

**FINANCIAL STATEMENTS  
OF AUSCHWITZ-BIRKENAU FOUNDATION  
FOR THE FINANCIAL YEAR  
FROM 1 JANUARY TO 31 DECEMBER 2014**

## **Auschwitz-Birkenau Foundation**

Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

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### **Translation of the financial statements of Auschwitz-Birkenau Foundation for the financial year from 1 January to 31 December 2014 originally issued in the Polish language**

In accordance with the Accounting Act of 29 September 1994 (uniform text – Journal of Laws 2013 item 330 with amendments, further: the Accounting Act), the Management Board of the Foundation ensured preparation of the attached financial statements including:

- introduction to the financial statements;
- balance sheet prepared as of 31 December 2014 with total assets and liabilities plus equity of PLN 309 215 362,45;
- profit and loss statement for the financial year from 1 January to 31 December 2014 disclosing a net income of PLN 85 676 954,67;
- statement of changes in equity for the financial year from 1 January to 31 December 2014 disclosing increase in equity of PLN 86 490 011,01;
- additional information and explanations.

The attached financial statements present in a true and fair way the Foundation's economic and financial position, financial result and profitability. While preparing the financial statements, the Foundation ensured the selection and consistency of accounting principles suitable for the Foundation's activity.

In measurement of assets and liabilities and determination of the financial result, the Foundation was assumed to operate as a going concern in the foreseeable future, on not materially reduced scale, which is in line with its actual and legal status.

The Management Board of Auschwitz-Birkenau Foundation is responsible for fulfilling the statutory accounting duties.

The financial statements were prepared on 17 June 2015.

The Management Board of the Foundation:

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Piotr Cywiński  
President of the Management Board

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Rafał Pióro  
Vice President of the Management Board

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Łukasz Rozdeiczer-Kryszkowski  
Vice President of the Management Board

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Jacek Kastelaniec  
Chief Executive Officer

## **Auschwitz-Birkenau Foundation**

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### **Introduction to the financial statements**

1. Information on the entity:

- a) name: Auschwitz-Birkenau Foundation
- b) registered seat: 00-104 Warszawa, ul. Twarda 6
- c) scope of activities: the statutory objective of the Foundation is to provide proper preservation of the Auschwitz Memorial Site – the grounds and remains of the former concentration camps KL Auschwitz I and Auschwitz II Birkenau as overseen by the Auschwitz-Birkenau State Museum in Oświęcim (further: the Museum), as well as to support the Museum's mission.

The Foundation achieves its statutory objectives by:

- collecting funds for the preservation of the Memorial Site, including the provision of grants;
- supporting scientific, educational, publishing, exhibition and cultural activities connected with Museum's mission;
- co-operating with individuals and legal entities whose activities correspond to the Foundation's goals;
- co-operating with governments, local authorities, non-government, academic and research organizations in Poland and globally in the scope mentioned in the scope specified in the Foundation's goals;
- initiating and financing own projects, including co-operation with the Museum and other organisation.

- d) authority maintaining the register - the Foundation was registered in the Register of Entrepreneurs of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, XII Commercial District of the National Court Register on 23 April 2009 and was granted KRS number 328383.

2. Duration of the entity: unlimited.

3. Period covered by the financial statements: from 1 January to 31 December 2014.

4. During the financial year the Management Board of the Foundation consisted of:

- Piotr Cywiński – President of the Management Board
- Rafał Pióro – Vice President of the Management Board
- Łukasz Rozdeiczer-Kryszkowski – Vice President of the Management Board
- Jacek Kastelaniec – Chief Executive Officer

5. The Foundation does not consist of internal organizational units preparing independent financial statements.

6. The financial statements were prepared based on the assumption that the Foundation will continue to operate as a going concern in the foreseeable future. The Management Board believes that there were no circumstances indicating that the Foundation may not be a going concern.

7. The financial statements were prepared in accordance with the Accounting Act.

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8. Description of adopted accounting principles, including principles of measuring assets and liabilities (together with depreciation), determining the financial result and method of preparing the financial statements in the extent left by the law at the Foundation's discretion.

### **Intangible assets**

Intangible assets are recognized if it is probable that the future economic benefits that are directly attributable to the asset will flow to the Foundation. Initially, intangible assets are recorded at acquisition cost or cost of production. The initial value of intangible assets is corrected by amortization write-downs and impairment write-downs. Intangible assets are depreciated using the straight-line method over their estimated useful lives.

An assessment is made at each balance sheet date to determine whether the carrying amounts of the Foundation's assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of the Foundation's assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

### **Tangible fixed assets**

Tangible fixed assets are stated at acquisition cost, cost of production or re-valued amount, less accumulated depreciation and impairment losses

Cost incurred on an asset already in use, such as repairs, overhauls or operating fees, are expensed in the reporting period in which they were incurred. If however, it is possible to demonstrate that such cost increase the expected future economic benefits to be derived from a given asset beyond the originally expected benefits, they are capitalized to the initial cost of the asset.

Tangible fixed assets, except for land, are depreciated using the straight-line method over their estimated useful lives, or over the shorter of their useful life and the term of the right to use the assets.

An assessment is made at each balance sheet date to determine whether the carrying amounts of the Foundation's assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of the Foundation's assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

The following depreciation rates and methods were applied to particular groups of assets:

<b>Tangible fixed assets</b>	<b>Depreciation method</b>	<b>Depreciation rate</b>
Technical equipment and machinery	Straight-line method	14% - 30%
Vehicles	Straight-line method	20%

### **Financial assets**

Financial assets are initially measured at acquisition cost, which is the fair value of paid amount.

After the initial recognition, financial assets classified as held to maturity are valued at the adjusted purchase price calculated using the effective interest rate. Profits and losses that arise from revaluation are recognized under financial profits or losses in the reporting period in which the revaluation took place.

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Financial assets classified as available for sale are valued at the fair value. Profits and losses that arise from the revaluation are recognized as revaluation reserve.

### **Receivables and liabilities**

#### Receivables

As of the balance sheet date receivables were valued at the amount to be paid in accordance with the prudence principle.

Receivables are valued via impairment write-downs taking into account probability of repayment. Write-downs of receivables are charged to operating costs or to financial costs – depending on the nature of the receivables.

#### Liabilities

A liability is a commitment to perform an obligation of a reliably estimated value, arising from previous events, resulting in use of existing or future assets of the Foundation.

As of the occurrence date liabilities are measured at their face value. As of the balance sheet date liabilities are valued at the amount to be paid.

### **Foreign currency transactions**

Business transactions denominated in foreign currencies are recognized on the date of their performance at the following exchange rates:

- the one actually applied on the transaction date, resulting from the nature of the transaction - in case of foreign currency sales or purchase transactions, as well as of debt or liability payment transactions;
- average exchange rate announced for a given currency by the National Bank of Poland (NBP) as on the date preceding the transaction date - in case of the remaining transactions.

Assets and liabilities denominated in foreign currencies outstanding as of the balance sheet date are translated at that date using the average exchange rate determined by the NBP for a particular currency as of that day (exchange rates as of the end of the financial years 2013 and 2014 were presented below).

<b>Currency</b>	<b>31.12.2014</b>	<b>31.12.2013</b>
EUR	4,2623	4,1472
USD	3,5072	3,0120

Exchange gains or losses arising on a payment date, being the result of a difference between the exchange rate applied to a payment and exchange rate for the day of arising of receivables or liabilities are allocated to financial income or financial expenses, respectively.

The surplus of exchange losses over gains is recognized as financial expenses, whereas the surplus of exchange gains over losses is recognized as financial income.

### **Cash and cash equivalents**

Cash is valued at its face value. Cash denominated in foreign currency is valued at its face value converted into Polish zloty. As of the balance sheet date cash is valued at the average exchange rate for a particular currency announced by the NBP as of that day.

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### **Prepayments**

Prepayments include expenses borne by the Foundation relating to future accounting periods. The costs are recognized over time and method of their settlement depends on the nature of costs. Prepaid expenses are disclosed at the nominal value.

### **Statutory fund**

Income of the Foundation from donations shall, as a general rule, constitute the investment capital (Perpetual Capital), unless the donor's declaration or the grant agreement clearly shows different purpose of a donation. After the year end the donations paid into the Perpetual Capital are transferred to the statutory fund until EUR 120 million are collected.

### **Provisions**

Provisions are recognized when the Foundation has a present obligation (legal or generally accepted) resulting from past events and when, it is certain or highly probable that fulfilment of this obligation would require outflow of the Foundation's resources and when a reliable estimate can be made with regard to the amount of the obligation.

