

Charity Registration No. 292231

Company Registration No. 00405814 (England and Wales)

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	<p>As at the date of this report the management board consists of the following Trustees :-</p> <p>R J Rospedzihowski (Chair)* M Szablewski (Deputy Chair)* A M Mankowska (Secretary General)* A Macheta (Treasurer General)* F Peplinski (Chief Scout) D Figiel (Chief Guide) A Mahut (Head of Senior Scouting) J Moszumanska (representative of the Scouting Auxillary) Rev. K Gawron (Chief Chaplain) (Resigned 9 August 2021) S Berkietą (Board Member)* T Ciecierska (Board Member)* J Kaczorowska (Board Member) M Nalewajko (Board Member) (Resigned 9 August 2021) H Sandig (Board Member) * also directors for the purposes of company law</p>
Secretary	A M Mankowska
Charity number	292231
Company number	00405814
Principal and registered office	23-31 Beavor Lane London W6 9AR
Auditor	Kendall Wadley LLP Granta Lodge 71 Graham Road Malvern Worcestershire WR14 2JS
Bankers	Lloyds Bank plc Street Branch PO Box 1000 BX1 1LT

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

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POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees, certain of whom are also directors for the purposes of company law present their report and accounts for the year ended 31 December 2020.

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 charitable company'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 policies adopted in furtherance of the charitable company objectives are to promote the physical, mental and spiritual development of Polish youth outside of Poland by Scouting and Guiding methods in accordance with the principles and traditions of the Scout and Guide movement.

Polish Scouting Association (International) Limited is divided into regional units which the company oversees, coordinating overall policy and methodology. A key role for this charitable company is to provide, training, support and continuous professional development of scout and guide instructors around the world.

The charitable company has the following cost centres:

- Governing Council and Management Board
- International Scout Headquarters
- International Guide Headquarters
- International Senior Scouting Headquarters

Public benefit

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

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

The Management Board elected at the General Meeting in February 2019 continued to oversee the activities of the company.

Due to the social restrictions imposed as a result of the Covid-19 pandemic in March 2020, the Management Board strove to adapt operational activities to avoid cancellation or delay as much as possible. Conference meeting platforms and technologies were deployed to host Board meetings, the World Advisory Council meetings as well as other meetings and events organised by the Board and the other executive councils within the company. Many general scouting activities were also run online in an effort to maintain contact and motivate members to retain their scouting spirit.

There were two major projects in 2020, which required the most attention and focus of the trustees.

- The review and update of the Association's General Regulations and subsequent changes to the Articles of Association. The review was led by a working group convened by the Board, and included 5 Trustees and 5 members representing the regions. The group held a 3-day meeting in London in February 2020, during which a gap analysis of the General Regulations was completed and a project plan was agreed. The updated General Regulations were subject to extensive consultation: two World Advisory Council meetings (June and November 2020); two special Q&A meetings held in January 2021 and numerous member meetings held in the various regions. The updated General Regulations were approved at an extraordinary General Meeting held in March 2021.

The most significant changes concerned membership criteria; the convocation and execution of the General Meetings; the roles and responsibilities of the Trustees. Further amendments were made to clarify the organisational interaction between the Association's International Headquarters and the Regional Executive Councils, in light of the various independent legal vehicles involved. Following the decisions taken at the Extraordinary General Meeting, the working group is focused on facilitating the implementation of the new Regulations.

- The renovation of Beavor House 2nd floor premises. The renovation covered a first floor extension to provide extra floor space and the refurbishment of conference rooms, offices, reception, sanitary block and kitchen area. It was completed in two phases: March to October 2020 and February to June 2021. Funding assistance for the project was received from The Polish Foreign Ministry under its programme 'Cooperation with Poles Abroad 2020 – Real Estates'.

