

Charity registration number 312168

Company registration number 00401816 (England and Wales)

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

Annual report and financial statements

For the year ended 31 December 2023

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

LEGAL AND ADMINISTRATIVE INFORMATION

Members Of Council

K Nowakowski
A W Nosalik
G A Gudiens
J T Korwin Szymanowski
T Kaczmarska
L Lasocki
M Wojcik
D Bildziuk

Charity number

312168

Company number

00401816

Registered office

20 Princes Gate
London
SW7 1PT

Auditor

MGR Weston Kay LLP
55 Loudoun Road
St John's Wood
London
NW8 0DL

Bankers

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

Bank Santander
Oddzial 64 w Warszawie
UL. Ludwika Kondratowicza 35
Poland
03-285

Barclays Bank UK PLC
1 Churchill Place
London
E14 5HP

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Report from the Board of Trustees

The year saw the Board meet frequently online via Zoom. Mr Krzysztof de Berg replaced Mr. Krzysztof Barbarski as Chairman. Illness subsequently forced Mr. de Berg to resign from the Board on the 1st May 2023. The Board decided to continue its activities without a formal chair, with each member undertaking responsibility for a given portfolio. The Board expresses its gratitude to Mr. de Berg who has also given many decades of service to PISM and continues to provide invaluable assistance.

The Board, acting under Section 39 of the Articles of Association, used its powers to create a Committee to manage the affairs of the Polish Underground Study Movement. The new Committee held its first meeting in September 2022 and in 2023 met several times. The Committee is comprised of trustees from the Polish Institute and Sikorski Museum and a representation of members of the Polish Underground Study Movement. The Chairman of the Studium Committee will change with the Vice Chairman every six months and both the Chairman and Vice-Chairman are expected to be either co-opted or voted on to the Board of Trustees.

During the year all the uniforms and regimental standards were examined, repacked, and checked against existing catalogues. Safeguarding measures were put in place to ensure continuing protection of vulnerable exhibits. Work such as cataloguing and maintenance of other Museum exhibits is continuing.

The Board continues to apply to the Polish Ministry of Culture for a grant under the so-called WABIM project. In 2023, the funds were used to publish two books relating to museum artefacts and archive documents, updating of the PISM Website and updating our film and photographic archives.

The Archive department had an annual approximate number of 500 enquires by email and post. Professional advice and consultation on the archive are also given by phone. The reading room is open five days a week and averages between 15 to 40 persons per week.

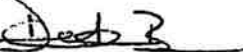
The Board, having commissioned a new website in previous years, took measures to ensure the development and improvement of the site as usage inevitably revealed weaknesses and faults. Constant technology changes have led to review of the website and its updating. A PISM Facebook site has been set up.

In April 2024, the Earl of St Andrews graciously agreed to become a patron of PISM as allowed for under Article 16(B) of the PISM Articles of Association.

This Institute and Museum is actively opening its doors to more and more visitors and extending its activities. HRH the Duke of Kent attended a reception organised by the Institute. Visits have been made by the Polish and Mexican Ambassadors, Polish Consuls and Polish Defence Attaches. Other visits were made by: The Lord Mayor of Westminster, The Mayor of Newark, a delegation from the ORP Blyskawica, 663 Squadron, Officer Cadets for the Polish Air Force Academy, Staff of the Battle of Britain Bunker Museum and the Defence Surveyors Association. The Institute was also visited by 40 bikers from Poland who were following footsteps of gen. Sikorski in the UK. The number of visits by Polish Schools increased and the Institute started an educational plan for live streaming lectures with the Polish Educational Society. An exhibition of gen. Wladyslaw Sikorski's trip to Mexico in 1942 was very successful.

So much of the work of PISM is undertaken by handfuls of volunteers for which the Board is extremely grateful and is mindful of the time and effort many volunteers, few of whom are young, contribute to the work of the Institute and Museum. Mr Wojtek DeLuga had a successful year. The income generated in the film archive exceeded those of previous years.

