

Charity registration number 236745

Company registration number 00816310 (England and Wales)

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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POLISH SOCIAL AND CULTURAL ASSOCIATION

TRUSTEES REPORT (INCLUDING DIRECTOR'S REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The overall objectives of POSK can be summarised as follows:

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

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

The activities carried out on a regular basis are:

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

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Volunteers

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

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

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

Financial review

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

Income generation

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

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

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

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

Resources Expended

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

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

Net Funds Movement

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

Changes in fixed assets

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Reserves Policy and Going Concern

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

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

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

Investments

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Risk management

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

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

The principal risks and uncertainties facing POSK are:

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

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

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

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

Plans for future periods

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

Structure, governance and management

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

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

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

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

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

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

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

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

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

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

Auditor

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

Investments

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

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

Charity's Public Benefit

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

The Trustees report was approved by the Board of Trustees.



Dr M Laskiewicz

Trustee

Date: 01/09/2023

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF TRUSTEES REPORT RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Opinion

We have audited the financial statements of Polish Social and Cultural Association (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees report use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Responsibilities of trustees

As explained more fully in the statement of Trustees report responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

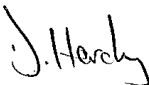
POLISH SOCIAL AND CULTURAL ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF POLISH SOCIAL AND CULTURAL ASSOCIATION

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

05/09/2023
.....

Chartered Accountants
Statutory Auditor

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

Richard Place Dobson is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

FOR THE YEAR ENDED 31 DECEMBER 2022

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

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2022

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

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

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

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 01/09/2023



Dr M Laskiewicz

Trustee

Company registration number 00816310

POLISH SOCIAL AND CULTURAL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's memorandum and articles of association, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

1.2 Going concern

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

1.3 Charitable funds

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

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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

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

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

1.8 Fixed asset investments

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

1.9 Impairment of fixed assets

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

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

1.12 Employee benefits

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

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

1.13 Retirement benefits

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

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

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

5 Investments

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

6 Raising funds

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Charitable activities

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Support costs

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

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

9 Trustees

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

10 Employees

The average monthly number of employees during the year was:

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

Employment costs

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Employees

(Continued)

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

11 Net gains/(losses) on investments

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

12 Taxation

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

13 Other gains or losses

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

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

15 Heritage assets

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

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

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

16 Investment property

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Investment property

(Continued)

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

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

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

17 Fixed asset investments

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

18 Debtors

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Creditors: amounts falling due within one year

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

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

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

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

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

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

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

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

22 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

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

POLISH SOCIAL AND CULTURAL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Related party transactions

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

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

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

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

25 Analysis of changes in net funds

The charity had no debt during the year.

26 Non-audit services provided by auditor

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