Other activities and achievements initiated by the Management Board during the year, include:

- In February 2020, a delegation attended the Thinking Day celebration in Poland hosted by the President of Poland.
- The Board continued to support and approve various initiatives proposed by individual scouting units, which requested financial support from the ROHiS fund (see financial report). The initiatives were mainly related to training resources for young leaders to ensure that their training and development could continue in line with the aims and objectives of the Association.
- Trustees monitored the effect of the Covid-19 pandemic and ensuing restrictions on the welfare of all members both young and old in all countries of operation. In addition to aforementioned online meetings and events, the Assistant Chaplain-in-Chief, Rev. Krzysztof Tyliszczak, broadcast Sunday mass during the Spring and Summer of 2020 and all members were invited to join.
- The Association's social media channels were widely used in 2020 to connect Scouts and Guides. Many activities, including virtual camps, competition activities, group singing and online meetings were organised and run on social media, which allowed many more participants from all over the world to join in. These activities kept many members motivated and generated a camaraderie amongst our young people and leaders.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

- The Archives Committee created and published a booklet entitled 'Harcerska Kolęda', which was a collection of Christmas-themed scouting stories, poems and songs, which was made available to all members.
- The first phase of the digitalisation of the Association's archives was completed, but the project was paused due to the pandemic and also because of restricted access to Beavor House during the renovation work.

The Chief Scout and Chief Guide together with their respective executive councils continued to support the scouting activities in all regions. Both councils produced badge programmes adapted to pandemic conditions and shared examples of best practice amongst the regions.

The Senior Scouting Executive Council completed the review of its internal regulations and updated its website.

Financial review

During the year income exceeded expenditure by £286,648 (2019 - £148,746). This surplus was taken to the fund balance brought forward giving a total fund balance at 31 December 2020 of £2,764,231.

Of the total reserves £2,400,126 (2019 - £1,879,155) is in connection with the tangible fixed assets and investment property held by the charity, these funds could only be realised upon a sale of the same which leaves free reserves of £364,105 (2019 - £598,428) for use in the general activities of the charity.

It is the policy of the charitable company to maintain free reserves in unrestricted funds which have not been designated for a specific use at a level equivalent to three years expenditure. The directors consider that reserves at this level will ensure that, in the event of a significant drop in income, they will be able to continue the charitable company's current activities whilst resolving any issues arising from such a decline. It will also permit the charitable company to carry out maintenance work and improvements on its freehold property as required due to age. An excess of this level of reserves has been maintained throughout the year.

In 2019 the Company signed a Co-operation Agreement with Związek Harcerstwa Rzeczypospolitej, acting as agent for the National Freedom Foundation, a Polish Government Agency. Under this agreement, the Company received financial support under two categories:

- (a) leader training and programme execution
- (b) infrastructural expenditure to run the activities across the entire Association.

The restricted funds granted amounted to £122,216 (2019 - £108,114) and formal reconciliation of expenditure was verified by the Agent in accordance with the Co-operation Agreement.

Risk management

The Trustees have assessed the major risks to which the charitable company is exposed, including financial, systems and reputational risk and are satisfied that systems are in place to mitigate exposure to the major risks.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Future plans

The Association's plans are being adapted to the ongoing Covid restrictions, but wherever possible opening up to more normal operations as restrictions ease.

- The Regulations Working Group will continue with its implementation work. This includes a review of other subsidiary regulations, for example, those covering the World Advisory Council and the drafting of a new complaints and grievances procedure.
- A project to upgrade the external façade of Beavor House is due to commence in September 2021.
- The next General Meeting is due to be held in January 2022. It is likely that this meeting will be held partly by teleconference.

Structure, governance and management

The charitable company is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 8 March 1946 and as amended by special resolutions dated 9 May 1985, 6 February 2004, 17 November 2012 and 29 August 2013. The charitable company registered with the Charity Commission on 9 August 1985.

The legal and administrative page gives details of the charity's principal officers and advisors.

The directors for the purpose of company law, who served during the year are as indicated on the legal and administrative information page.

None of the Trustees has any beneficial interest in the Company. All of the Trustees are members of the company and as all members, guarantee to contribute £1 in the event of a winding up.