### **Accruals**

Accruals include probable liabilities pertaining to the current reporting period, arising in particular from:

- goods and services provided to the Foundation by its suppliers, but not invoiced as at the balance sheet day, if the amount payable can be estimated in a reliable manner;
- the obligation to provide in the future services relating to current activities, the amount of which can be estimated even though the origination date of a liability is not yet known.

Accruals are recognized at their face value.

Accruals having the character of provisions are presented in the balance sheet as provisions for liabilities in position B. I. of equity and liabilities.

Accruals not having the character of provisions resulting from goods and services provided to the Foundation but not yet invoiced by the suppliers are presented in the balance sheet as trade liabilities, even though determination of the quantity or the amount of supply (service) may require estimates.

### **Income**

The Foundation income is cash and other financial assets received from sources specified in the Statutes, including membership fees.

The Foundation's income derives from:

- domestic and foreign donations;
- income on the Foundation's assets;
- interest on investments, including bank deposits and securities (bonds)

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The Foundation recognizes income from donations based on the cash basis, i.e. in the moment the Foundation receives the funds in the bank account, except for donations for administrative purposes, which are recognized on the accrual basis, i.e. in the period in which donations are due.

**Costs of statutory activities**

Costs of statutory activities cover settlements of funds transferred to the Museum, and recognized in the accounting books of the Foundation on the accrual basis, i.e. taking into account the level of usage of donations received by the Museum. Funds transferred by the Foundation into the bank account of the Museum, but not used (not spent) by the Museum in a given financial period, are presented as other receivables.

**Interest**

Interest income is recognized on the accrual basis (using the effective interest rate), unless collectability is in doubt.

**Profit and loss statement format**

The Foundation prepares profit and loss statement by nature of expenses.

**Cash flow statement**

The Foundation has no obligation to prepare a cash flow statement.

**Auschwitz-Birkenau Foundation**

Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

**Balance sheet**

prepared as of 31 December 2014 and 31 December 2013

in PLN

<b>ASSETS</b>	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>A. FIXED ASSETS</b>	<b><u>233 984 449,18</u></b>	<b><u>143 966 036,54</u></b>
<b>I. Tangible assets</b>	<b><u>24 320,51</u></b>	<b><u>27 328,66</u></b>
1. Tangible assets	24 320,51	27 328,66
a) land (including right to perpetual usufruct)	-	-
b) buildings, premises, civil and water structures	-	-
c) technical equipment and machinery	19 570,51	18 778,66
d) vehicles	4 750,00	8 550,00
e) other tangible assets	-	-
2. Assets under construction	-	-
3. Advances for assets under construction	-	-
<b>II. Long-term investments</b>	<b><u>233 960 128,67</u></b>	<b><u>143 938 707,88</u></b>
1. Real estate	-	-
2. Intangible assets	-	-
3. Long-term financial assets	233 960 128,67	143 938 707,88
a) in related parties	-	-
b) in other entities:	233 960 128,67	143 938 707,88
- interests or shares	-	-
- other securities	233 960 128,67	143 938 707,88
- loans granted	-	-
- other long-term financial assets	-	-
<b>B. CURRENT ASSETS</b>	<b><u>75 230 913,27</u></b>	<b><u>78 848 558,29</u></b>
<b>I. Short-term receivables</b>	<b><u>1 156 456,80</u></b>	<b><u>2 322 756,27</u></b>
1. Receivables from related parties	-	-
2. Receivables from other entities	1 156 456,80	2 322 756,27
a) trade receivables, maturing:	-	-
- up to 12 months	-	-
- above 12 months	-	-
b) receivables from tax, subsidy, customs, social security, health insurance and other benefits	-	-
c) other	1 156 456,80	2 322 756,27
d) claimed at court	-	-
<b>II. Short-term investments</b>	<b><u>73 757 419,59</u></b>	<b><u>76 448 268,71</u></b>
1. Short-term financial assets	73 757 419,59	76 448 268,71
a) in related parties	-	-
b) in other entities	64 252 440,50	63 617 350,21
- interests or shares	-	-
- other securities	64 252 440,50	21 808 770,33
- loans granted	-	-
- other short-term financial assets	-	41 808 579,88
c) cash and other pecuniary assets	9 504 979,09	12 830 918,50
- cash in hand and at bank	3 130 062,40	5 593 015,46
- other cash	6 374 916,69	7 237 903,04
2. Other short-term investments	-	-
<b>III. Short-term prepayments</b>	<b><u>317 036,88</u></b>	<b><u>77 533,31</u></b>
<b>TOTAL ASSETS</b>	<b><u>309 215 362,45</u></b>	<b><u>222 814 594,83</u></b>



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Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

**Balance sheet - continued**

prepared as of 31 December 2014 and 31 December 2013

in PLN

<b>EQUITY AND LIABILITIES</b>	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>A. EQUITY</b>	<b><u>308 881 671,27</u></b>	<b><u>222 391 660,26</u></b>
<b>I. Statutory fund</b>	<b>209 730 128,07</b>	<b>127 244 421,53</b>
<b>II. Revaluation reserve</b>	<b>813 056,34</b>	<b>-</b>
<b>III. Previous years' profit (loss)</b>	<b>12 661 532,19</b>	<b>6 780 309,89</b>
<b>IV. Net financial result for the financial year</b>	<b>85 676 954,67</b>	<b>88 366 928,84</b>
<b>B. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b><u>333 691,18</u></b>	<b><u>422 934,57</u></b>
<b>I. Provisions for liabilities</b>	<b>-</b>	<b>-</b>
<b>II. Long-term liabilities</b>	<b>-</b>	<b>-</b>
<b>III. Short-term liabilities</b>	<b><u>57 346,66</u></b>	<b><u>38 441,39</u></b>
1. To related parties	-	-
2. To other entities	57 346,66	38 441,39
a) credits and loans	20 734,40	-
b) arising from debt securities	-	-
c) other financial liabilities	-	-
d) trade liabilities, maturing:	13 010,38	4 435,52
– up to 12 months	13 010,38	4 435,52
– above 12 months	-	-
e) received advances for deliveries	-	-
f) bill of exchange liabilities	-	-
g) tax, customs, insurance and other liabilities	23 507,36	19 200,49
h) remuneration	19,52	491,16
i) other	75,00	14 314,32
3. Special funds	-	-

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Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

**Balance sheet - continued**

prepared as of 31 December 2014 and 31 December 2013

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>IV. Accruals</b>	<b><u>276 344,52</u></b>	<b><u>384 493,08</u></b>
1. Negative goodwill	-	-
2. Other accruals	276 344,52	384 493,08
– short-term	276 344,52	384 493,08
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u><u>309 215 362,45</u></u></b>	<b><u><u>222 814 594,83</u></u></b>

The Management Board of the Foundation:

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Piotr Cywiński  
President of the Management Board

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Rafał Pióro  
Vice President of the Management Board

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Łukasz Rozdeiczner-Kryszkowski  
Vice President of the Management Board

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Jacek Kastelaniec  
Chief Executive Officer

Responsible for keeping the accounting books:

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Deloitte Doradztwo Podatkowe Sp. z o.o.

**Auschwitz-Birkenau Foundation**

Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

**Profit and loss statement**

prepared for the year ended 31 December 2014 and 31 December 2013

in PLN

	<u>01.01.2014-</u> <u>-31.12.2014</u>	<u>01.01.2013-</u> <u>-31.12.2013</u>
<b>A. Income on statutory activity</b>	<b>75 340 101,25</b>	<b>82 559 506,54</b>
I. Donations for Perpetual Capital, including: - donations from the Ministry of Culture and National Heritage	75 030 995,72 15 000 000,00	82 485 706,54 11 000 000,00
II. Donations for administrative cost	309 105,53	73 800,00
<b>B. Costs of statutory activities of Auschwitz-Birkenau State Museum in Oświęcim</b>	<b>3 065 722,19</b>	<b>996 981,77</b>
<b>C. Income on statutory activity</b>	<b>72 274 379,06</b>	<b>81 562 524,77</b>
<b>D. Administrative expenses of statutory activities</b>	<b>1 582 206,91</b>	<b>1 096 742,00</b>
I. Amortisation	12 503,12	13 168,22
II. Consumption of materials and energy	24 561,32	29 715,88
III. External services	480 357,76	235 967,14
IV. Taxes and charges, including: - excise duty	- -	59,52 -
V. Payroll	672 563,44	566 552,92
VI. Social security and other benefits	127 184,51	85 061,11
VII. Other expenses	265 036,76	166 217,21
<b>E. Income on statutory activity, adjusted by the administrative expenses</b>	<b>70 692 172,15</b>	<b>80 465 782,77</b>
<b>F. Other operating income</b>	<b>1 223,54</b>	<b>-</b>
I. Gain on disposal of non-financial fixed assets	-	-
II. Subsidies	-	-
III. Other operating income	1 223,54	-
<b>G. Other operating expenses</b>	<b>-</b>	<b>0,17</b>
I. Loss on disposal of non-financial fixed assets	-	-
II. Revaluation of non-financial assets	-	-
III. Other operating expenses	-	0,17
<b>H. Income on operating activity</b>	<b>70 693 395,69</b>	<b>80 465 782,60</b>

