

Charity Registration No. 312168

Company Registration No. 00401816 (England and Wales)

**The Polish Institute and Sikorski Museum**

**a company limited by guarantee**

**Trustees' report and audited financial statements**

**For the year ended 31 December 2020**

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Members Of Council</b>	K Barbarski K A de Berg B Gabriel J Tarczyński M Mrozek K Nowakowski A T Kawonczyk A W Nosalik
<b>Secretary</b>	B S Wereszczynski
<b>Charity number</b>	312168
<b>Company number</b>	00401816
<b>Registered office</b>	20 Princes Gate London SW7 1PT
<b>Auditor</b>	MGR Weston Kay LLP 55 Loudoun Road St John's Wood London NW8 0DL
<b>Bankers</b>	CAF Bank Limited 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4QJ  CCLA Investment Management Limited COIF Charity Funds 80 Cheapside London EC2 6DZ  Royal Bank of Scotland 175-177 Kensington High Street London W8 6SH

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# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

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# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## CHAIRMAN'S AND TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### Chairman's Report

2020 commenced as a "normal" year, with all of the departments of the Institute (Archives, Museum and the Polish Underground Movement Study Trust), planning to concentrate on their anticipated workloads for the year. However, as all are obviously aware, the country was hit by the Covid Pandemic and this had an obvious serious impact on the Institute.

Essentially the Institute was in lockdown for the majority of the year, with salaried staff furloughed and volunteer staff obviously not attending. There was some respite for short periods of time but the Institute could not function to its normal, full potential.

As in previous years, when the Institute was able to function, it continued to draw researchers, authors, film makers, journalists as well as general visitors. Where possible, contacts were maintained with other institutions of a similar profile, both in the United Kingdom as well as abroad.

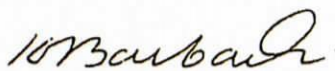
Again, within the periods when the Institute could function, the preservation of its collections continued. This included the scanning and preservation of documents, photographs and films, as well as certain museum exhibits.

Where possible during lockdown, checks were made on the condition of the various properties belonging to the Institute. Fortunately there were no particular emergency issues, although certain works may be undertaken once lockdowns finally end. Here, it must be borne in mind, that the rented properties do bring in a much-needed income for the Institute.

As mentioned in previous years, a core of salaried staff is employed by the Institute, with the majority of other staff working in a voluntary capacity. It is hoped that eventually all will be able to return once the Covid Pandemic has been conquered.

During the period of lockdown some of the Trustee-Directors were involved in the preparation of an on-line presentation relating to the Polish contribution to the Battle of Britain. Consideration was also given to reviewing the Institute's web page.

Traditionally, I should like to convey the thanks of the Trustee-Directors to all of the Institute's staff, both full-time as well as volunteer, for their dedication, enthusiasm and above all their hard work.



Krzysztof Barbarski CEng

Chairman

Dated: 20 September 2021

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## CHAIRMAN'S AND TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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The Members of Council present their report and accounts for the year ended 31 December 2020, which are also prepared to meet the requirements for a Directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the The Polish Institute and Sikorski Museum Trust Deed, 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

- To collect, preserve and interpret through the material evidence of Poland's past, especially that connected with the activities of the Polish Government-in-Exile and it's Armed Forces 1939-45, for the public benefit, education and enjoyment.
- To care for the existing collections relating to Poland's history, principally the work of the Polish Government-in-Exile and it's Armed forces 1939-45.
- To make provision for future collections which may be bequeathed by other institutions as well as by individual members of the public.
- Provide permanent and temporary exhibitions and events in a variety of disciplines for the information and education of visitors.
- To work with others to record, protect and enhance the achievements of the Polish Community in the United Kingdom.
- To provide a high quality education resource.
- Making the Institute and its activities accessible to all sections of the community.
- Encourage a dedicated workforce who cares about Polish heritage in the United Kingdom and its British contacts.
- To increase, by various means, the number of visitors and researchers to the Institute.
- To expand resources available to the Institute, with specific reference to staff and financial resources.

The full objects appear in the Memorandum and Articles of Association.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## CHAIRMAN'S AND TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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The Members of Council have had regard to Charity Commission's general guidance on public benefit when reviewing the aims, objectives and activities of the Charity.

The Members of Council have paid due regard to guidance issued by the Charity Commission in deciding what activities the Institute should undertake.

