUSTEE)



(MS J SOSZKO) (TRUSTEE)

THE DE BRZESIE LANCKORONSKI FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

1. Accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of Preparation

The financial statements have been prepared in accordance with 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 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

(b) Going concern

The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the trustees' annual report for more information).

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Investment income is included when received.

(d) Resources expended

Expenditure is accounted for on an accruals basis. Expenditure on management and administration of the charity includes all expenditure not directly related to the charitable activity. This includes the cost of audit fees.

(e) Realised gains and losses

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sale proceeds and opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the market value at the year end and their carrying value. Realised and unrealised gains and losses are separated in the Statement of Financial Activities.

2.	<u>Interest Received</u>	<u>2020</u>	<u>2019</u>
	Same was received gross in respect of short-term deposits with:		
	Stockbrokers	3	116
	Barclays Bank Plc	-	-
		<u>3</u>	<u>116</u>
		=====	=====

3.	<u>Direct Charitable expenditure</u>	<u>2020</u>	<u>2019</u>
	Grants and donations	49,500	48,200
		=====	=====

4.	<u>Management and administration expenses</u>	<u>2020</u>	<u>2019</u>
	Audit fee	5,400	5,280
	Investment Portfolio Management Fees	19,758	20,156
	Bank and other charges	-	50
		<u>25,158</u>	<u>25,486</u>
		=====	=====

The investment manager, Investec Wealth and Investment Ltd., is remunerated based on a percentage of the portfolio value. No commissions were charged on transactions.

5.	<u>Investments held on 31st December 2020</u>	Mid Market Price on <u>31.12.20</u>	Mid market Price on <u>31.12.19</u>
	<u>Investments</u>		
	Fixed interest stocks	500,204	470,127
	Equities& Alternative assets	2,154,901	2,100,286
	Property Fund	143,716	149,523
	Alternative assets – Infrastructure & other Funds	221,220	170,806
	Money Market Instrument	-	100,000
		<u>3,020,041</u>	<u>2,990,742</u>
		=====	=====

Investments summary

		<u>2020</u>	<u>2019</u>
Investments at market value on 1st January 2020		2,990,742	2,503,670
Acquisitions at cost		1,462,098	425,913
Sale proceeds from disposals		(1,444,014)	(302,881)
Profits/(Losses) in the year:			
Realised Profits/(Losses)	(165,918)	3,799	
Unrealised Profits/(losses)	177,133	360,241	
		<u>11,215</u>	<u>364,040</u>
<u>INVESTMENTS AT MARKET VALUE ON 31ST DECEMBER 2020</u>		<u>3,020,041</u> =====	<u>2,990,742</u> =====

6.	<u>Debtors</u>	<u>2020</u>	<u>2019</u>
	Prepayments	- =====	23,400 =====

7.	<u>Cash at bank</u>	<u>2020</u>	<u>2019</u>
	Cash at bank	149,303	142,796
	Cash on deposit with Stockbrokers	40,132	21,934
		<u>189,435</u> =====	<u>164,730</u> =====

8.	<u>Creditors and accrued charges</u>	<u>2020</u>	<u>2019</u>
	Grants payable	22,100	-
	Investment Portfolio Management Fees	5,185	5,157
	Audit and accountancy	5,400	5,280
		<u>32,685</u> =====	<u>10,437</u> =====

9.	<u>Trust Capital Account</u>	<u>2020</u>	<u>2019</u>
	At beginning of the year	3,168,436	2,784,786
	Net movement in funds for the year:		
	Realised profits/(losses) (168,778)		23,409
	Unrealised profits/(losses) 177,133		360,241
		8,355	383,650
	At end of the year	3,176,791	3,168,436
		=====	=====
10.	<u>Contingent liabilities</u>	NONE	NONE
		=====	=====
11.	<u>Financial commitments</u>	NONE	NONE
		=====	=====

THE DE BRZEZIE LANCKORONSKI FOUNDATION

THREE YEAR SUMMARY OF THE STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED ON 31ST DECEMBER 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Incoming Resources	71,798	93,296	84,060
Total expenditure	(74,658)	(73,686)	(76,525)
Net incoming resources/(expenditure)	(2,860)	19,610	7,535
Profits/(Losses) arising on Stock Exchange investments:			
Realised profits/(losses)	(165,918)	3,799	(4,988)
Unrealised profits/(losses)	177,133	360,241	(189,553)
	11,215	364,040	(194,541)
Net movement on funds	8,355	383,650	(187,006)
=====			
<u>Net Funds Employed</u>			
Investments	3,020,041	2,990,742	2,503,670
Current Assets	189,435	188,131	291,118
Current liabilities	(32,685)	(10,437)	(10,002)
Net Assets	3,176,791	3,168,436	2,784,786
=====			
<u>Capital</u>			
Total funds brought forward	3,168,436	2,784,786	2,971,792
Net movement on funds	8,355	383,650	(187,006)
Trust Capital Account	3,176,791	3,168,436	2,784,786
=====			