**Auschwitz-Birkenau Foundation**

Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

**Profit and loss statement - continued**

prepared for the year ended 31 December 2014 and 31 December 2013

in PLN

	<u>01.01.2014-</u> <u>-31.12.2014</u>	<u>01.01.2013-</u> <u>-31.12.2013</u>
<b>I. Financial income</b>	<b>15 127 230,16</b>	<b>7 901 174,83</b>
I. Dividend and profit sharing, including:	-	-
- <i>from related parties</i>	-	-
II. Interest, including:	10 213 060,91	6 737 631,11
- <i>from related parties</i>	-	-
III. Gain on disposal of investments	-	-
IV. Revaluation of investments	-	-
V. Other, including:	4 914 169,25	1 163 543,72
- <i>unrealized foreign exchange rate differences</i>	4 413 268,00	897 547,46
- <i>other</i>	500 901,25	265 996,26
<b>J. Financial expenses</b>	<b>143 671,18</b>	<b>28,59</b>
I. Interest, including:	98,78	28,59
- <i>from related parties</i>	-	-
II. Loss on disposal of investments	-	-
III. Revaluation of investments	143 572,40	-
IV. Other	-	-

**Auschwitz-Birkenau Foundation**

Translation of the financial statements for the financial year from 1 January to 31 December 2014 originally issued in the Polish language

**Profit and loss statement - continued**

prepared for the year ended 31 December 2014 and 31 December 2013

in PLN

	<u>01.01.2014-</u> <u>-31.12.2014</u>	<u>01.01.2013 -</u> <u>-31.12.2013</u>
<b>K. Income on activity</b>	<b>85 676 954,67</b>	<b>88 366 928,84</b>
<b>L. Result on extraordinary items</b>	-	-
<b>M. Total financial result, including:</b>	<b>85 676 954,67</b>	<b>88 366 928,84</b>
- <i>donations for Perpetual Capital</i>	75 030 995,72	82 485 706,54
- <i>income from unrealized foreign exchange rate differences</i>	4 413 268,00	897 547,46
<b>N. Total financial result decreased by donations for Perpetual Capital and unrealized foreign exchange rate differences</b>	<b>6 232 690,95</b>	<b>4 983 674,84</b>

The Management Board of the Foundation:

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Piotr Cywiński  
President of the Management Board

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Rafał Pióro  
Vice President of the Management Board

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Łukasz Rozdeiczer-Kryszkowski  
Vice President of the Management Board

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Jacek Kastelaniec  
Chief Executive Officer

Responsible for keeping the accounting books:

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Deloitte Doradztwo Podatkowe Sp. z o.o.

**Auschwitz-Birkenau Foundation**

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**Statement of changes in equity**

prepared for the year ended 31 December 2014 and 31 December 2013

in PLN

	<u>01.01.2014</u> <u>-31.12.2014</u>	<u>01.01.2013</u> <u>-31.12.2013</u>
<b>Opening balance of equity</b>	<b>222 391 660,26</b>	<b>134 024 731,43</b>
- adjustments of errors	-	-
<b>Opening balance of equity after adjustments</b>	<b><u>222 391 660,26</u></b>	<b><u>134 024 731,43</u></b>
<b>Opening balance of statutory fund</b>	<b>127 244 421,53</b>	<b>61 021 330,57</b>
Change in statutory fund:	-	-
- increase due to transfer of donations for Perpetual Capital received in the previous financial year	82 485 706,54	66 223 090,96
- decrease	-	-
<b>Closing balance of statutory fund</b>	<b><u>209 730 128,07</u></b>	<b><u>127 244 421,53</u></b>
<b>Opening balance of revaluation reserve</b>	-	-
Change in revaluation reserve:	813 056,34	-
- increase due to revaluation of financial assets available for sale	813 056,34	-
- decrease	-	-
<b>Closing balance of revaluation reserve</b>	<b><u>813 056,34</u></b>	<b><u>-</u></b>
<b>Opening balance of previous years' profit (loss)</b>	<b>6 780 309,89</b>	<b>1 172 427,84</b>
Change in previous years' profit (loss)	5 881 222,30	5 607 882,05
- undistributed profit of the previous financial year	5 881 222,30	5 607 882,05
<b>Closing balance of previous years' profit (loss)</b>	<b><u>12 661 532,19</u></b>	<b><u>6 780 309,89</u></b>
<b>Net result for the financial year</b>	<b>85 676 954,67</b>	<b>88 366 928,84</b>
<b>Closing balance of equity</b>	<b><u>308 881 671,27</u></b>	<b><u>222 391 660,26</u></b>

The Management Board of the Foundation:

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Piotr Cywiński  
President of the Management Board

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Vice President of the Management Board

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Chief Executive Officer

Responsible for keeping the accounting books:

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Deloitte Doradztwo Podatkowe Sp. z o.o.

**Auschwitz-Birkenau Foundation**

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**Additional information and explanations**

prepared for the financial year ended 31 December 2014

in PLN

**1. Intangible assets**

The Foundation did not possess intangible assets.

**2. Tangible assets**

	Technical equipment and machinery	Vehicles	Total
<b>Gross book value opening balance</b>	<b>60 007,83</b>	<b>19 000,00</b>	<b>79 007,83</b>
Increases, including:	9 494,97	-	9 494,97
- Acquisition	9 494,97	-	9 494,97
Decreases	-	-	-
<b>Gross book value closing balance</b>	<b>69 502,80</b>	<b>19 000,00</b>	<b>88 502,80</b>
<b>Accumulated depreciation opening balance</b>	<b>41 229,17</b>	<b>10 450,00</b>	<b>51 679,17</b>
Increases, including:	8 703,12	3 800,00	12 503,12
- depreciation for the financial year	8 703,12	3 800,00	12 503,12
Decreases	-	-	-
<b>Accumulated depreciation closing balance</b>	<b>49 932,29</b>	<b>14 250,00</b>	<b>64 182,29</b>
<b>Net book value opening balance</b>	<b>18 778,66</b>	<b>8 550,00</b>	<b>27 328,66</b>
<b>Net book value closing balance</b>	<b>19 570,51</b>	<b>4 750,00</b>	<b>24 320,51</b>

**3. Land under perpetual usufruct**

The Foundation did not possess long-term investments.

**4. Value of unamortized or undepreciated tangible assets under a rent, tenancy and other agreements, including lease agreements**

The Foundation did not possess unamortised or undepreciated tangible assets used under a rent, tenancy and other agreements.

**5. Liabilities to the State Treasury or local authorities arising from the acquired title to buildings and structures**

The Foundation has no such liabilities.

**6. Income on statutory activity**

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Donations</b>		
Donations for Perpetual Capital, including:	75 030 995,72	82 485 706,54
- donations from the Ministry of Culture and National Heritage	15 000 000,00	11 000 000,00
Donations for administrative expenses	309 105,53	73 800,00
<b>Total donations</b>	<b><u>75 340 101,25</u></b>	<b><u>82 559 506,54</u></b>

In accordance with the Foundation's Statutes, after approval of the financial statements, all donations are allocated to Perpetual Capital, unless the donor's declaration or grant agreement clearly shows different purpose of the donation.

