

Financial Statements  
**Auschwitz-Birkenau Foundation**  
Period 15/01/2009- 31/12/2009  
NIP 525-24-56-943

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## **A. INTRODUCTION TO FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Auschwitz-Birkenau Foundation („Foundation”) was incorporated by Notarial Deed dated 15.01.2009 (rep. A nr 131/2009).

The Foundation was entered into the National Court Register kept by District Court for the city of Warsaw, XII Economic and Registry Department, Entry No. RHB 0000328383 on 23.04.2009.

The Foundation has been allocated NIP number: 525-24-56-943 and a statistical number REGON 141817074.

The Foundation's registered office is located at Twarda 6, Warsaw

The Foundation's period of operation is unlimited.

The goal of the Foundation is to look after the Memorial Site – the grounds and remnants of the former concentration camp KL Auschwitz I and Auschwitz II Birkenau concentration camp supervised by the Auschwitz-Birkenau State Museum in Oświęcim as well as to support the Museum's mission.

The Foundation achieves its statutory goals by:

- collecting funds for the preservation of the Memorial Site and its financing, including providing grants;
- supporting scientific, educational, publishing, exhibition as well as cultural activities connected with the Museum's mission;
- co-operating with natural and legal persons whose activities correspond to the Foundation's goals;
- co-operating with local and governmental authorities as well as non-governmental and academic and research organizations in Poland and world-wide in the scope mentioned in the goals of the Foundation's activity,
- initiating and financing its own projects, including projects in co-operation with the Museum as well as other organizations.

### **2. GOING CONCERN ASSUMPTION**

The financial statements of the Foundation have been prepared on the basis that the Foundation is a going concern, for a period of 12 months from the balance sheet date 31.12.2009.

**3. ACCOUNTING POLICIES INCLUDING METHODS OF ASSETS AND LIABILITIES VALUATION (INCLUDING DEPRECIATION), THE FINANCIAL RESULT MEASUREMENT AND PREPARATION OF FINANCIAL STATEMENTS.**

*3.1. Format and the basis of preparing the financial statements*

The financial statements were prepared in accordance with the provisions of the Accounting Act of Poland dated 29 September 1994 (the uniform text Journal of Laws No 76 dated 17 of June 2002, with further amendments) [the "Act"].

The financial statement was prepared on the historical cost.

*3.2. Intangible assets*

Intangible assets are recognised 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. Following initial recognition, intangible assets are valued at acquisition cost or cost of production less accumulated amortisation and impairment losses. Intangible assets are amortised 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 recognised under other operating expenses.

*3.3. Tangible fixed assets*

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

Costs 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 prove that such costs increase the expected future economic benefits to be derived from a given asset beyond the originally expected benefits, they are capitalised 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 asset.

Tangible fixed assets with a low initial cost i.e. less than PLN 3,5 thousand are expensed immediately.

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 recognised under other operating expenses.

*3.4. Short- and long-term receivables*

Trade receivables are stated at the amount due, less an allowance (a write-down).

The value of receivables is adjusted by appropriate write-downs reflecting their recoverability. Write-downs against receivables are recorded under other operating expenses or finance costs, depending on the type of receivable.

The amounts of forgiven, statute-barred or bad debts reduce the amount of the write-downs that were previously recognised against the account.

The amounts of forgiven, statute-barred or bad debts for which no write-downs or only partial write-downs were made are recorded under other operating expenses or finance costs, as appropriate.

*3.5. Foreign currency transactions*

Transactions denominated in currencies other than Polish zloty are translated into Polish zloty at the rate of exchange prevailing on the date preceding the transaction date.

As at the balance sheet date, assets and liabilities expressed in currencies other than Polish zloty are translated into Polish zloty using the average NBP rate prevailing for the given currency at the year-end. Exchange differences resulting from translation are recorded under financial revenue or expenses, or – in cases defined in regulations – are capitalised in the cost of the assets.

The following exchange rates were used for valuation purposes:

	31 December 2009 roku
EUR	4,1082
USD	2,8503

*3.6. Cash and cash equivalents*

Cash in hand and at bank is stated at nominal value.

*3.7. Prepaid and accrued expenses*

The Foundation recognises prepayments if the costs incurred relate to future reporting periods. Accruals are recognised at the amount of probable liabilities relating to the current reporting period.

*3.8. Provisions*

Provisions are recognised when the Foundation has a present obligation (legal or constructive) as a result of a past event, such that an outflow of resources embodying economic benefits is certain or highly probable to be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

*3.9. Interest*

Interest revenue is recognised as the interest accrues (using the effective interest rate method), unless collectability is in doubt.

