

Profit and loss account

(by type of expenditure)

As at 1st January 2017 and 31st December 2017

Item name	As at 12/31/2016	As at 12/31/2017
A. Net sales/turnover, thereof:	1 231 407,49	1 610 630,61
- od jednostek powiązanych	0,00	0,00
I. Income for statutory goals	801 033,84	723 845,75
II. Income from the business activity	430 373,65	886 784,86
III. Cost of finished products manufactured/produced for the entity's own needs	0,00	0,00
IV. Net sales of goods for resale and raw materials	0,00	0,00
B. Operating costs/expenses	1 980 872,39	1 772 059,13
I. Amortisation/depreciation	206 599,51	201 814,51
II. Consumption of (raw) materials and energy	76 906,05	51 748,42
III. Third-party services	894 686,60	921 571,33
IV. Taxes, fees and charges, thereof:	44 172,48	44 695,81
- excise duty	0,00	0,00
V. Payroll	537 797,80	411 624,69
VI. Social insurance and other benefits	85 967,14	77 026,17
- pensions	0,00	0,00
VII. Other costs by kind	134 742,81	63 578,20
VIII. Cost of goods for resale and raw materials sold	0,00	0,00
C. Profit/(loss) on sales (A – B)	-749 464,90	-161 428,52
D. Other operating revenues	619 784,82	671 324,85
I. Gains on disposal of non-financial fixed assets	0,00	0,00
II. Dotations/ Subsidies	318 004,58	207 398,89
III. Update of non-monetary	0,00	0,00
IV. Other operating revenues	301 780,24	463 925,96
E. Other operating costs/expenses	201 555,93	518 773,01
I. Loss on disposal of non-financial fixed assets	51 586,00	335 068,14
II. Revaluation of non-financial fixed assets	0,00	0,00
III. Other operating costs/expenses	149 969,93	183 704,87
F. Operating profit/(loss) (C + D – E)	-331 236,01	-8 876,68
G. Financial income	47 611,45	77 824,60
I. Dividends and profit sharing, thereof:	0,00	0,00
a) from interrelated entities:	0,00	0,00
- with capital interest	0,00	0,00
b) from other entities:	0,00	0,00
- w których jednostka posiada zaangażowanie w kapitale	0,00	0,00
II. Interest, thereof:	44 970,58	31 917,67
- from interrelated entities	0,00	0,00
III. Gains on disposal of investments	0,00	0,00
- from interrelated entities	0,00	0,00
IV. Revaluation of investments	0,00	0,00
V. Other	2 640,87	45 906,93
H. Financial expenses	77 023,96	14,11
I. Interest, thereof:	842,37	14,11
- for interrelated entities	0,00	0,00
II. Loss on transfer of investments	0,00	0,00
- in associated entities	0,00	0,00
III. Revaluation of investments	0,00	0,00
IV. Other	76 181,59	0,00
I. Profit/(loss) on business operations (F + G – H)	-360 648,52	68 933,81
J. Result on extraordinary events (J.I. – J.II.)	0,00	0,00
I. Extraordinary gains	0,00	0,00
II. Extraordinary losses	0,00	0,00
K. Profit/(loss) before taxation (I+/-J)	-360 648,52	68 933,81
L. Income tax	0,00	0,00
M. Other mandatory appropriations – decreases in profit/(increases in loss)	0,00	0,00
N. Profit/(loss) after taxation (K – I – M)	-360 648,52	68 933,81

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(by type of expenditure)