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**7. Classification of financial assets**

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Financial assets classified as held to maturity, including:</b>	<b>232 732 691,32</b>	<b>165 747 478,21</b>
- short-term	64 252 440,50	21 808 770,33
- long-term	168 480 250,82	143 938 707,88
<b>Financial assets classified as available for sale, including:</b>	<b>65 479 877,85</b>	-
- short-term	-	-
- long-term	65 479 877,85	-
<b>Total financial assets</b>	<b>298 212 569,17</b>	<b>165 747 478,21</b>



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**8. Revaluation of assets classified as financial instruments**

Instrument	Issuer	Currency	Nominal value in currency	Purchase price in currency	Interest rate	Effective interest rate	Maturity date
<b>Assets classified as available for sale*</b>							
DE000A1YCQ29	ALLIANZ SE	EUR	6 300 000,00	6 915 415,07	4,75%	-	Perpetual bond
FR0011697028	Electricite de France	EUR	2 600 000,00	2 862 421,92	5,00%	-	Perpetual bond
FR0011697028	Electricite de France	EUR	3 900 000,00	4 281 318,49	5,00%	-	Perpetual bond
AT0000A12GN0	VIG	EUR	1 000 000,00	1 146 342,47	5,50%	-	2043-10-09
<b>Assets classified as held to maturity</b>							
PL0000103602	State Treasury	PLN	1 575 000,00	1 686 295,80	6,25%	5,35%	2015-10-24
PL0000103602	State Treasury	PLN	2 600 000,00	2 749 081,40	6,25%	5,55%	2015-10-24
PL0000103602	State Treasury	PLN	275 000,00	292 373,40	6,25%	5,45%	2015-10-24
PL0000103602	State Treasury	PLN	673 000,00	723 212,53	6,25%	5,30%	2015-10-24
PL0000102646	State Treasury	PLN	5 620 000,00	6 203 024,42	5,75%	4,35%	2022-09-23
PL0000102646	State Treasury	PLN	9 770 000,00	10 993 594,80	5,75%	4,21%	2022-09-23
PL0000107264	State Treasury	PLN	14 770 000,00	14 992 140,80	4,00%	4,07%	2023-10-25
PL0000107264	State Treasury	PLN	3 242 000,00	3 106 095,36	4,00%	4,69%	2023-10-25
PL0000500070	National Road Fund	PLN	5 950 000,00	6 664 000,00	5,75%	4,38%	2022-10-25
PL0000500070	National Road Fund	PLN	3 850 000,00	4 358 469,50	5,75%	4,27%	2022-10-25
PL0000500070	National Road Fund	PLN	9 900 000,00	10 872 873,00	5,75%	4,60%	2022-10-25
PL0000500070	National Road Fund	PLN	2 500 000,00	2 831 925,00	5,75%	4,27%	2022-10-25
PL0003200025	Capital City of Warsaw	PLN	1 285 000,00	1 489 687,65	6,45%	4,44%	2022-09-23
PL0003200025	Capital City of Warsaw	PLN	7 300 000,00	8 381 349,00	6,45%	4,53%	2022-09-23
PL0003200025	Capital City of Warsaw	PLN	11 750 000,00	14 214 327,50	6,45%	4,17%	2022-09-23
PL0003200025	Capital City of Warsaw	PLN	5 000 000,00	5 767 700,00	6,45%	4,60%	2022-09-23
XS1130139667	Government of Lithuania	EUR	1 540 000,00	1 540 664,52	2,125%	2,13%	2026-10-26
PLPKN0000141	PKN ORLEN	PLN	763 900,00	765 351,41	5,00%	5,15%	2020-04-09
XS0526338693	RBS	EUR	1 500 000,00	1 588 202,05	4,875%	4,36%	2015-07-15
XS0545031642	PKO Finance	EUR	680 000,00	677 929,33	3,733%	4,59%	2015-10-21
XS0545031642	PKO Finance	EUR	1 450 000,00	1 418 034,45	3,733%	4,81%	2015-10-21
XS0545031642	PKO Finance	EUR	900 000,00	903 866,25	3,733%	4,45%	2015-10-21
XS0468940068	Landesbank Berlin	EUR	300 000,00	334 690,07	5,875%	3,76%	2019-11-25
DE000A0G1RB8	DEPFA	EUR	570 000,00	564 333,17	3,875%	4,30%	2016-11-14
DE000A0G1RB8	DEPFA	EUR	1 270 000,00	1 272 845,36	3,875%	4,04%	2016-11-14
DE000A0BCLA9	DEPFA	EUR	550 000,00	588 804,30	4,875%	4,45%	2019-05-21
XS0292653994	Government of Slovenia	EUR	1 330 000,00	1 345 941,83	4,00%	4,49%	2018-03-22
XS0292653994	Government of Slovenia	EUR	1 950 000,00	2 077 003,77	4,00%	3,34%	2018-03-22
XS0292653994	Government of Slovenia	EUR	1 520 000,00	1 506 205,48	4,00%	4,20%	2018-03-22
XS0624668801	Santander International	EUR	1 900 000,00	2 087 189,04	4,50%	1,72%	2015-05-18
XS0624668801	Santander International	EUR	2 800 000,00	2 912 481,97	4,50%	3,01%	2015-05-18
XS0323657527	Morgan Stanley	EUR	370 000,00	404 193,37	5,50%	4,40%	2017-10-02
XS0323657527	Morgan Stanley	EUR	315 000,00	376 900,80	5,50%	2,85%	2017-10-02
XS0323657527	Morgan Stanley	EUR	2 800 000,00	2 991 782,50	5,50%	4,69%	2017-10-02
XS0858585051	Standard Chartered	EUR	3 250 000,00	3 313 508,56	3,625%	3,47%	2022-11-23
BE0000306150	Government of Belgium	EUR	235 000,00	244 517,50	3,75%	3,30%	2015-09-28
BE0000306150	Government of Belgium	EUR	2 400 000,00	2 486 547,95	3,75%	3,37%	2015-09-28
PLBRE0005177	Bre Bank	PLN	10 100 000,00	10 325 797,62	WIBOR 6M + 2,25 p.p.	4,05%	2023-12-20
PDP484EFLSA0	Europejski Fundusz Leasingowy	PLN	7 440 000,00	7 475 087,04	WIBOR 1M + 1,25 p.p	2,33%	2015-03-27
PDPEFL000279	Europejski Fundusz Leasingowy	PLN	9 550 000,00	9 550 000,00	WIBOR 1M + 1,1 p.p	5,11%	2014-06-27
XS0440007176	Dexia Crédit Local	EUR	180 000,00	181 592,34	5,375%	5,21%	2014-07-21
XS0440007176	Dexia Crédit Local	EUR	1 200 000,00	1 209 843,44	5,375%	5,14%	2014-07-21
XS0440007176	Dexia Crédit Local	EUR	1 500 000,00	1 608 000,00	5,375%	4,37%	2014-07-21