The charitable company is managed by the Management Board who are elected at an Annual General Meeting and whose tenure lasts 3 years. The last elections took place at the General Meeting on 3 February 2019 and elected 14 members to the Management Board:

The President
Vice-President
Chief Scout
Chief Guide
Head of Senior Scouting
Representative for the Scouting Auxillary
Hon. Secretary
Hon. Treasurer
Chief Chaplain
5 members

On 9 August 2021, two trustees: Rev K. Gawron and N. Nalewajko resigned from the Board.

The Management Board is the executive body running the day to day activities of the charitable company.

Investment policy

The trustees have considered the most appropriate policy for investing funds and have found that a combination of interest bearing bank accounts and rental income from part of the property meets their requirement to generate both income and capital growth.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

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

Related parties

Formally none. Polish Scouting Association (UK Region) Ltd operates as a stand-alone charitable company but is a member of the Association represented by Polish Scouting Association (International) Limited. Similarly Polish Scouting Organization – ZHP Inc. in the United States and similar “not for profit organisations in Australia, Austria, Canada, France and Ireland are members of the Association.

Auditor

The auditor, Kendall Wadley LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Management Board and Trustees

Ms A M Mankowska

Trustees

Dated: 13 September 2021

R J Rospedzihowski (Chair)

Trustees

Dated:13 September 2021

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees who are also the directors of Polish Scouting Association (International) Limited for the purpose of company law, are responsible for preparing the Trustees Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the charitable company 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 charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

Opinion

We have audited the financial statements of Polish Scouting Association (International) Limited (the 'charitable company') 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 charitable company 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 charitable company'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 SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

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 charitable company 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 charitable company'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.

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

- an understanding of the risk assessment process (including the assessment of the risk of fraud) adopted by the Board is obtained and their attitude to risk ascertained

- an assessment of the susceptibility to material mis-statement of the financial statements as a result of management over-ride or fraud is made

- it is ensured that the engagement team have, collectively, the appropriate competence, capabilities and skills to be involved in the assignment, are fully briefed and understand the risks specific to the charity

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

Audit responses to risks identified

The information obtained through the assessment to risk procedures is reviewed and the following work undertaken:

- processes to test the outcomes of our assessment include, a review of Board minutes, analytical review, the relevance and accuracy of significant accounting estimates, substantive testing of significant transactions, work to identify unusual or unexpected accounting entries including the testing of journal entries, information disclosed in the financial statements is traced to supporting documentation. In all instances it is acknowledged that material mis-statements that arise from fraud may involve deliberate concealment or collusion and are, therefore, by their very nature harder to detect than those arising from error.

- an understanding of the legal and regulatory framework as applicable to the charity is obtained together with knowledge of the procedures put in place by the charity in order to comply with the same

It should be noted that Auditing standards limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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.

Sarah Morley ACA (Senior Statutory Auditor)
for and on behalf of Kendall Wadley LLP

13 September 2021

Chartered Accountants
Statutory Auditor

Granta Lodge
71 Graham Road
Malvern
Worcestershire
WR14 2JS

Kendall Wadley LLP is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

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						
<u>Income from:</u>							
Donations	3	6,036	217,308	223,344	-	108,114	108,114
Charitable activities	4	39,610	-	39,610	51,882	-	51,882
Investments	5	158,808	-	158,808	171,537	-	171,537
Total income		204,454	217,308	421,762	223,419	108,114	331,533
<u>Expenditure on:</u>							
Raising funds	6	845	-	845	404	-	404
Charitable activities	7	48,842	85,427	134,269	74,269	108,114	182,383
Total resources expended		49,687	85,427	135,114	74,673	108,114	182,787
Net income for the year/ Net movement in funds		154,767	131,881	286,648	148,746	-	148,746
Fund balances at 1 January 2020		2,477,583	-	2,477,583	2,328,837	-	2,328,837
Fund balances at 31 December 2020		2,632,350	131,881	2,764,231	2,477,583	-	2,477,583