As at 1st January 2017 and 31st December 2017

Assets	As at 12/31/2016	As at 12/31/2017
A. FIXED ASSETS	16 656 546,94	16 718 378,56
I. Intangible fixed assets	5 945,40	5 945,40
1. Cost of development works completed	0,00	0,00
2. Goodwill	0,00	0,00
3. Other intangible fixed assets	5 945,40	5 945,40
4. Prepayments toward intangible fixed assets	0,00	0,00
II. Tangible fixed assets	10 788 816,96	10 426 019,65
1. Fixed assets	8 377 743,46	7 855 178,47
a) land (own, including perpetual usufruct of land)	1 315 370,71	1 278 601,12
b) buildings, premises and civil-engineering structures/facilities	7 033 374,95	6 550 576,95
c) plant and machinery	28 897,80	26 100,40
d) motor vehicles	0,00	0,00
e) other fixed assets	0,00	0,00
2. Fixed assets under construction	2 411 073,50	2 570 841,18
3. Prepayments toward fixed assets under construction	0,00	0,00
III. Long-term debtors/receivables	0,00	0,00
1. From interrelated entities	0,00	0,00
2. Other entities with capital interest	0,00	0,00
3. From any other entities	0,00	0,00
IV. Long-term investments	5 761 784,58	6 286 413,51
1. Real estate	5 761 784,58	6 286 413,51
2. Intangible fixed assets	0,00	0,00
3. Long-term financial assets	0,00	0,00
a) in interrelated entities:	0,00	0,00
- shares, stocks, interests	0,00	0,00
- other securities/stocks-and-bonds	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
b) other entities with capital interest:	0,00	0,00
- shares, stocks, interests	0,00	0,00
- other securities/stocks-and-bonds	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
c) in other entities:	0,00	0,00
- shares, stocks, interests	0,00	0,00
- other securities/stocks-and-bonds	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
4. Other long-term investments	0,00	0,00
V. Long-term deferred costs (prepayments and accrued income)	0,00	0,00
1. Assets on account of deferred income tax	0,00	0,00
2. Other deferred costs/prepayments and accrued income	0,00	0,00
B. CURRENT ASSETS	3 405 335,73	2 789 629,35
I. Stocks/inventory	0,00	0,00
1. (Raw) materials	0,00	0,00
2. Semi-finished products and production in progress	0,00	0,00
3. Finished products	0,00	0,00
4. Goods (for resale)	0,00	0,00
5. Prepayments received on account	0,00	0,00
II. Short-term debtors/receivables	221 854,48	148 806,12
1. Debtors receivable from interrelated entities:	0,00	0,00
a) trade debtors, with maturities of:	0,00	0,00
- up to 12 months,	0,00	0,00
- over 12 months;	0,00	0,00
b) other	0,00	0,00
2. Debtors receivable from any other entities:	0,00	0,00
a) trade debtors, with maturities of:	0,00	0,00
- up to 12 months,	0,00	0,00
- over 12 months;	0,00	0,00
b) State debtors (incl. taxes, subsidies, customs duties, social insurance, health insurance and any other benefits)	0,00	0,00
c) other	0,00	0,00
3. Short-term other entities with capital interest	221 854,48	148 806,12
a) trade debtors, with maturities of:	18 177,48	19 890,61
- up to 12 months,	18 177,48	19 890,61
- over 12 months;	0,00	0,00
b) State debtors (incl. taxes, subsidies, customs duties, social insurance, health insurance and any other benefits)	12 777,00	57 760,00
c) other	190 900,00	71 155,51
d) debtors taken to court	0,00	0,00
III. Short-term investments	3 165 714,18	2 632 149,29
1. Short-term financial assets	3 165 714,18	2 632 149,29
a) in interrelated entities:	0,00	0,00
- shares, stocks, interests	0,00	0,00
- other securities/stocks-and-bonds	0,00	0,00
- loans granted	0,00	0,00
- other short-term financial assets	0,00	0,00
b) in any other entities:	0,00	0,00
- shares, stocks, interests	0,00	0,00
- other securities/stocks-and-bonds	0,00	0,00
- loans granted	0,00	0,00
- other short-term financial assets	0,00	0,00
c) cash (and cash equivalents) and other pecuniary assets:	3 165 714,18	2 632 149,29
- cash in hand and cash at bank	3 165 714,18	2 632 149,29
- other cash (and cash equivalents)	0,00	0,00
- other pecuniary assets	0,00	0,00
2. Other short-term investments	0,00	0,00
IV. Short-term deferred costs (prepayments and accrued income)	17 767,07	8 673,94
C. Due payments towards principal capital (fund)	0,00	0,00
D. Own shares (stock)	0,00	0,00
TOTAL ASSETS	19 961 882,67	19 508 007,91

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(by type of expenditure)

