

THE DE BRZEZIE LANCKORONSKI FOUNDATION

2021

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED ON 31ST DECEMBER 2021

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 BRZIE LANCKORONSKI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2021

The Trustees present their report along with the financial statements of the charity for the year ended 31st December 2021. 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 every year the foundation awarded 34 monthly bursaries to scholars from universities, 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 11 scholars were able to come to the UK and take the advantage of the bursaries. It was therefore decided jointly with PAU (Polish Academy of Arts and Sciences) that the remaining scholars from years 2020 and 2021 will be able to use up the bursaries in 2022.

As a result the second tranche of the allocated funds for 2021 was not yet transferred to PAU (the first tranche of £22,100 was transferred in spring 2021 together with the second overdue tranche for 2020) nor have we transferred any funds yet for 2022 bursaries.

THE DE BRZIE LANCKORONSKI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31st DECEMBER 2021 (Contd.)

Development, activities and achievements (Contd.)

Also there were two payments made, each for 2500 PLN (Polish zloty) one for 2020 and the other for 2021 to Ms Kania from PAU to cover the costs of administering the bursaries.

We have approved 34 bursaries for 2022.

Additionally the Foundation has funded five causes in 2021:

Grant of £1500 to PUNO (the Polish University abroad) towards the cost of the conference on the famous XIX c. poet Cyprian Norwid.

Grant of £1500 to PUNO (the Polish University abroad) towards the cost of the publication of materials and album from the conference on the poet Cyprian Norwid.

Grant of £500 to the Portrait Foundation to cover the cost of prizes for the drawing competition for school children in connection with the special exhibition of the painting showing famous Polish astronomer Copernicus in the National Gallery.

Scholarship of £1500 awarded to Dr. Andrzej Franaszek from Jagiellonian University Krakow in connection with his research in London regarding planned biography of Jozef Czapski – famous XX c. painter, writer and intellectual.

The foundation also covered the costs of purchasing and sending from Canada to the UK 50 CD's with the play "Karolina Lanckoronska" performed by the actors of the Polish theatre in Toronto which cost 660 Canadian dollars.

Considering that there were sufficient funds in the foundation bank account and also reduced outflows due to Covid, and therefore no need for income, it was decided in March 2021 to continue to instruct Investec to reinvest dividends for a further year as they had done over the previous 12 months.

The value of our investments stood at £3,327,788 as reported by Investec on 31 December 2021.

Two meeting of the trustees were held in 2021 (one by zoom).

Financial review

The Income of the Foundation was 54,849 (2020 : £71,798). Total expenditure was £78,990 (2020: £74,658). Direct charitable expenditure was 65% of total expenditure (2020 : 66%). The net deficit for the year was £24,141 (2020 : deficit £2,860). The net profits arising on Stock Exchange investments were £310,216 (2020 Profits : £11,215) of which £11,282 were realised profits and £298,934 were unrealised profits. There was an overall surplus of £286,075 for the year (2020 : surplus £8,355).

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.

THE DE BRZIE LANCKORONSKI FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31st DECEMBER 2021 (Contd.)

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 income 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 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 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 31st March 2022 and signed on their behalf.



(P. Chlapowski – Chairperson)

THE DE BRZIE LANCKORONSKI FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF

THE DE BRZIE LANCKORONSKI FOUNDATION

Opinion

We have audited the financial statements of The De Brzie Lanckoronski Foundation for the year ended 31st December 2021 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 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 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

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 entity's ability to continue as a going concern for a period of at least 12 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.

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 including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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 trustees' report is inconsistent in any material respect with the financial statements; 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 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 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.

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.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

McCormack & Associates

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

31st March 2022

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

THE DE BRZIE LANCKORONSKI FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2021

		<u>Unrestricted Funds</u>	
	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
Income			
Dividend and interest income		54,849	71,795
Interest	2	-	3
Total Income		<u>54,849</u>	<u>71,798</u>
Expenditure			
Direct charitable expenditure	3	50,988	49,500
Management and administration	4	28,002	25,158
Total expenditure		<u>78,990</u>	<u>74,658</u>
Net income/ (expenditure) before investment asset disposals		(24,141)	(2,860)
Profits/ (Losses) arising on Stock Exchange investments:			
Realised Profits/ (Losses)	11,282	(165,918)	
Unrealised Profits/ (Losses)	298,934	177,133	
		<u>310,216</u>	<u>11,215</u>
Net movement in funds for the year		286,075	8,355
Total funds brought forward		3,176,791	3,168,436
<u>Total funds carried forward</u>		<u>3,462,866</u> =====	<u>3,176,791</u> =====

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


THE DE BRZIE LANCKORONSKI FOUNDATION

BALANCE SHEET


AS AT 31ST DECEMBER 2021

	<u>Notes</u>	<u>2021</u>	<u>2020</u>
<u>INVESTMENTS</u>	5	3,327,788	3,020,041
<u>CURRENT ASSETS</u>			
Debtors	6	-	-
Cash at bank and in hand	7	168,329	189,435
		<u>168,329</u>	<u>189,435</u>
<u>CREDITORS:</u> Amounts falling due within one year	8	33,251	32,685
		<u> </u>	<u> </u>
<u>NET CURRENT ASSETS</u>		<u>135,078</u>	<u>156,750</u>
<u>TOTAL NET ASSETS</u>		<u>3,462,866</u> =====	<u>3,176,791</u> =====
<u>TOTAL FUNDS</u>		<u>3,462,866</u> =====	<u>3,176,791</u> =====

Approved by the Trustees and signed on 31st March 2022.