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Instrument	Value as of 31.12.2014	Amount recorded as revaluation reserve in current year	Fair value as pf 31.12.2014**	Maximum amount exposed to issuer's credit risk
<b>Assets classified as available for sale*</b>	<b>65 479 877,85</b>	<b>813 056,34</b>	<b>65 479 877,85</b>	<b>65 479 877,85</b>
DE000A1YCQ29	29 911 122,87	435 549,22	29 911 122,87	29 911 122,87
FR0011697028	12 300 942,39	100 441,44	12 300 942,39	12 300 942,39
FR0011697028	18 451 413,59	203 149,79	18 451 413,59	18 451 413,59
AT0000A12GN0	4 816 399,00	73 915,89	4 816 399,00	4 816 399,00
<b>Assets classified as held to maturity</b>	<b>232 732 691,32</b>	<b>N/A</b>	<b>239 198 127,17</b>	<b>232 732 691,32</b>
PL0000103602	1 603 998,90	N/A	1 631 700,00	1 603 998,90
PL0000103602	2 643 788,79	N/A	2 693 600,00	2 643 788,79
PL0000103602	279 847,19	N/A	284 900,00	279 847,19
PL0000103602	685 656,13	N/A	697 228,00	685 656,13
PL0000102646	6 213 299,03	N/A	6 955 930,20	6 213 299,03
PL0000102646	10 890 142,55	N/A	12 092 426,70	10 890 142,55
PL0000107264	14 795 714,37	N/A	16 642 983,70	14 795 714,37
PL0000107264	3 106 667,10	N/A	3 653 118,02	3 106 667,10
PL0000500070	6 541 055,37	N/A	7 097 874,00	6 541 055,37
PL0000500070	4 261 930,98	N/A	4 592 742,00	4 261 930,98
PL0000500070	10 730 997,92	N/A	11 809 908,00	10 730 997,92
PL0000500070	2 767 005,21	N/A	2 982 300,00	2 767 005,21
PL0003200025	1 472 710,38	N/A	1 635 419,50	1 472 710,38
PL0003200025	8 322 572,78	N/A	9 290 710,00	8 322 572,78
PL0003200025	13 691 147,17	N/A	14 954 225,00	13 691 147,17
PL0003200025	5 676 042,93	N/A	6 363 500,00	5 676 042,93
XS1130139667	6 585 370,06	N/A	6 731 453,80	6 585 370,06
PLPKN0000141	772 739,57	N/A	808 664,54	772 739,57
XS0526338693	6 553 184,94	N/A	6 544 239,52	6 553 184,94
XS0545031642	2 899 763,95	N/A	2 971 257,85	2 899 763,95
XS0545031642	6 173 101,36	N/A	6 335 770,43	6 173 101,36
XS0545031642	3 842 081,11	N/A	3 932 547,16	3 842 081,11
XS0468940068	1 404 927,49	N/A	1 462 540,05	1 404 927,49
DE000A0G1RB8	2 423 118,62	N/A	2 591 899,52	2 423 118,62
DE000A0G1RB8	5 422 903,36	N/A	5 774 934,01	5 422 903,36
DE000A0BCLA9	2 452 282,48	N/A	2 797 411,42	2 452 282,48
XS0292653994	5 762 697,95	N/A	6 199 265,79	5 762 697,95
XS0292653994	8 733 374,78	N/A	9 089 149,09	8 733 374,78
XS0292653994	6 640 350,05	N/A	7 084 875,19	6 640 350,05
XS0624668801	8 408 313,95	N/A	8 219 562,11	8 408 313,95
XS0624668801	12 332 404,77	N/A	12 113 038,89	12 332 404,77
XS0323657527	1 641 966,96	N/A	1 788 155,05	1 641 966,96
XS0323657527	1 453 459,33	N/A	1 522 348,22	1 453 459,33
XS0323657527	12 335 900,47	N/A	13 531 984,14	12 335 900,47
XS0858585051	14 050 349,81	N/A	14 600 093,08	14 050 349,81
BE0000306150	1 014 465,52	N/A	1 029 596,29	1 014 465,52
BE0000306150	10 354 809,95	N/A	10 515 025,90	10 354 809,95
PLBRE0005177	10 331 524,12	N/A	10 175 750,00	10 331 524,12
PDP484EFLSA0	7 461 023,92	N/A	N/A	7 461 023,92
PDPEFL000279	N/A	N/A	N/A	N/A
XS0440007176	N/A	N/A	N/A	N/A
XS0440007176	N/A	N/A	N/A	N/A
XS0440007176	N/A	N/A	N/A	N/A
<b>Total assets</b>	<b>298 212 569,17</b>	<b>813 056,34</b>	<b>304 678 005,02</b>	<b>298 212 569,17</b>

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Financial assets classified as available for sale were revaluated as of 31 December 2014 at fair value, while financial assets classified as held to maturity were revaluated as of 31 December 2014 at adjusted purchase price.

Fair value for all instruments in the investment portfolio was calculated on the basis of market quotations of each instrument as of the balance sheet date.

\* Profits or losses that arise from revaluation of entity's financial assets classified as available for sale are recorded in revaluation reserve, in accordance with art. 21 of Resolution of Ministry of Finance dated 12 December 2001 on specific rules of recognition, measurement methods, scope of disclosure and method of presentation of financial instruments (Journal of Laws dated 22 December 2001). Profit or loss recorded in revaluation reserve in accordance with art. 25, paragraph 3 of the Resolution, constitute the difference between fair value of assets as of revaluation date, and value of those assets at adjusted purchase price.

\*\* For those assets classified as held to maturity whose fair value is lower than their carrying amount, the entity estimates that it is not required to account for impairment losses. The change in fair value of these assets results from short-term fluctuations of market prices and the entity's intention is to hold them until maturity date.

### 9. Long-term investments

Long-term investments as of the balance sheet date included bonds denominated in PLN and EUR classified both as assets held to maturity and assets available for sale.

	31.12.2014	31.12.2013
<b>Gross value opening balance</b>	<b><u>143 938 707,88</u></b>	<b><u>103 542 550,27</u></b>
<b>Increases, including:</b>	<b><u>156 179 565,12</u></b>	<b><u>80 785 796,14</u></b>
- purchase of bonds	150 821 935,41	78 205 828,63
- unrealized foreign exchange rate differences	4 536 936,26*	1 159 043,71
- revaluation at fair value recorded as revaluation reserve	813 056,34	-
- revaluation at adjusted purchase price	-	1 420 923,80
- change in value of assets due to change of revaluation model	7 637,11	-
<b>Decreases, including:</b>	<b><u>66 158 144,33</u></b>	<b><u>40 389 638,53</u></b>
- matured bonds	-	18 580 868,20**
- revaluation at adjusted purchase price	1 905 703,83	-
- reclassification to short-term investments due to maturity date in the following financial year	64 252 440,50	21 808 770,33
<b>Gross value closing balance</b>	<b><u>233 960 128,67</u></b>	<b><u>143 938 707,88</u></b>

\* Unrealized foreign exchange rate differences in the amount of PLN 4 536 936,26 do not contain unrealized foreign exchange rate differences resulting from the reversal of year end revaluation of short-term investments as of 31 December 2013 in the amount of PLN 431 091,73, presented as unrealized foreign exchange rate differences related to debt financial instruments in note no. 11.a.

\*\* Bonds matured in 2013, which were presented in the financial statements for the year ended 31 December 2012 as long-term investments.

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**10. Short-term investments**

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Short-term investments in other entities, including:</b>		
- securities with maturity date in the following financial year including revaluation at adjusted purchase price	64 252 440,50	21 808 770,33
- short-term bank deposits with maturity longer than 3 months	-	41 252 233,46
- accrued interest on short-term bank deposits with maturity longer than 3 months	-	556 346,42
<b>Short-term investments in other entities</b>	<b><u>64 252 440,50</u></b>	<b><u>63 617 350,21</u></b>
	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Cash and other pecuniary assets, including:</b>		
- cash in current bank accounts in PLN	178 967,59	1 274 296,01
- cash in current bank accounts in EUR	2 946 851,97	1 306 620,11
- cash in current bank accounts in USD	4 242,84	3 012 099,34
- short-term deposits with maturity shorter than 3 months	6 370 927,44	7 237 417,95
- accrued interest on short-term deposits with maturity shorter than 3 months	3 989,25	485,09
<b>Cash and other pecuniary assets</b>	<b><u>9 504 979,09</u></b>	<b><u>12 830 918,50</u></b>

Short-term bank deposits with maturity shorter than 3 months included following deposits:

<b>Bank</b>	<b>Deposit amount</b>	<b>Maturity date</b>	<b>Annual interest rate</b>	<b>Accrued interest as of 31.12.2014</b>
PEKAO S.A.	2 507 451,50	23.01.2015	2,08%	1 143,12
PEKAO S.A.	1 355 009,00	15.01.2015	2,08%	1 158,25
PEKAO S.A.	1 341 627,53	23.01.2015	2,15%	632,22
PEKAO S.A.	1 152 575,00	15.01.2015	2,08%	985,21
PKO BP S.A.	7 859,20	17.02.2015	0,65%	34,29
PKO BP S.A.	6 405,21	17.02.2015	0,65%	36,16
<b>Total</b>	<b>6 370 927,44</b>			<b>3 989,25</b>

**11. Financial income (expenses)****11.a. Result on balance sheet revaluation and exchange rate differences realized in the financial year related to the financial instruments**

<b>2014</b>	<b>Result on revaluation at adjusted purchase price</b>	<b>Exchange rate differences</b>	
		<b>Realized</b>	<b>Unrealized</b>
<b>Debt instruments classified as held to maturity</b>	<b>(2 078 283,56)</b>	<b>504 127,38</b>	<b>2 612 239,40</b>
- denominated in PLN	(1 216 911,89)	-	-
- denominated in EUR	(861 371,67)	504 127,38	2 612 239,40
<b>Debt instruments classified as available for sale</b>	<b>(143 572,40)</b>	<b>(102 351,08)</b>	<b>1 493 605,13</b>
- denominated in PLN	-	-	-
- denominated in EUR	(143 572,40)	(102 351,08)	1 493 605,13
<b>Bank deposits</b>	<b>N/A</b>	<b>-</b>	<b>276 695,88</b>
- denominated in PLN	N/A	-	-
- denominated in USD	N/A	-	-
- denominated in EUR	N/A	-	276 695,88
<b>Total</b>	<b>(2 221 855,96)</b>	<b>401 776,30</b>	<b>4 382 540,41</b>

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**11.b. Interest related to financial instruments (based on contractual interest rates)**