As at 1st January 2017 and 31st December 2017

Liabilities	As at 12/31/2016	As at 12/31/2017
A. Capital-and-reserves (stockholders' equity)/own fund	11 635 778,76	12 204 633,82
I. Share capital/fund	200 000,00	200 000,00
II. Share capital receivable (fund)	0,00	0,00
- surplus of sale value (issuing value) over the nominal value of shares (stock)	0,00	0,00
III. Shares/stocks/interests, own (fund)	529 223,71	1 048 610,54
- update of fair value	529 223,71	1 048 610,54
IV. Supplementary capital/fund	0,00	0,00
- statutory capital	0,00	0,00
- own shares (stock)	0,00	0,00
V. Revaluation reserve	11 267 203,57	10 887 089,47
VI. Other reserve capitals/funds	-360 648,52	68 933,81
VII. Profit/(loss) from previous years brought forward	0,00	0,00
B. Creditors/liabilities and provisions	8 326 103,91	7 303 374,09
I. Provisions	20 000,00	20 000,00
1. Deferred income tax provision	0,00	0,00
2. Provision for retirement-pension benefits and similar benefits:	0,00	0,00
- long-term,	0,00	0,00
- short-term	0,00	0,00
3. Others:	0,00	0,00
- long-term,	20 000,00	20 000,00
- short-term	20 000,00	20 000,00
II. Long-term creditors/liabilities	0,00	0,00
1. To related entities	0,00	0,00
2. Towards other entities where there is capital interest	0,00	0,00
1. To related entities	0,00	0,00
2. To other entities	0,00	0,00
a) loans and credits	0,00	0,00
b) on account of issuance of debt securities	0,00	0,00
c) securities obligations	0,00	0,00
d) other financial liabilities	0,00	0,00
III. Short-term creditors/liabilities	580 711,05	48 005,05
1. To related entities	0,00	0,00
a) trade creditors, with maturities of:	0,00	0,00
- up to 12 months,	0,00	0,00
- over 12 months	0,00	0,00
b) other	0,00	0,00
2. Obligations towards other entities where there is capital interest	0,00	0,00
a) trade creditors, with maturities of:	0,00	0,00
- up to 12 months,	0,00	0,00
- over 12 months	0,00	0,00
b) other	0,00	0,00
3. To other entities	0,00	0,00
a) credits and loans	580 711,05	48 005,05
b) on account of issuance of debt securities	522 412,50	0,00
c) other financial liabilities	0,00	0,00
d) trade creditors, with maturities of:	0,00	0,00
- up to 12 months,	14 332,30	21 423,53
- over 12 months	14 332,30	21 423,53
e) prepayments received on account/from supplier(s)	0,00	0,00
f) bills-of-exchange	0,00	0,00
g) State creditors (incl. taxes, customs duties, insurances, other benefits)	26 786,25	19 831,52
h) payroll	0,00	0,00
i) other	17 180,00	6 750,00
3. Special funds	0,00	0,00
IV. Accrued expenses	7 725 392,86	7 235 369,04
1. Goodwill, negative	0,00	0,00
2. Other accrued expenses:	7 725 392,86	7 235 369,04
- long-term,	7 556 369,04	7 070 720,22
- short-term	169 023,82	164 648,82
TOTAL LIABILITIES	19 961 882,67	19 508 007,91

A. B O M B I K

Kancelaria Biegłego Rewidenta Spółka z o.o.

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REPORT OF INDEPENDENT STATUTORY AUDITOR on the audit of the annual financial statements

For: the Founders' Assembly and the Audit Committee of Fundacji Ochrony Dziedzictwa Żydowskiego, with its registered office in Warsaw (00-105), ul. Twarda 6.

Report on audit of the annual financial statements

We audited the enclosed annual financial statements ("financial statements") of Fundacji Ochrony Dziedzictwa Żydowskiego, with its registered office in Warsaw (00-105), ul. Twarda 6, which consist of:

- balance sheet drawn up as of 31 December 2017, where on the side of assets and liabilities is the amount of PLN 19 508 007,91,
- profit and loss account for the financial year from 1 January 2017 to 31 December 2017 indicating a gross profit of PLN 68 933,81,
- additional information including introduction to the financial statements and notes to the financial statements.

Liability of the entity manager and persons supervising the entity for the financial statements

The Management Board and the Audit Committee shall be responsible for the preparation of the financial statements on the basis of the correctly kept accounts and for their reliable presentation according to the Accounting Act of 29 September 1994 (Journal of Laws of 2018, item 395 as amended) (the "Accounting Act"), implementing provisions of law issued based thereon and other applicable legal regulations as well as the Foundation's Articles of Association. The Management Board and the Audit Committee shall be also responsible for internal control which is deemed necessary to draw up the financial statements without any relevant distortion caused by fraud or error.

According to the Accounting Act, the Management Board and the Audit Committee are required to ensure that the financial statements meet the requirements provided for in the Accounting Act.

Responsibility of the statutory auditor.

Our duty was to present an opinion whether these financial statements reliably and clearly present the asset position and financial standing and the financial result of the enterprise according to the applicable regulations of the Accounting Act and adopted accounting principles (policy).