### **Museum Activities**

The Museum Department of the Polish Institute and Sikorski Museum continued to be run by a team of volunteers, with the assistance of one member of salaried staff in the film/audio section. It should be mentioned that some of the volunteers contribute to other departments as well as to the museum.

The general visitor will be familiar with the general displays of the Museum but be unaware of the large number of exhibits located in the various storage areas at 20 Prince's Gate. These do need frequent inspection and, if needed, appropriate conservation. The majority of work, in the main was concerned with the care of the extensive uniform collection as well as further cataloguing of the document collection. The Museum has obviously been hit by the Covid Pandemic issue and it is hoped that work may again continue in the new year.

As a reminder, the majority of the extensive film collection is now located in one location, under the care of the BFI. This particular section does bring in much needed funds by the use of materials by film and television companies.

Where possible, in between lockdowns, contacts were maintained with museums and galleries, both in the United Kingdom, as well as abroad. As ever, a considerable interest was shown by local museums relating to the Polish Forces during the Second World War. It is hoped that these contacts will be able to be continued in the new year.

Once again, the Museum guides played an important role in propagating knowledge about Poland's Armed Forces, as well as other aspects of Poland's history, among those visiting the Institute. Again, it is hoped that they may return in the new year.

### **Activities of the Polish Underground Movement (1939-1945) Study Trust Archives**

Due to the Covid Pandemic much of the plans and project envisaged for 2020 had to be shelved. Despite the various lockdowns and closures, the Study Trust managed to answer 246 archival enquiries.

In January 2020, there was the book launch of K Trzaskowska's (Study Trust Archive assistant) about Tadeusz Zenczykowski one of the founders of the Study Trust.

In as much as was possible scanning of the KW3 Collection (Home Army soldiers' service verifications) was continued as was the repackaging in acid free special archival files.

The process of preparing the Papers of leading Home Army soldiers and politicians who had donated their documentation to the Study Trust for future scanning was continued. Several such collections are now awaiting future digitisation.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## CHAIRMAN'S AND TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Activities of the Archive Department

As with other departments of the Institute, the activities of the Archives were curtailed in March 2020 as a result of the Covid Pandemic and the subsequent lockdowns, with staff being put on furlough. During the lockdowns the Archives were closed to the public as well as to volunteer staff.

However, when possible, the work of the Archives continued. Above all replying to correspondent enquiries and continuing in limited form the digitisation project. A certain number of archival collections were sorted and catalogued.

During the period under review some 53,306 pages were scanned by Digital Archive Today. A further 4,448 pages were scanned in house.

Work continued relating to the processing of the Polish Ex-Combatant Association Archive.

During the year under review the collections of the Archive were augmented by several dozen donations, the most important being the Lt-Col. Jozef Szylejko Papers.

The Keeper of the Archives presented papers at conferences in Warsaw (in person before lockdown) and London (via Zoom). The Deputy Keeper of Archives presented papers at conferences in Warsaw and Paris prior to lockdown.

The second edition of Wlada Majewska's memoirs were published at the end of the year with an introduction by the Keeper of Archives.

Up to the March lockdown, 45 persons made use of the facilities of the reading room. 313 postal archival enquiries were researched and answered.

As ever, special thanks are directed both to the salaried staff and the volunteers whose dedication and work is invaluable to the progress made this year. It is hoped that work may continue during the next year.

### Achievements and performance

Details of the achievements of the charity during the year are shown above in the Chairman's Report.

### Financial review

The charity's incoming resources from charitable activities fell by 13% and donations and legacies have increased by 596% in the year under review.

The total resources expended have decreased by 28%. This includes the costs of generating funds which have decreased by 15% and the cost of charitable activities have decreased by 31%.

There were significant losses on investments of £254k.

In the opinion of the Members of Council, the charity is in a strong position at the year end with unrestricted fund balance of £9.7m.

It is the policy of the Institute that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Members of Council considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Institute's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The Trustees consider that, at the date of signing the report, the Charity is a going concern, based on their review of existing funds and expected cash flow.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## CHAIRMAN'S AND TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

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The Members of Council are aware of the charity's future financial needs and aim to secure the long term financial stability of the charity. They have a low to medium attitude to risk and have invested in income producing properties, a portfolio of FSTE 100 investments and retain liquid funds on deposit to ensure that they can meet the charity's short and medium term cash flow requirements. The charity has a normal level of exposure to price, liquidity and cash flow risk.