2014	Interest received in the financial year	Interest due and received in the financial year	Interest accrued, but not realized		
			less than 3 months	from 3 to 12 months	above 12 months
<b>Debt instruments classified as held to maturity</b>	<b>10 664 294,66</b>	<b>6 750 826,98*</b>	<b>651 815,65</b>	<b>2 418 882,76</b>	<b>-</b>
- denominated in PLN	5 351 492,20	3 611 957,62	15 063,06	1 122 553,23	-
- denominated in EUR	5 312 802,46	3 138 869,36	636 752,59	1 296 329,53	-
<b>Debt instruments classified as available for sale</b>	<b>1 495 437,00</b>	<b>768 644,49*</b>	<b>1 301 753,13</b>	<b>290 934,09</b>	<b>-</b>
- denominated in PLN	-	-	-	-	-
- denominated in EUR	1 495 437,00	768 644,49	1 301 753,13	290 934,09	-
<b>Bank deposits</b>	<b>683 553,57</b>	<b>126 722,07</b>	<b>3 989,25</b>	<b>-</b>	<b>-</b>
- denominated in PLN	506 505,58	70 203,20	3 989,25	-	-
- denominated in USD	124,68	124,68	-	-	-
- denominated in EUR	176 923,31	56 394,19	-	-	-
<b>Total</b>	<b>12 843 285,23</b>	<b>7 646 193,54*</b>	<b>1 957 558,03</b>	<b>2 709 816,85</b>	<b>-</b>

\* Interest due and received in the financial year does not contain received interest related to the financial instruments purchased by the Foundation during the financial year, but accrued before the date of purchase of the financial instruments as well as interest received in the financial year, which was accrued in the previous financial years.

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**11.c. Financial income (expenses)**

	<b>31.12.2014</b>	<b>31.12.2013</b>
<b>Financial income</b>		
Interest, including :	10 213 060,91	6 737 631,11
- interest received in the financial year related to financial instruments	12 843 285,23	6 763 770,91
- result on revaluation at adjusted purchase price of financial instruments classified as held to maturity	(2 078 283,56)	(540 010,25)
- interest received in the financial year related to current bank accounts	901,49	28 090,84
- reversal of interest on bank deposits accrued in the previous financial year	(556 831,50)	(71 051,89)
- interest on bank deposits accrued in the financial year	3 989,25	556 831,50
Other, including:	4 914 169,25	1 163 543,72
- unrealized foreign exchange rate differences	4 413 268,00	897 547,46
- realized foreign exchange rate differences	480 326,61	265 996,26
- change in the value of assets due to change of revaluation model, including:	20 574,64	-
• long-term investments	7 637,11	-
• short-term investments	12 937,53	-
<b>Total financial income</b>	<b>15 127 230,16</b>	<b>7 901 174,83</b>
	-	
<b>Financial expenses</b>		
- late payment interest and budgetary interest	98,78	28,59
- cost related to revaluation of investments	143 572,40	-
<b>Total financial expenses</b>	<b>143 671,18</b>	<b>28,59</b>

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### 11.d. Foreign exchange rate differences

	31.12.2014	31.12.2013
<b>Unrealized foreign exchange rate differences divided by categories of assets:</b>		
Debt instruments classified as available for sale	1 493 605,13	-
Debt instruments classified as held to maturity, including	2 612 239,40	1 158 989,23
- long-term debt instruments	3 043 331,13	1 159 043,71
- short-term debt instruments	(431 091,73)	(54,48)
Bank deposits	276 695,88	(276 695,88)
Current bank accounts	30 727,59	15 254,11
<b>Total unrealized foreign exchange rate differences</b>	<b>4 413 268,00</b>	<b>897 547,46</b>
<b>Realized foreign exchange rate differences divided by categories of assets:</b>		
Debt instruments classified as available for sale	(102 351,08)	-
Debt instruments classified as held to maturity, including	504 127,38	84 778,00
- long-term debt instruments	82 639,38	84 778,00
- short-term debt instruments	421 488,00	-
Current bank accounts	79 165,15	197 418,26
Settlements with employees	(614,84)	-
Correction of exchange rate applied with respect to donation received in EUR	-	(16 200,00)
<b>Total realized foreign exchange rate differences</b>	<b>480 326,61</b>	<b>265 996,26</b>

## 12. Goals and principles of financial risk management

The entity invests all gathered proceeds into debt securities of issuers with high ratings and bank deposits following the principle that the safety of investments is more important than the potential profit.

In case when the rating of a particular issuer falls below a pre-determined level, the entity immediately acts in order to maintain the desired high safety of invested funds.

The entity limits concentration risk within a particular issuer by setting maximum ratio of the total investment portfolio value that might be invested in securities of one single issuer.

Additionally, for the purpose of geographical diversification the Entity invest in securities denominated in EUR and PLN.

The entity limits interest rate risk by investing into debt instruments based on a fixed interest rate. The exception from this rule in the entity's investment portfolio are perpetual bonds, which, beginning with certain future date, bear interest according to floating interest rate.

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### 13. List of essential items of accrued and prepaid expenses

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Accruals, including:</b>		
- deferred income (donation received in 2013 from Saarland, Germany, in the amount of EUR 74 161 allocated to Perpetual Capital in the following financial year)*	-	307 864,56
- accounting services	200 000,00	-
- audit services	73 800,00	73 800,00
- bank charges	2 544,52	2 603,99
- telecommunication services	-	188,83
- postal services	-	35,70
<b>Total accruals not having the character of provisions</b>	<b><u>276 344,52</u></b>	<b><u>384 493,08</u></b>

\* During the financial year the Foundation has changed the method of presentation of income from donations. Starting from the current financial year income from received donations is recognized on cash basis, i.e. in the moment the Foundation receives the funds in the bank account, except for donations for administrative expenses, which are recognized on the accrual basis (i.e. in the same way as related expenses).

	<u>31.12.2014</u>	<u>31.12.2013</u>
<b>Prepaid expenses, including:</b>		
- donations due from the entity rendering accounting services in favor of the Foundation	235 305,53	-
- donations due from the entity rendering audit services in favor of the Foundation	73 800,00	73 800,00
- flight tickets	5 398,84	1 008,00
- management board insurance premium	1 693,13	-
- property insurance premium	728,39	2 524,72
- travel insurance premium	110,99	45,00
- domain	-	155,59
<b>Total prepaid expenses</b>	<b><u>317 036,88</u></b>	<b><u>77 533,31</u></b>

### 14. Statutory fund (Perpetual Capital)

Statutory fund consists of donations received for Perpetual Capital:

<b>Donations received for Perpetual Capital:</b>	
- 2009	1 744 566,38
- 2010	1 959 355,73
- 2011	57 317 408,46
- 2012	66 223 090,96
- 2013	82 485 706,54
<b>Total statutory fund as of 31 December 2014</b>	<b><u>209 730 128,07</u></b>

Donations to Perpetual Capital received in a given year are initially presented as income and are allocated to the statutory capital (Perpetual Capital) in the subsequent financial year, following the approval of the financial statements by the Foundation's Council.

The Foundation presents donations at the historic PLN exchange rates as at the day preceding each payment to the Perpetual Capital applying average exchange rate of the NBP.

Statutory fund, including donations received in 2014 amounts to PLN 284 761 123,79.



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All funds received by the Foundation as donations are invested into debt instruments, like most of the additional funds from income generated by the Foundation on investment of donations (except for the cash, which is used to cover donations for the Museum and administrative expenses). Total value of the above financial debt instruments as of the balance sheet date amounted to PLN 298 212 569,20. Detailed information on the debt instruments were presented in note no. 8.