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 SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	13	850,126		329,155	
Investment properties	14	1,550,000		1,550,000	
		<u>2,400,126</u>		<u>1,879,155</u>	
Current assets					
Debtors	15	131,283		76,796	
Cash at bank and in hand		374,359		732,869	
		<u>505,642</u>		<u>809,665</u>	
Creditors: amounts falling due within one year	16	<u>(141,537)</u>		<u>(211,237)</u>	
Net current assets			364,105		598,428
Total assets less current liabilities			<u>2,764,231</u>		<u>2,477,583</u>
Income funds					
Restricted funds	18	131,881		-	
Unrestricted funds		2,632,350		2,477,583	
		<u>2,764,231</u>		<u>2,477,583</u>	

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

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 trustees 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 13 September 2021

R J Rospedziowski (Chair)
Trustee

Ms A M Mankowska
Trustee

Company Registration No. 00405814

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	20		16,942		60,044
Investing activities					
Purchase of tangible fixed assets		(534,260)		(11,902)	
Interest and rental income received		158,808		171,537	
Net cash (used in)/generated from investing activities			(375,452)		159,635
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(358,510)		219,679
Cash and cash equivalents at beginning of year			732,869		513,190
Cash and cash equivalents at end of year			374,359		732,869

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Polish Scouting Association (International) Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 23-31 Beavor Lane, London, W6 9AR.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company'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)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention 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 charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

1.4 Incoming resources

Income is recognised when the charitable company 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 charitable company 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 charitable company 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 Resources expended

Expenditure is accounted for on an accruals basis. Liabilities are acknowledged when a legal or constructive obligation exists at the balance sheet date as a result of a past event.

Governance costs are wholly attributable to the charitable activities of the entity.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

Land and buildings	over 50 years
Fixtures, fittings & equipment	15% on net book value

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 Impairment of fixed assets

At each reporting end date, the charitable company 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The charitable company 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 charitable company's balance sheet when the charitable company 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

Derecognition of financial liabilities

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

1.11 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.

2 Critical accounting estimates and judgements

In the application of the charitable company'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 SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations

	Unrestricted funds	Restricted funds	Total	Restricted funds
	2020 £	2020 £	2020 £	2019 £
Grants received	6,036	217,308	223,344	108,114

4 Charitable activities

	Charitable income - unrestricted funds 2020 £	Charitable income - unrestricted funds 2019 £
Subscriptions	33,382	22,883
Other income	6,228	9,915
Conference income	-	19,084
	39,610	51,882

5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Rental income	158,587	171,055
Interest receivable	221	482
	158,808	171,537

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Raising funds

	2020	2019
	£	£
<u>Other costs</u>		
Costs of incidental goods sold	845	404
	<u>845</u>	<u>404</u>

7 Charitable activities

	Furtherance of scouting 2020 £	Furtherance of scouting 2019 £
Depreciation and impairment	13,288	13,956
Rates	8,215	8,150
Insurance	3,213	5,766
Light and heat	1,828	1,563
Property repairs and maintenance	31,401	17,545
Books and publications	11,671	8,908
Telephone, website and communications	10,169	14,895
Travel	2,184	19,868
Services and administration	3,106	1,179
Conference costs and sundry expenses	35,260	62,907
Social media	-	148
New units	-	753
	<u>120,335</u>	<u>155,638</u>
Grant funding of activities (see note 8)	1,924	23,625
Share of governance costs (see note 9)	12,010	3,120
	<u>134,269</u>	<u>182,383</u>
Analysis by fund		
Unrestricted funds	48,842	74,269
Restricted funds	85,427	108,114
	<u>134,269</u>	<u>182,383</u>

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Grants payable

	Furtherance of scouting 2020 £	Furtherance of scouting 2019 £
Grants to institutions:		
Other	1,924	23,625

Of the amount shown above £1,477 (2019 - £18,495) is in connection with restricted fund activities.

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Audit fees	-	3,120	3,120	-	3,120	3,120
Legal and professional	-	8,890	8,890	-	-	-
	-	12,010	12,010	-	3,120	3,120
Analysed between						
Charitable activities	-	12,010	12,010	-	3,120	3,120

Governance costs includes payments to the auditors of £3,120 (2019- £3,120) for audit fees.