The Members of Council has assessed the major risks to which the Institute is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

There are no significant future plans, the trustees look forward to a similar level of activity in the next financial year.

### Structure, governance and management

The Polish Institute and Sikorski Museum was established by a Trust Deed and is a company limited by guarantee with no shares. The Institute is governed by a Council consisting of a maximum of 24 Full Members. Each year one fifth of the longest serving Council members retire but being eligible offer themselves for re-election at the Annual General Meeting. The charity is managed day-to-day by the the Chairman and the Treasurer, B Gabriel, who meet on average every 6 weeks.

The Members of Council, 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:

K Barbarski

K A de Berg

B Gabriel

M J Olizar

(Resigned 2 April 2020)

J Tarczynski

A W Borucki

(Resigned 28 April 2020)

M Mrozek

K Nowakowski

A T Kawonczyk

A W Nosalik

W M Owsianka

(Retired 1 January 2021)

The Trustees can appoint full members in accordance with the Articles of Association. New Trustees are proposed from the full members based on their experience and the skills they can contribute to the charity. The existing Trustees will review these candidates' names and CV's. If successful, the candidates will be proposed for appointment at a Trustees meeting and subsequently confirmed at the AGM.

The Trustees follow an induction process for all new Trustees.

The charities key management personnel do not receive remuneration or other benefit from their work with the charity.

### Auditor

A resolution proposing that MGR Weston Kay LLP be re-appointed as auditors will be put to the members.

### Disclosure of information to auditor

Each of the Members of Council 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 auditor is aware of such information.

**THE POLISH INSTITUTE AND SIKORSKI MUSEUM**

**CHAIRMAN'S AND TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Chairman's and Trustees' report was approved by the Members Of Council.



**K Barbarski**  
Trustee

Dated: 20 September 2021

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## STATEMENT OF CHAIRMAN'S AND TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 DECEMBER 2020

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The Members of Council, who are also the directors of The Polish Institute and Sikorski Museum for the purpose of company law, are responsible for preparing the Chairman's And Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Members of Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institute 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 Members of Council are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue in operation.

The Members of Council are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Institute 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 Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE POLISH INSTITUTE AND SIKORSKI MUSEUM

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#### Opinion

We have audited the accounts of The Polish Institute and Sikorski Museum (the 'Institute') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the accounts, including a summary of 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 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 Institute 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 entity'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 Members of Council are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE POLISH INSTITUTE AND SIKORSKI MUSEUM

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#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Chairman's and Trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Chairman's and Trustees' report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Institute and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Chairman's and Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

#### Responsibilities of Members of Council

As explained more fully in the statement of Chairman's and Trustees' responsibilities, the Members of Council, who are also the directors of the Institute 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 Members of Council 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 Members of Council are responsible for assessing the Institute'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 Members of Council 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

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.

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

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE POLISH INSTITUTE AND SIKORSKI MUSEUM

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#### **Explanation as to what extent the auditor was considered capable of detecting irregularities including fraud**

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.

As part of our planning of the audit work required we obtained an understanding of the legal and regulatory frameworks that are applicable to the entity via enquiries of the company's management, carried out analytical procedures, held discussions amongst the engagement team and using knowledge of the sector determined that the most significant laws and regulation are those that relate to:

- Health and safety regulations.
- Employment law including right to work in the UK.
- Implementation of government support schemes relating to COVID.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Charities SORP FRS102 and the Companies Act 2006.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with the laws and regulations and the fraud risks identified. This included enquiries with management to understand their policies and procedures for compliance with those regulations and we completed the following tests:

- Obtained an understanding of relevant controls.
- Reviewed the company's risk assessments, procedures and systems.
- Checked samples of documentation.
- Checked samples of documentation including minutes of the meetings of the trustees and service agreements with regulatory advisors.

We also assessed the risks of material misstatement in respect of fraud as follows:

- Revenue fraud.
- Unauthorised expenditure and/or payments.
- Management override of controls.
- Manipulation of accounting estimates.
- Related party fraud.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud. This included the risk of management bias relating to judgements and assumptions used in the valuing the investment properties.