Income from donations to Perpetual Capital received in 2014 divided by donor:

<b>Donor</b>	<b>Currency of donation</b>	<b>Amount of donation in currency</b>	<b>Amount of donation in PLN*</b>
Federal Republic of Germany	EUR	12 074 188,00	50 411 011,35
Ministry of Culture and National Heritage	PLN	15 000 000,00	15 000 000,00
French Republic	EUR	1 000 000,00	4 222 900,00
City of Paris	EUR	310 000,00	1 289 631,00
Canada	EUR	262 106,68	1 096 129,33
Republic of Azerbaijan	EUR	198 705,00	837 640,93
Memorial pillar - Frank Lowy	USD	249 957,50	757 371,23
Hungary	EUR	120 000,00	499 656,00
Grand Duchy of Luxembourg	EUR	100 000,00	419 260,00
Republic of Finland	EUR	50 000,00	211 235,00
Republic of Lithuania	EUR	20 000,00	85 486,00
Czech Republic	PLN	75 723,15	75 723,15
Argentine Republic	EUR	7 243,75	30 135,45
Republic of Cyprus	EUR	5 000,00	21 143,00
Portuguese Republic	EUR	5 000,00	21 035,00
Slovak Republic	EUR	5 000,00	20 797,50
Others	PLN	30 245,14	30 245,14
Others	EUR	290,00	1 216,04
Others	USD	125,00	379,60
<b>Total donations</b>			<b>75 030 995,72</b>

Income from donations to Perpetual Capital received in 2013 divided by donor:

<b>Donor</b>	<b>Currency of donation</b>	<b>Amount of donation in currency</b>	<b>Amount of donation in PLN*</b>
Federal Republic of Germany	EUR	12 081 513,00	50 288 982,17
Ministry of Culture and National Heritage	PLN	11 000 000,00	11 000 000,00
Republic of Austria	EUR	2 000 000,00	8 251 800,00
French Republic	EUR	1 000 000,00	4 198 800,00
Swiss Confederation	EUR	1 000 000,00	4 160 600,00
Russian Federation	USD	1 000 000,00	3 010 500,00
Kingdom of Sweden	EUR	109 556,00	457 768,79
New Zealand	EUR	50 000,00	216 615,00
Georgia	EUR	50 000,00	212 265,00
Republic of Turkey	EUR	50 000,00	210 525,00
Republic of Finland	EUR	50 000,00	207 940,00
Argentine Republic	EUR	7 093,21	29 589,33
Republic of Ireland	EUR	5 000,00	21 151,00
Others	EUR	52 050,00	216 770,00
Others	PLN	2 400,25	2 400,25
<b>Total donations</b>			<b>82 485 706,54</b>

\* Donations' amounts are calculated at the NBP exchange rates as at the day preceding each payment.

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### 15. Costs of statutory activities – donations transferred to the Museum

Year	Funds transferred to the Museum	Funds expended by the Museum	Funds not used by the Museum, transferred back into the Foundation's bank account	Reimbursement of interest on funds transferred to the Museum	Settlements with the Museum	Costs of statutory activities
2012	1 699 000,00	526 572,15	-	-	1 172 427,85	526 572,15
2013	2 144 991,00	1 053 501,31	-	56 519,54	1 148 009,23	996 981,77
2014	2 092 548,50	3 105 168,79	136 502,42	39 446,60	(1 166 195,65)	3 065 722,19
	<b>5 936 539,50</b>	<b>4 685 242,25</b>	<b>136 502,42</b>	<b>95 966,14</b>	<b>1 154 241,43</b>	<b>4 589 276,11</b>

\* In accordance with the General Agreement concluded between the Foundation and the Museum, interest on funds transferred to the Museum as donations, generated in given financial year in the bank account supporting projects financed by the Foundation, are reimbursed to the Foundation no later than on 15th January of the following financial year.

Reimbursed interest reduces costs of donations transferred and used by the Museum in the year, in which interest was accrued.

### 16. Administrative expenses – external services

	<u>31.12.2014</u>	<u>31.12.2013</u>
- accounting services	244 305,44	33 460,92
- audit services	73 800,00	73 800,00
- bank charges	61 424,01	37 716,01
- design and preparation of informative materials	31 549,22	-
- telecommunication services	28 954,52	37 234,97
- rent of premises	17 712,00	12 000,00
- postal and courier services	10 554,36	7 103,09
- translations	4 432,08	3 547,15
- IT services	4 325,33	-
- notary and legal services	-	8 887,98
- repairs and car control	2 450,00	3 318,99
- usage of car	439,15	-
- maintenance, repair and overhaul	411,65	488,65
- training and seminars	-	8 473,00
- advisory services	-	7 872,00
- press advertisement	-	2 005,38
- other external services	-	59,00
<b>Total external services</b>	<b><u>480 357,76</u></b>	<b><u>235 967,14</u></b>

### 17. Administrative expenses – payroll, social security and other benefits for employees

	<u>31.12.2014</u>	<u>31.12.2013</u>
- remuneration of other employees	370 038,07	377 137,14
- remuneration of the Management Board members	302 525,37	189 415,78***
- social security	104 502,18	85 061,11
- medical benefits *	14 978,40	-
- training **	7 703,93	-
<b>Total payroll, social security and other benefits for employees</b>	<b><u>799 747,95</u></b>	<b><u>651 614,03</u></b>

\* In the financial statements for the financial year ended 31 December 2013 the Foundation presented in the profit and loss statement medical benefits cost as expenses (item D. VII of the profit and loss statement).

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\*\* In the financial statements for the financial year ended 31 December 2013 the Foundation presented in the profit and loss statement training cost as external services (item D. III of the profit and loss statement).

\*\*\* In the financial statements for the financial year ended 31 December 2013 the Foundation presented social security contributions, health insurance contributions and advance payments for personal income tax deducted from the gross remuneration of the Management Board members, as remuneration of other employees.

### 18. Other administrative expenses

	<u>31.12.2014</u>	<u>31.12.2013</u>
- business travel	222 686,00	130 867,52
- representation costs	18 610,26	7 361,92
- meeting of supervisory bodies	17 465,44	8 629,83
- property insurance	5 362,55	4 939,54
- personal insurance	892,51	516,30
- medical benefits	-	13 902,10
- other	20,00	-
<b>Total other administrative expenses</b>	<b><u>265 036,76</u></b>	<b><u>166 217,21</u></b>

### 19. Settlement of main items differentiating the income tax base from gross financial result (profit, loss)

The Foundation is exempted from corporate income tax pursuant to the article 17 of the Corporate Income Tax Act of 15 February 1992 (Journal of Law 2014, position 851) in the part of the income allocated to the statutory activities.

Total income of the Foundation was allocated to the statutory activities.

### 20. List of liability groups secured on assets as of 31 December 2014

As of 31 December 2014 the Foundation did not possess liabilities secured on assets.

### 21. Outlays on non-financial fixed-assets incurred in the preceding year and planned for the following year

In the financial year the Foundation incurred outlays for non-financial fixed assets amounting to PLN 9,5 thousand.

The Foundation does not intend to incur in the following financial year outlays on non-financial fixed assets.

### 22. Exchange rates taken for the purpose of valuation of items denominated in foreign currencies

According to the NBP 252/A/NBP/2014 as of 31 December 2014 effective on the balance sheet date, exchange rate taken for the purpose of valuation of receivables, liabilities and cash was as follows: EUR 1 = PLN 4,2623 and USD 1 = PLN 3,5072

According to the NBP table 251/A/NBP/2013 as of 31 December 2013 effective on the balance sheet date, exchange rate taken for the purpose of valuation of receivables, liabilities and cash was as follows: EUR 1 = PLN 4,1472 and USD 1 = PLN 3,0120.

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### **23. Information on the nature and economic objective of agreements concluded by the Foundation not included in the balance sheet within the scope necessary to evaluate their impact on economic and financial position and the financial result of the Foundation**

Not applied.

### **24. Average employment in the financial year, including breakdown according to occupational groups**

The Foundation employed 5 employees as of 31 December 2014. Average employment in the current financial year equalled to 5.

### **25. Remuneration, including money from profit paid or payable to members of the managing and supervising bodies of commercial companies (separately for each group)**

In the financial year remuneration of members to the Management Board amounted to PLN 302,5 thousand.

In the financial year there was no remuneration for members of the Foundation Council.

### **26. Loans and similar benefits granted to members of the managing and supervising bodies of commercial companies (separately for each group) specifying the interest rates and time limits of repayment**

The Foundation did not grant loans or similar benefits to members of the Management Board and the Foundation Council.

### **27. Significant post-balance sheet events**

By the day of preparing these financial statements, there were no significant post-balance sheet events in the Foundation, which would require to be included or additionally presented in the financial statements for the period from 1 January to 31 December 2014.

### **28. Significant events from previous years disclosed in the financial statements**

Did not occur.

### **29. Changes regarding accounting rules (policy) made during the financial year**

On 5 September 2014, pursuant the provisions of the Act dated 11 July 2014 amending the Accounting Act, new regulations came into force with regard to the accounting principles of non-governmental organizations, i.e. associations not conducting business activity. At the same time provisions of the Resolution of Ministry of Finance dated 15 November 2001 on specific accounting principles for certain entities, not being commercial companies or conducting business activity were ceased to be in force.

As a result of the above changes, the model of the financial statements of the Foundation was changed to be in line with attachment no. 1 of the Accounting Act. Additionally the Foundation has changed presentation of certain positions of the financial statements, presented in the note no. 30.