We also remember with sadness those members and volunteers who are no longer with us.



D Bildziuk

For and on Behalf of the Board

20 September 2024

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

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THE POLISH INSTITUTE AND SIKORSKI MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The Members of Council present their report and accounts for the year ended 31 December 2023, 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 its 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 its 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 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.

Achievements and performance

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

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

The charity's incoming resources from charitable activities increased by 47% (550% including the £180,000 grant received from the Polish Ministry of Culture) and donations and legacies have increased by 28% in the year under review.

The total resources expended have increased by 42%. This includes the costs of generating funds which have decreased by 20% and the cost of charitable activities have increased by 51%.

There were net gains on investments of £337,958.

In the opinion of the Members of Council, the charity is in a strong position at the year end with unrestricted fund balance of £9,201,388.

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 consider 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 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 FTSE 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 these.

There are no significant future changes planned and the Trustees look forward to a similar level of activity in the next financial year.

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 Chairman, the Treasurer, the Vice Chairman and the rest of the Board who meet on average every six 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 A de Berg	(Resigned 1 May 2023)
B Gabriel	(Appointed 8 May 2023 and resigned 1 January 2023)
J Tarczynski	(Resigned 21 October 2023)
M Mrozek	(Resigned 21 October 2023)
K Nowakowski	
A T Kawonczyk	(Resigned 21 October 2023)
A W Nosalik	
G A Gudlens	
J T Korwin Szymanowski	
T Kaczmarek	(Appointed 3 May 2023)
A W Zychowski	(Appointed 18 January 2023 and resigned 23 October 2023)
T de Berg	(Resigned 3 May 2023)
L Lasocki	(Appointed 4 December 2023)
M Wojcik	(Appointed 8 April 2024)
D Bildziuk	(Appointed 21 October 2023)

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.

New Trustees follow an induction process. The charity's key management personnel (the Trustees) do not receive remuneration or other benefits for their work with the charity.

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

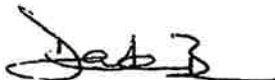
Auditor

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 Trustees' report was approved by the Members Of Council.



D Bildziuk

Trustee

Dated: 20 September 2024

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

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 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. Company law requires that the Members of Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company.

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

Opinion

We have audited the accounts of The Polish Institute and Sikorski Museum (the 'Institute') for the year ended 31 December 2023 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 2023 and of its incoming resources and application of resources, including its income and expenditure, 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

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 Trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE POLISH INSTITUTE AND SIKORSKI MUSEUM

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.
- Charities Act.

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 (CONTINUED)

TO THE MEMBERS OF THE POLISH INSTITUTE AND SIKORSKI MUSEUM

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 company and the 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 2024

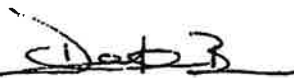
THE POLISH INSTITUTE AND SIKORSKI MUSEUM

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Property, plant and equipment	14		108,553		115,090
Investment properties	15		3,730,000		3,730,000
Investments	16		4,977,542		4,615,850
			<u>8,816,095</u>		<u>8,460,940</u>
Current assets					
Trade and other receivables	17	49,853		44,570	
Investments	18	196,444		196,488	
Cash at bank and in hand		169,400		277,555	
		<u>415,697</u>		<u>518,613</u>	
Current liabilities	19	<u>(30,404)</u>		<u>(33,529)</u>	
Net current assets			<u>385,293</u>		<u>485,084</u>
Total assets less current liabilities			<u>9,201,388</u>		<u>8,946,024</u>
Income funds					
<u>Unrestricted funds</u>					
General unrestricted funds		7,587,211		7,331,847	
Revaluation reserve		1,614,177		1,614,177	
			<u>9,201,388</u>		<u>8,946,024</u>
			<u>9,201,388</u>		<u>8,946,024</u>

The financial statements were approved by the Members Of Council on 20 September 2024