No significant issues were identified during our testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non – detection of irregularities, as these could involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

# **THE POLISH INSTITUTE AND SIKORSKI MUSEUM**

## **INDEPENDENT AUDITOR'S REPORT TO THE POLISH INSTITUTE AND SIKORSKI MUSEUM (CONTINUED)**

### **UNDER SECTION 449 OF THE COMPANIES ACT 2006**

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#### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Nigel Walfisz FCA (Senior Statutory Auditor)**

**for and on behalf of MGR Weston Kay LLP**

**Chartered Accountants**

**Statutory Auditor**

55 Loudoun Road

St John's Wood

London

NW8 0DL

30 September 2021

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<b><u>Income from:</u></b>					
Donations and legacies	3	87,300	-	87,300	12,531
Charitable activities	4	23,878	69,899	93,777	108,362
Investments	5	178,639	-	178,639	259,233
<b>Total income</b>		<b>289,817</b>	<b>69,899</b>	<b>359,716</b>	<b>380,126</b>
<b><u>Expenditure on:</u></b>					
Raising funds	6	28,337	-	28,337	33,324
Charitable activities	7	287,170	69,899	357,069	503,029
<b>Total resources expended</b>		<b>315,507</b>	<b>69,899</b>	<b>385,406</b>	<b>536,353</b>
Net gains/(losses) on investments	12	(254,998)	-	(254,998)	475,992
<b>Net movement in funds</b>		<b>(280,688)</b>	<b>-</b>	<b>(280,688)</b>	<b>319,765</b>
Fund balances at 1 January 2020		9,931,102	-	9,931,102	9,611,337
<b>Fund balances at 31 December 2020</b>		<b>9,650,414</b>	<b>-</b>	<b>9,650,414</b>	<b>9,931,102</b>

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

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>Fixed assets</b>					
Property, plant and equipment	13		132,819		142,234
Investment properties	14		4,400,000		4,400,000
Investments	15		4,703,299		4,924,633
			<u>9,236,118</u>		<u>9,466,867</u>
<b>Current assets</b>					
Trade and other receivables	16	32,565		37,562	
Investments	17	219,865		269,749	
Cash at bank and in hand		197,232		199,989	
		<u>449,662</u>		<u>507,300</u>	
<b>Current liabilities</b>	18	<u>(35,366)</u>		<u>(43,065)</u>	
<b>Net current assets</b>			<u>414,296</u>		<u>464,235</u>
<b>Total assets less current liabilities</b>			<u><u>9,650,414</u></u>		<u><u>9,931,102</u></u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
General unrestricted funds		6,966,237		7,246,925	
Revaluation reserve		<u>2,684,177</u>		<u>2,684,177</u>	
			<u>9,650,414</u>		<u>9,931,102</u>
			<u><u>9,650,414</u></u>		<u><u>9,931,102</u></u>

The financial statements were approved by the Members Of Council on 20 September 2021



K Barbarski  
Trustee

Company Registration No. 00401816

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The Institute is a Public Benefit Entity as defined by FRS 102.

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

##### 1.2 Going concern

The Trustees consider that there are no material uncertainties regarding the Charity's ability to continue as a going concern and have prepared these financial statements on this basis. This is supported by a range of large assets held by the Charity.

##### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Members of Council in furtherance of their charitable objectives unless the funds have 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 Incoming resources

Income is accounted for on a receivable basis. The charity is not VAT registered.

Income from donations is recognised when receivable where possible, and when the charity's entitlement to receipt becomes unconditional.

Income from legacies is recognised when there has been grant of probate, there are sufficient assets in the estate and evidence of entitlement has been received.

Investment income comprises rent receivable on investment properties, income from listed investments and interest on cash at bank and short term deposits. Rent receivable is accrued on a day to day basis, interest on deposits is accounted for on an accruals basis and other investment income is credited as declared.

Grant income is accounted for in accordance with the contract.

Income is allocated to restricted income when it is given by the donor or grant maker for specific purposes.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.5 Resources expended

All resources expended are accounted for on an accruals basis.

Costs of generating funds are those associated with rental and investment income.

Charitable activities include costs of services and support costs and depreciation on related assets.

Governance costs are those associated with constitutional and statutory requirements.

##### 1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	10% reducing balance
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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.

Freehold properties are stated at cost. They have not been depreciated because in the opinion of the Trustees, their current value is significantly in excess of the value at which they are included in the Balance Sheet.