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Starting from the financial year ended 31 December 2014 the Foundation presents settlements resulting from donations transferred to the Museum on the accrual basis, which means, that the Foundation recognizes as cost donations transferred to the Museum and expensed by the Museum in given financial year. In the previous financial years costs of donations transferred to the Museum were recognised on cash basis, that is based on the amounts actually transferred into the bank account of the Museum. Costs of statutory activities of a given year are reduced by interest on funds transferred to the Museum as donations, but not expensed by the Museum and accrued in the bank account of the Museum. Interest on funds not expensed by the Museum are transferred into the bank account of the Foundation at the beginning of the following financial year.

Starting from the financial year ended 31 December 2014 the Foundation presents amounts of received donations on the cash basis, except for donations for administrative expenses, which are recognized as income in the financial year, in which expenses financed by those donations were recognized.

The Foundation changed presentation and distribution of the financial result. The simplification, based on which the excess of income over costs in the given financial year, increases income or costs in the following financial year after the approval of the financial statements is no longer applied. Starting from the financial year ended 31 December 2014 the Foundation earmarks income disclosed in a given financial year for Perpetual Capital year in a part corresponding to the amount of received donations. The rest of the Foundation's income remains unallocated as undistributed profit of the current year or as previous years' profit (loss) in case there was no decision concerning profit distribution.

### 30. Numerical information ensuring comparability of the data in the financial statements for the preceding year with the financial statements for the financial year

In the financial statements for the period ended 31 December 2014 the Foundation changed presentation of certain balance sheet and profit and loss statement items with respect to the period ended 31 December 2013 (comparative data).

The comparative data for opening balances together with impact of the changes are presented below:

<b>Balance sheet – assets</b> (in PLN)	As of 31 December 2014	As of 31 December 2013 before the change	As of 31 December after the change
<b>A. Fixed assets</b>	<b>233 984 449,18</b>	<b>143 966 036,54</b>	<b>143 966 036,54</b>
<b>B. Current assets</b>	<b>75 230 913,27</b>	<b>76 454 321,21</b>	<b>78 848 558,29</b>
<b>I. Short-term receivables</b>	<b>1 156 456,80</b>	<b>2 319,19</b>	<b>2 322 756,27</b>
2. Receivables from other entities	1 156 456,80	2 319,19	2 322 756,27
- other	1 156 456,80	2 319,19	2 322 756,27
<b>II. Short-term investments</b>	<b>73 757 419,59</b>	<b>76 448 268,71</b>	<b>76 448 268,71</b>
<b>III. Short-term prepayments</b>	<b>317 036,88</b>	<b>3 733,31</b>	<b>77 533,31</b>
<b>Total assets</b>	<b>309 215 362,45</b>	<b>220 420 357,75</b>	<b>222 814 594,83</b>

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<b>Balance sheet – equity and liabilities</b> (in PLN)	As of 31 December 2014	As of 31 December 2013 before the change	As of 31 December after the change
<b>A. Equity</b>	<b>308 881 671,27</b>	<b>220 071 223,18</b>	<b>222 391 660,26</b>
I. Statutory fund	209 730 128,07	127 244 421,53	127 244 421,53
II. Revaluation reserve	813 056,34	-	-
III. Previous years' profit (loss)	12 661 532,19	-	6 780 309,89
IV. Net financial result for the financial year	85 676 954,67	92 826 801,65	88 366 928,84
<b>B. Liabilities and provisions for liabilities</b>	<b>333 691,18</b>	<b>349 134,57</b>	<b>422 934,57</b>
I. Provisions for liabilities	-	-	-
II. Long-term liabilities	-	-	-
III. Short-term liabilities	<b>57 346,66</b>	<b>38 441,49</b>	<b>38 441,49</b>
IV. Accruals	<b>276 344,52</b>	<b>310 693,08</b>	<b>384 493,08</b>
2. Other accruals	<b>276 344,52</b>	<b>310 693,08</b>	<b>384 493,08</b>
- short-term	<b>276 344,52</b>	<b>310 693,08</b>	<b>384 493,08</b>
<b>Total equity and liabilities</b>	<b>309 215 362,45</b>	<b>220 420 357,75</b>	<b>222 814 594,83</b>

As a result of introduced changes the following items of balance sheet as of 31 December 2013 changed:

Item B.I.2 c) of assets - Other short-term receivables from other entities - increase of PLN 2 320 437,08.

Item B.III of assets – Short-term prepayments - increase of PLN 73 800,00.

Item A.III of equity and liabilities – Previous years' profit (loss) - increase of PLN 6 780 309,89.

Item A.IV. of equity and liabilities - Net financial result for the financial year - decrease of PLN 4 459 872,81.

Item B.IV.2 b) of equity and liabilities – Other short-term accruals - increase of PLN 73 800,00.

<b>Profit and loss statement</b> (in PLN)	Period ended 31 December 2014	Period ended 31 December 2013 before the change	Period ended 31 December 2013 after the change
<b>A. Profit and loss statement</b>	<b>75 340 101,25</b>	<b>88 167 388,58</b>	<b>82 559 506,54</b>
I. Donations for Perpetual Capital, including:	75 030 995,72	82 485 706,54	82 485 706,54
- donations from the Ministry of Culture and National Heritage	15 000 000,00	11 000 000,00	11 000 000,00
II. Donations for administrative cost	309 105,53	73 800,00	73 800,00
III. Income from previous year increasing income of the current year	-	5 607 882,04	-
<b>B. Donations transferred to the Auschwitz-Birkenau State Museum in Oświęcim</b>	<b>3 065 722,19</b>	<b>2 144 991,00</b>	<b>996 981,77</b>
C. Income on statutory activity (A-B)	72 274 379,06	86 022 397,58	81 562 524,77
D. Administrative cost of statutory activities	1 582 206,91	1 096 742,00	1 096 742,00
E. Income on statutory activity, adjusted by the administrative costs C – D)	70 692 172,15	84 925 655,58	80 465 782,77
F. Other operating income	1 223,54	-	-
G. Other operating expenses	-	0,17	0,17
H. Income on operating activity (E+F-G)	70 693 395,69	84 925 655,41	80 465 782,60
I. Financial income	15 127 230,16	7 901 174,83	7 901 174,83
J. Financial expenses	143 671,18	28,59	28,59
K. Income on activity (H+I-J)	85 676 954,67	92 826 801,65	88 366 928,84
L. Result on extraordinary items	-	-	-
M. Total financial result (K±L)	85 676 954,67	92 826 801,65	88 366 928,84

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As a result of introduced changes the following items of balance sheet as of 31 December 2013 changed:

Item A. III of profit and loss statement - Income from previous year increasing income of the current year - decrease of PLN 5 607 882,04.

Item B. of profit and loss statement - Donations transferred to the Auschwitz-Birkenau State Museum in Oświęcim - decrease of PLN 1 148 009,23.

### **31. Other significant information concerning economic and financial standing and financial result of the Foundation**

The financial statements include all information concerning economic and financial position and the financial result of the Foundation.

Pursuant to paragraph 9 point 4 of the Foundations' Statutes it shall be indicated, that in the financial year from 1 January to 31 December 2014 and in the comparative period ratio between interest received on Perpetual Capital and administrative expenses of statutory activities presented below was in line with the above mentioned provisions of Statutes.

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	<u>31.12.2014</u>	<u>31.12.2013</u>
- Interest received	12 843 285,23	6 763 770,91
- Maintenance of cash value of Perpetual Capital	3 817 549,47	-
- Interest received adjusted by maintenance of cash value of Perpetual Capital	9 025 735,76	6 763 770,91
	<hr/> <hr/>	<hr/> <hr/>
- Administrative expenses of statutory activities (adjusted by donations received from suppliers)	1 273 101,38	1 022 942,00
- Assets (resources) available for statutory activities in form of donations to Auschwitz-Birkenau State Museum in 2015	7 752 634,38	5 740 828,91
	<hr/> <hr/>	<hr/> <hr/>
- The percentage of administrative costs in interest received adjusted by maintenance of cash value of Perpetual Capital	14 %	15%
- The percentage of assets (resources) available for statutory activities in form of donations to Auschwitz-Birkenau State Museum for next year in realized interest adjusted by maintenance of cash value of Perpetual Capital	86%	85%

The Management Board of the Foundation:

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Piotr Cywiński  
President of the Management Board

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Rafał Pióro  
Vice President of the Management Board

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Łukasz Rozdeiczner-Kryszkowski  
Vice President of the Management Board

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Jacek Kastelaniec  
Chief Executive Officer

Responsible for keeping the accounting books:

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Deloitte Doradztwo Podatkowe Sp. z o.o.