The audit of the financial statements was conducted by us appropriate to the regulations of:

- 1) Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws of 2017, item 1089) ("Statutory Auditor Act"),
- 2) National Standards of Financial Audit worded as the International Standards on Auditing issued by the National Council of Statutory Auditors in Poland under resolution no. 2783/52/2015 of 10 February 2015 as amended in connection with resolution no. 2041/37a/2018 of 5 March 2018 on the National Standards for Practising Professions



- 3) regulations of the Accounting Act of 29 September 1994 (consolidated text of 2018, item 395 as amended) (hereinafter referred to as the Accounting Act) as applicable to financial statements audit,
- 4) contained in the contract for the financial statements audit of 4/06/2018.

Such regulations shall require observance of the ethical requirements as well as planning and conducting of audit of financial statements in such a way as to achieve reasonable certainty that the financial statements do not contain any relevant distortion.

The audit meant application of the procedures to obtain the evidence of audit of the amounts and disclosures included in the financial statements. Selection of the audit procedures depends on the statutory auditor's opinion, including assessment of the risk of relevant distortion of the financial statements caused by fraud or error. By assessing such risk the statutory auditor takes into account how internal control works as regards preparation and reliable presentation of the financial statements by the Foundation in order to plan the appropriate under the given circumstances audit procedures, not to express the opinion about efficiency of the internal control of the Foundation. The audit also includes assessment of adequacy of the adopted accounting principles (policy), reasonability of the estimates established by the Management Board and members of the Supervisory Board as well as assessment of general presentation of the financial statements.

The audit shall not include any assurance of any future profitability of the Foundation or efficiency of the business conducted by the management board and members of the Audit Committee at present and in the future.

We consider the audit evidence obtained by us to have given us enough basis to express our audit opinion.

Opinion

In our opinion the attached annual financial statements:

- reliably and clearly present the property and financial position of the Foundation as of 31 December 2017, as well as its financial result for the financial year from 1 January 2017 to 31 December 2017 according to the applicable regulations of the Accounting Act and adopted accounting principles (policy),
- were prepared on the basis of the correctly kept accounts, according to regulations of chapter 2 of the Accounting Act,
- are compliant as regards their form and content with the provisions of law applicable to the Foundation and the Foundation's articles of association.

Clarification – other case

In addition to the issue described above we would like to draw your attention to the fact that according to Para. 12 item 2 of the Articles of Association, the Founders' Assembly should accept (approve) the financial statements on the date of submission of financial statements. At the same time, Art. 52 Para. 1 of the Accounting Act indicates that the Management Board should prepare such a report no later than within 3 months from the end of the calendar year and present it to the Audit Committee and the Founders' Assembly. Pursuant to Art. 53 Para. 1 of the Accounting Act, the Founders' Assembly should approve the financial statements within 6 months from the end of the year. If the Founders' Assembly orders auditing of the financial statement, the audit should be completed before the report is approved.

Please note that the financial statement for 2015 have not been approved by the Founders' Assembly until the end of the audit, which violates Art. 53 of the Accounting Act and Para. 12 item 2 of the Articles of Association. Also, the financial statement for 2016 was not approved in 2017 by the Founders' Assembly and the audit of the financial statements was agreed only in 2018.



We would like to point out that this way of operating exposes the Foundation to the sanctions described in Art. 79 of the Accounting Act (i.e. fine or imprisonment) as well as in Art. 80b of the Penal and Fiscal Code (that is, a fine for fiscal offenses).

Report on other legal requirements and regulations

Our opinion on the financial statements does not cover the report on the Foundation's business activity.

The Management Board shall be responsible for drawing up the business activity report pursuant to the laws.

According to the requirements of the Statutory Auditor Act our obligation was to issue opinion whether the business activity report was prepared according to the legal regulations and is compliant with the information contained in the annual financial statements. Our responsibility was also to make a declaration whether according to our knowledge of the Foundation and its environment obtained during audit of the financial statements we found out any relevant misstatements in the business activity report and indication what each of such relevant misstatement means.

In our opinion the business activity report was prepared according to the applicable provisions of law and is compliant with the information contained in the annual financial statements. Furthermore, in a view of the knowledge of the Foundation and its environment obtained during audit of the financial statements we declare not to have found out any relevant misstatements in the report on business activity.

Agnieszka Baklarz
Key Statutory Auditor
Registration number 12469



Acting on behalf of
A.Bombik Kancelaria Biegłego Rewidenta Sp. z o.o [Ltd.]

Registration number 228
Warsaw ul. Chłopskiego 11/13

Date of audit report: 17/07/2018

A. BOMBIK
Kancelaria Biegłego Rewidenta Spółka z o.o.
nr ew. KRBR 228

Elżbieta Bombik-Puławska
Prezes Zarządu
Doradca Podatkowy 00713