##### 1.7 Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and stated at their estimated fair values as the reporting end date as determined by the Trustees. There is no depreciation charged on investment properties. The surplus or deficit on revaluation is recognised in the statement of financial activities.

##### 1.8 Fixed and current asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

Investments have been classified as current if the funds are available on demand or at notice.

##### 1.9 Impairment of non-current assets

At each reporting end date, the Institute reviews the carrying amounts of its tangible 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 and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.11 Financial instruments

The Institute 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 Institute's balance sheet when the Institute 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.

#### 1.12 Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount.

#### 1.13 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 Institute is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All net differences arising have been dealt with through the statement of financial activities.

#### 1.15 Heritage assets - Archives, Libraries, Regimental Colours and Museum Collections

The Museum has not capitalised heritage assets. This is because a comprehensive valuation would not provide a meaningful figure for users of the financial statements and the cost of doing so is not commensurate with benefits to the users of the financial statements.

Historic costs while it may be possible to assign a cost to items purchased within a financial year, historic costs quickly become obsolete and meaningless, not only because of general price movements where markets for similar items do exist, but also because of changing opinions about attribution and authenticity, subsequent research into objects that reveals new value, the emergence of new information about the provenance of an item or changes in taste.

Valuation - attempting to value heritage assets acquired historically raises a number of further conceptual concerns. Valuation of heritage assets is complicated by the nature of many such assets. They are rarely sold and often have a value enhanced above the intrinsic through their association with a person, event or collection; there are a very limited number of buyers; no homogeneous population of assets on the market; and imperfect information about the items for sale. In contrast with many commercial assets, therefore, there is seldom an active market to provide indicative values of similar objects. This makes materially accurate valuations impossible to achieve for many heritage assets.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 2 Critical accounting estimates and judgements

In the application of the Institute's accounting policies, the Members of Council 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.

#### Valuation of investment properties

As described in note 14 to the financial statements, investment properties are stated at fair value. The trustees used observable market prices.

#### 3 Donations and legacies

	2020	2019
	£	£
Donations and gifts	38,540	9,810
Legacies receivable	48,760	2,721
	<u>87,300</u>	<u>12,531</u>

#### 4 Charitable activities

	2020	2019
	£	£
Performance related grants	69,899	64,559
Income from charitable activities	23,878	43,803
	<u>93,777</u>	<u>108,362</u>

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Investments	2020	2019
	£	£
Rental income	95,233	100,879
Income from listed investments	83,406	158,354
	<u>178,639</u>	<u>259,233</u>
	<u><u>178,639</u></u>	<u><u>259,233</u></u>
6 Raising funds	2020	2019
	£	£
Costs of generating rental income	4,595	9,142
Investment management costs	23,742	24,182
	<u>28,337</u>	<u>33,324</u>
	<u><u>28,337</u></u>	<u><u>33,324</u></u>
7 Charitable activities	2020	2019
	£	£
Staff costs	159,264	178,216
Depreciation	10,368	11,414
Rates	27,070	22,666
Light and heat	8,555	9,232
Repairs and maintenance	25,044	85,498
Insurance	28,221	25,868
Archive library costs	37,396	62,204
Printing, postage and stationary	3,928	8,265
Advertising	1,757	4,673
Foreign exchange gain or loss	-	1,896
Scanning project costs	27,025	64,559
	<u>328,628</u>	<u>474,491</u>
	<u><u>328,628</u></u>	<u><u>474,491</u></u>
Share of support costs (see note 8)	13,724	12,369
Share of governance costs (see note 8)	14,717	16,169
	<u>357,069</u>	<u>503,029</u>
	<u><u>357,069</u></u>	<u><u>503,029</u></u>

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
Telephone & internet	9,797	-	9,797	8,040
Sundry office costs	1,698	-	1,698	1,636
Car and travel	480	-	480	-
Bank charges	341	-	341	1,103
Health and safety	1,408	-	1,408	1,590
Audit fees	-	10,200	10,200	10,200
Legal and professional	-	4,517	4,517	5,969
	<u>13,724</u>	<u>14,717</u>	<u>28,441</u>	<u>28,538</u>
Analysed between				
Charitable activities	<u>13,724</u>	<u>14,717</u>	<u>28,441</u>	<u>28,538</u>

### 9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor:	2020	2019
	£	£
Audit of the company's annual accounts	<u>10,200</u>	<u>10,200</u>

### 10 Member of Council

None of the members of council received any remuneration during the current year or the previous year.