D Błdziuk
Trustee

Company registration number 00401816

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £
Income from:					
Donations and legacies	3	54,412	-	54,412	42,402
Charitable activities	4	53,359	182,958	236,317	36,364
Investments	5	291,995	-	291,995	297,972
Total income		399,766	182,958	582,724	376,738
Expenditure on:					
Raising funds	6	46,781	-	46,781	58,738
Charitable activities	7	435,579	182,958	618,537	408,567
Total expenditure		482,360	182,958	665,318	467,305
Net gains/(losses) on investments	13	337,958	-	337,958	(707,791)
Net movement in funds		255,364	-	255,364	(798,358)
Fund balances at 1 January 2023		8,946,024	-	8,946,024	9,744,382
Fund balances at 31 December 2023		9,201,388	-	9,201,388	8,946,024

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 Trustee 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 large range of 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.

Restricted funds are subject to specific conditions by donors or grantors 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 the charity's entitlement has been established, the amount receivable can be measured and the 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 2023

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 the statement of financial activities.

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 2023

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 cost - while it may be possible to assign a cost to items purchased within a financial year, historic costs quickly becomes 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 2023

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 15 to the financial statements, investment properties are stated at fair value. The trustees used observable market prices.

3 Income from donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	24,153	30,393
Legacies receivable	30,259	12,009
	<u>54,412</u>	<u>42,402</u>

4 Charitable activities

	2023 £	2022 £
Performance related grants	182,958	-
Income from charitable activities	53,359	36,364
	<u>236,317</u>	<u>36,364</u>

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Investments

	2023	2022
	£	£
Rental income	132,613	130,597
Income from listed investments	156,912	166,403
Interest receivable	2,470	972
	<u>291,995</u>	<u>297,972</u>

6 Raising funds

	2023	2022
	£	£
Costs of generating rental income	21,791	32,677
Investment management costs	24,990	26,061
	<u>46,781</u>	<u>58,738</u>

7 Charitable activities

	2023	2022
	£	£
Staff costs	221,952	203,774
Depreciation	7,673	8,398
Rates	28,423	24,002
Light and heat	20,789	8,942
Repairs and maintenance	32,071	26,885
Insurance	39,817	34,704
Archive library costs	43,708	41,735
Printing, postage and stationary	5,515	4,859
Advertising	6,018	1,828
Foreign exchange gain or loss	(3,502)	-
Scanning costs	182,958	-
	<u>585,422</u>	<u>355,127</u>
Share of support costs (see note 8)	15,033	14,464
Share of governance costs (see note 8)	18,082	38,976
	<u>618,537</u>	<u>408,567</u>

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs	Support costs	Governance costs	Total	Support costs	Governance costs	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Telephone & internet	7,263	-	7,263	8,923	-	8,923
Sundry office costs	2,861	-	2,861	2,815	-	2,814
Car and travel	-	-	-	310	-	310
Bank charges	808	-	808	647	-	647
Health and safety	4,101	-	4,101	1,770	-	1,770
Audit fees	-	14,400	14,400	-	13,800	13,800
Legal and professional	-	3,682	3,682	-	25,175	25,176
	<u>15,033</u>	<u>18,082</u>	<u>33,115</u>	<u>14,465</u>	<u>38,975</u>	<u>53,440</u>
Analysed between Charitable activities	<u>15,033</u>	<u>18,082</u>	<u>33,115</u>	<u>20,510</u>	<u>14,858</u>	<u>53,440</u>

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the company's auditor:	2023	2022
	£	£
Audit of the company's annual accounts	<u>14,400</u>	<u>13,800</u>

10 Member of Council

No members of council received any remuneration during the current year or prior year.

In the current year, one member of council received £11,310 (2022: nil) relating to work they completed in relation to the scanning project. The member of council donated the whole amount back to the charity during the year ended 31 December 2024.