(P. CHLAPOWSKI) (TRUSTEE)


(DR. J. KAMIENIECKI) (TRUSTEE)


(MISS C. RACZYŃSKA) (TRUSTEE)


(DR. W. MIER JEDRZEJOWICZ) (TRUSTEE)


(MS J SOSZKO) (TRUSTEE)

THE DE BRZEZIE LANCKORONSKI FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

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 2019) – (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 2022, 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) **Income**

All income is 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) **Expenditure**

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>2021</u>	<u>2020</u>
	Same was received gross in respect of short-term deposits with:		
	Stockbrokers	-	3
	Barclays Bank Plc	-	-
		<hr/>	<hr/>
		-	3
		=====	=====
3.	<u>Direct Charitable expenditure</u>	<u>2021</u>	<u>2020</u>
	Grants	44,200	45,500
	Scholar's expenses	1,400	-
	Donations	5,388	4,000
		<hr/>	<hr/>
		50,988	49,500
		=====	=====
4.	<u>Management and administration expenses</u>	<u>2021</u>	<u>2020</u>
	Audit fee	5,640	5,400
	Investment Portfolio Management Fees	21,309	19,758
	PAU administration charges	947	-
	Bank and other charges	106	-
		<hr/>	<hr/>
		28,002	25,158
		=====	=====

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 2021</u>		
		Mid Market	Mid market
		Price on	Price on
	<u>Investments</u>	<u>31.12.21</u>	<u>31.12.20</u>
	Fixed interest stocks	390,603	500,204
	Equities & Alternative assets	2,503,931	2,154,901
	Property Fund	161,294	143,716
	Alternative assets – Infrastructure & other Funds	271,960	221,220
		<hr/>	<hr/>
		3,327,788	3,020,041
		=====	=====

Investments summary

		<u>2021</u>	<u>2020</u>
Investments at market value on 1st January 2021		3,020,041	2,990,742
Acquisitions at cost		808,691	1,462,098
Sale proceeds from disposals		(811,160)	(1,444,014)
Profits/ (Losses) in the year:			
Realised Profits/ (Losses)	11,282	(165,918)	
Unrealised Profits/ (losses)	298,934	177,133	
		<u>310,216</u>	<u>11,215</u>
<u>INVESTMENTS AT MARKET VALUE ON 31ST DECEMBER 2021</u>		<u>3,327,788</u> =====	<u>3,020,041</u> =====

6.	<u>Debtors</u>	<u>2021</u>	<u>2020</u>
	Prepayments	- =====	- =====

7.	<u>Cash at bank</u>	<u>2021</u>	<u>2020</u>
	Cash at bank	91,862	149,303
	Cash on deposit with Stockbrokers	76,467	40,132
		<u>168,329</u> =====	<u>189,435</u> =====

8.	<u>Creditors and accrued charges</u>	<u>2021</u>	<u>2020</u>
	Grants payable	22,100	22,100
	Investment Portfolio Management Fees	5,511	5,185
	Audit and accountancy	5,640	5,400
		<u>33,251</u> =====	<u>32,685</u> =====

9.	<u>Trust Capital Account</u>	<u>2021</u>	<u>2020</u>
	At beginning of the year	3,176,791	3,168,436
	Net movement in funds for the year:		
	Realised profits/(losses) (12,859)		(168,778)
	Unrealised profits/(losses) 298,934		177,133
		<u>286,075</u>	<u>8,355</u>
	At end of the year	<u>3,462,866</u> =====	<u>3,176,791</u> =====
10.	<u>Contingent liabilities</u>	NONE =====	NONE =====
11.	<u>Financial commitments</u>	NONE =====	NONE =====

THE DE BRZIE LANCKORONSKI FOUNDATION

THREE YEAR SUMMARY OF THE STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED ON 31ST DECEMBER 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Incoming Resources	54,849	71,798	93,296
Total expenditure	(78,990)	(74,658)	(73,686)
Net income/ (expenditure)	(24,141)	(2,860)	19,610
Profits/ (Losses) arising on Stock Exchange investments:			
Realised profits/ (losses)	11,282	(165,918)	3,799
Unrealised profits/ (losses)	298,934	177,133	360,241
	310,216	11,215	364,040
Net movement In funds	286,075	8,355	383,650
=====			
<u>Net Funds Employed</u>			
Investments	3,327,788	3,020,041	2,990,742
Current Assets	168,329	189,435	188,131
Current liabilities	(33,251)	(32,685)	(10,437)
Net Assets	3,462,866	3,176,791	3,168,436
=====			
<u>Capital</u>			
Total funds brought forward	3,176,791	3,168,436	2,784,786
Net movement on funds	286,075	8,355	383,650
Trust Capital Account	3,462,866	3,176,791	3,168,436
=====			