During the year no members of council (2019: 1) received reimbursement of travel, subsistence and other expenditure amounting to £Nil (2019: £77).

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Administrative	10	10

##### Employment costs

	2020 £	2019 £
Wages and salaries	170,415	161,505
Social security costs	8,434	9,495
Pension costs	3,103	7,246
	<u>181,952</u>	<u>178,246</u>

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

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Net (losses)/ gains on investments

	2020	2019
	£	£
Revaluation and net gains / (losses) on investments	(254,998)	875,992
Revaluation of investment properties	-	(400,000)
	<u>(254,998)</u>	<u>475,992</u>

### 13 Property, plant and equipment

	Land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2020	39,505	235,572	275,077
Additions	-	953	953
	<u>39,505</u>	<u>236,525</u>	<u>276,030</u>
<b>At 31 December 2020</b>	<b>39,505</b>	<b>236,525</b>	<b>276,030</b>
<b>Depreciation and impairment</b>			
At 1 January 2020	-	132,843	132,843
Depreciation charged in the year	-	10,368	10,368
	<u>-</u>	<u>143,211</u>	<u>143,211</u>
<b>At 31 December 2020</b>	<b>-</b>	<b>143,211</b>	<b>143,211</b>
<b>Carrying amount</b>			
At 31 December 2020	<u>39,505</u>	<u>93,314</u>	<u>132,819</u>
At 31 December 2019	<u>39,505</u>	<u>102,729</u>	<u>142,234</u>

### 14 investment property

	2020
	£
<b>Fair value</b>	
At 1 January 2020 and 31 December 2020	<u>4,400,000</u>

The investment properties are stated in the accounts at the Trustees' estimate of the market value at the balance sheet date. There has been no valuation by an independent party.

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 15 Fixed asset investments

	£
<b>Cost or valuation</b>	
At 1 January 2020	4,924,633
Additions	396,224
Valuation changes	(140,045)
Disposals	(477,513)
	<u>4,703,299</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>4,703,299</u>
At 31 December 2019	<u>4,924,633</u>

#### 16 Trade and other receivables

	2020	2019
	£	£
<b>Amounts falling due within one year:</b>		
Other receivables	4,292	10,114
Prepayments and accrued income	28,273	27,448
	<u>32,565</u>	<u>37,562</u>

#### 17 Current asset investments

	2020	2019
	£	£
Other investments	219,865	269,749
	<u>219,865</u>	<u>269,749</u>

#### 18 Current liabilities

	2020	2019
	£	£
	<b>Notes</b>	
Borrowings	19	13,102
Other taxation and social security		15,621
Other payables		3,461
Accruals		5,603
		13,200
		<u>35,366</u>
		<u>43,065</u>

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 19 Borrowings

	2020 £	2019 £
Bank overdrafts	13,102	15,621
Payable within one year	13,102	15,621

### 20 Restricted funds

	Balance at 1 January 2020 £	Incoming resources £	Resources expended £	Balance at 31 December 2020 £
Scanning and archiving grants	-	27,025	(27,025)	-
Coronavirus job retention scheme	-	42,874	(42,874)	-
	-	69,899	(69,899)	-

The restricted fund represents the unexpended balance of grants received by the Polish Underground Movement Trust department for specific scanning and archiving projects and the government grant received for the Coronavirus Job Retention Scheme and related wages costs.

### 21 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:				
Property, plant and equipment	132,819	-	132,819	142,234
Investment properties	4,400,000	-	4,400,000	4,400,000
Investments	4,703,299	-	4,703,299	4,924,633
Current assets/(liabilities)	414,296	-	414,296	464,235
	9,650,414	-	9,650,414	9,931,102

### 22 Financial commitments, guarantees and contingent liabilities

There is a contingent liability to repay the Polish Trustee Association all or part of a bequest of £64,393 (2019: £64,393) if other claimants on the estate were to come forward. No security has been provided against this liability.

### 23 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

# THE POLISH INSTITUTE AND SIKORSKI MUSEUM

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 24 Company Information

The Polish Institute and Sikorski Museum is a private company limited by guarantee incorporated in England and Wales. The registered office and principle place of business is 20 Princes Gate, London, SW7 1PT.

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