Also, during the year, three members of council received reimbursement of travel, subsistence and other expenditure amounting to £1,113. (2022: One member of council received reimbursement of travel, subsistence and other expenditure amounting to £201).

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Administrative	10	10
	<u>10</u>	<u>10</u>
Employment costs	2023	2022
	£	£
Wages and salaries	206,025	189,157
Social security costs	11,029	10,478
Pension costs	4,898	4,139
	<u>221,952</u>	<u>203,774</u>

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

12 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Net (losses)/ gains on investments

	2023	2022
	£	£
Revaluation and net gains / (losses) on investments	337,958	(707,791)

14 Property, plant and equipment

	Land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2023	39,505	236,525	276,030
Additions	-	1,136	1,136
At 31 December 2023	39,505	237,661	277,166
Depreciation and impairment			
At 1 January 2023	-	160,940	160,940
Depreciation charged in the year	-	7,673	7,673
At 31 December 2023	-	168,613	168,613
Carrying amount			
At 31 December 2023	39,505	69,048	108,553
At 31 December 2022	39,505	75,585	115,090

15 Investment property

	2023
	£
Fair value	
At 1 January 2023 and 31 December 2023	3,730,000

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 2023

16 Fixed asset investments

	£
Cost or valuation	
At 1 January 2023	4,615,850
Additions	195,037
Valuation changes	539,653
Disposals	(214,354)
	<u>5,136,186</u>
At 31 December 2023	5,136,186
Carrying amount	
At 31 December 2023	<u>5,136,186</u>
At 31 December 2022	<u>4,615,850</u>

17 Trade and other receivables

	2023	2022
	£	£
Amounts falling due within one year:		
Other receivables	13,011	10,672
Prepayments and accrued income	36,842	33,898
	<u>49,853</u>	<u>44,570</u>

18 Current asset investments

	2023	2022
	£	£
Other investments	<u>196,444</u>	<u>196,488</u>

19 Current liabilities

	Notes	2023	2022
		£	£
Borrowings	20	2,974	3,409
Other taxation and social security		3,794	644
Other payables		5,814	7,057
Accruals		17,822	22,419
		<u>30,404</u>	<u>33,529</u>

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Borrowings

	2023	2022
	£	£
Bank overdrafts	<u>2,974</u>	<u>3,409</u>
Payable within one year	<u>2,974</u>	<u>3,409</u>

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 January 2023	Incoming resources	Resources expended	Gains and losses	At 31 December 2023
	£	£	£	£	£
General funds	<u>8,946,024</u>	<u>399,766</u>	<u>(482,360)</u>	<u>337,958</u>	<u>9,201,388</u>
Previous year:	At 1 January 2022	Incoming resources	Resources expended	Gains and losses	At 31 December 2022
	£	£	£	£	£
General funds	<u>9,744,382</u>	<u>376,738</u>	<u>(467,305)</u>	<u>(707,791)</u>	<u>8,946,024</u>

22 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used. The restricted fund represents the grant from Polish Cultural Ministry received by the charity for specific scanning and archiving projects.

	At 1 January 2023	Incoming resources	Resources expended	At 31 December 2023
	£	£	£	£
Scanning and archiving grants	<u>-</u>	<u>182,958</u>	<u>(182,958)</u>	<u>-</u>

THE POLISH INSTITUTE AND SIKORSKI MUSEUM

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Analysis of net assets between funds

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Unrestricted 2022 £
Fund balances at 31 December 2023 are represented by:				
Property, plant and equipment	108,553	-	108,553	115,090
Investment properties	3,730,000	-	3,730,000	3,730,000
Investments	4,977,542	-	4,977,542	4,615,850
Current assets/(liabilities)	385,293	-	385,293	485,084
	<u>9,201,388</u>	<u>-</u>	<u>9,201,388</u>	<u>8,946,024</u>

24 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 (2022: £64,393) if other claimants on the estate were to come forward. No security has been provided against this liability.

25 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

26 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 £.

