

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

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- 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.



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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. Chłopickiego 11/13

Date of audit report: 17/07/2018

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