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charitable company during the year. Re-imbursed expenses incurred in the course of the conduct of charitable activities of £2,908 were paid to 6 directors (2019: £18,850 6 trustees and 6 directors).

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Total	-	-

12 Taxation

As a result of the charitable status of the charitable company no taxation liability arises.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2020	459,275	62,266	521,541
Additions	534,260	-	534,260
At 31 December 2020	993,535	62,266	1,055,801
Depreciation and impairment			
At 1 January 2020	155,365	37,022	192,387
Depreciation charged in the year	9,501	3,787	13,288
At 31 December 2020	164,866	40,809	205,675
Carrying amount			
At 31 December 2020	828,669	21,457	850,126
At 31 December 2019	303,911	25,244	329,155

14 Investment property

	2020 £
Fair value	
At 1 January 2020 and 31 December 2020	1,550,000

Investment property comprises that portion of the freehold land and buildings held by the charity used for rental purposes. The fair value of the investment property has been arrived at by applying the average commercial property rental yield percentage as reported in annual reviews produced by the Property Industry Alliance. Significant movements in that percentage are accounted for through investment gains and losses.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2020 £	2019 £
Cost	547,399	547,399
Accumulated depreciation	(261,319)	(250,371)
Carrying amount	286,080	297,028

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Debtors

	2020 £	2019 £
Other debtors	126,025	71,545
Prepayments and accrued income	5,258	5,251
	<u>131,283</u>	<u>76,796</u>

In accordance with the provisions of the SORP and FRS 102, rental income is accounted for evenly over the life of the lease. In rent free periods this gives rise to a notional debtor which is released to the Statement of Financial Activities over time. Other debtors of £126,025 relate to this process, of this amount £112,401 (2019 - £71,545) will be released in more than one year.

16 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Deferred income	17	48,721	46,601
Other creditors		84,591	160,959
Accruals and deferred income		8,225	3,677
		<u>141,537</u>	<u>211,237</u>

17 Deferred income

	2020 £	2019 £
Other deferred income	<u>48,721</u>	<u>46,601</u>

Deferred income relates to rent and subscriptions received in advance of the due date, all is released in the subsequent accounting period.

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 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 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£
Zwiazek Hacerstwa Rzeczypospolitej (ZHR)	108,114	(108,114)	-	122,216	(85,427)	36,789
Project MSZ - Beavor Lane building	-	-	-	95,092	-	95,092
	<u>108,114</u>	<u>(108,114)</u>	<u>-</u>	<u>217,308</u>	<u>(85,427)</u>	<u>131,881</u>

ZHR - Monies were received from the above, as agent, to assist with the cost of implementing the activities of the Polish Scouting Association based in London (Polish Scouting Association (International) Limited) under the project "Development of ZHR 2018-19" supported by the ROHIS program of the National Institute of Freedom.

Project MSZ -funds received to assist in the development of the headquarters building.

The balances on the above funds are represented by expenditure on the development of the headquarters building and will be eroded over time by depreciation.

19 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:						
Tangible assets	718,245	131,881	850,126	329,155	-	329,155
Investment properties	1,550,000	-	1,550,000	1,550,000	-	1,550,000
Current assets/ (liabilities)	364,105	-	364,105	598,428	-	598,428
	<u>2,632,350</u>	<u>131,881</u>	<u>2,764,231</u>	<u>2,477,583</u>	<u>-</u>	<u>2,477,583</u>

POLISH SCOUTING ASSOCIATION (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Cash generated from operations	2020 £	2019 £
Surplus for the year	286,648	148,746
Adjustments for:		
Investment income recognised in statement of financial activities	(158,808)	(171,537)
Depreciation and impairment of tangible fixed assets	13,288	13,956
Movements in working capital:		
(Increase)/decrease in debtors	(54,487)	22,985
(Decrease) in creditors	(71,819)	(707)
Increase in deferred income	2,120	46,601
Cash generated from operations	<u>16,942</u>	<u>60,044</u>
21 Analysis of changes in net funds		
The charitable company had no debt during the year.		