*3.10. Taxation*

The Foundation is exempted from corporate income tax pursuant to Article 17 of the Corporate Income Tax Act in the part of the income reserved for the statutory activities. The Foundation is not a taxpayer of the value added tax.

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**BALANCE SHEET**

**ASSETS**

(PLN)	As at 31.12.2009
<b>A. Fixed assets</b>	<b>36 770,88</b>
I. Intangible fixed assets	0,00
II. Tangible fixed assets	36 770,88
III. Long-term receivables	0,00
IV. Long-term investments	0,00
V. Long-term prepayments and deferred costs	0,00
<b>B. Current assets</b>	<b>2 079 368,56</b>
I. Inventory of tangible current assets	0,00
II. Short-term receivables	0,00
III. Short-term investments	2 079 368,56
1. cash in hand and at bank	2 079 368,56
2. other financial assets	0,00
IV. Short-term prepayments and deferred costs	0,00
<b>Total assets</b>	<b>2 116 139,44</b>

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**BALANCE SHEET**

**EQUITY AND LIABILITIES**

<b>(PLN)</b>	<b>As at 31.12.2009</b>
<b>A. Equity</b>	<b>2 074 543,05</b>
<b>I. Statutory fund</b>	<b>0,00</b>
<b>II. Revaluation reserve</b>	<b>0,00</b>
<b>III. Net financial result for the period</b>	<b>2 074 543,05</b>
1. Excess of income over expenses (plus)	2 074 543,05
2. Excess of expenses over income (minus)	
<b>B. Liabilities and provisions for liabilities</b>	<b>41 596,39</b>
<b>I. The long-term liabilities from loans</b>	<b>0,00</b>
<b>II. Short-term liabilities and special funds</b>	<b>41 596,39</b>
1. Loans	0,00
2. Other liabilities	41 596,39
3. Special funds	0,00
<b>III. Provisions for liabilities</b>	<b>0,00</b>
<b>IV. Accruals and deferred income</b>	<b>0,00</b>
1. deferred income	0,00
2. other accruals	0,00
<b>Total equity and liabilities</b>	<b>2 116 139,44</b>

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**PROFIT AND LOSS ACCOUNT**

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(PLN)	Year ended 31.12.2009
<b>A. Revenues from statutory activities</b>	<b>2 135 401,28</b>
1. Gross premiums defined by statute	0,00
2. Other revenues defined by statute	2 135 401,28
<b>B. Costs of statutory activities</b>	<b>0,00</b>
<b>C. Financial result on statutory activities (A-B) positive or negative figure)</b>	<b>2 135 401,28</b>
<b>D. Administrative costs</b>	<b>91 567,92</b>
1. Depreciation	0,00
2. Materials and energy	6 808,22
3. External services	24 671,64
4. Taxes and charges	0,00
5. Remuneration, social security and others	47 142,96
6. Other costs by type	12 945,10
<b>E. Other revenues (other than in A i G)</b>	<b>0,00</b>
<b>F. Other costs (other than in B, D i H)</b>	<b>0,00</b>
<b>G. Financial income</b>	<b>30 711,89</b>
<b>H. Financial costs</b>	<b>2,20</b>
<b>I. Gross financial result (positive or negative figure) (C-D+E-F+G-H)</b>	<b>2 074 543,05</b>
<b>J. Result on extraordinary items</b>	<b>0,00</b>
I. Extraordinary gains (plus)	0,00
II. Extraordinary losses (minus)	0,00
<b>K. Net financial result (I+/-J)</b>	<b>2 074 543,05</b>
<b>I. Difference increasing costs of the next year (negative figure)</b>	<b>0,00</b>
<b>II. Difference increasing revenues of the next year (positive figure)</b>	<b>2 074 543,05</b>

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## **B. ADDITIONAL INFORMATION AND EXPLANATION**

### **1. SIGNIFICANT PRIOR YEAR EVENTS RECOGNISED IN CURRENT YEAR FINANCIAL STATEMENTS**

Up to the date of the preparation of these financial statements, there were no prior year events that were not, but should have been, disclosed in the financial statements.

### **2. SIGNIFICANT POST BALANCE SHEET EVENTS NOT REFLECTED IN THE FINANCIAL STATEMENTS**

Between the balance sheet date and the date of the preparation of these financial statements, there were no events that were not, but should have been, disclosed in the financial statements for the financial year.

### **3. COMPARABILITY OF PRIOR YEAR FINANCIAL STATEMENTS WITH CURRENT YEAR FINANCIAL STATEMENTS**

The financial statements for the current reporting period cover the first year of the Foundation's activity, therefore comparability of the previous reporting year data is impossible.

### **4. TANGIBLE FIXED ASSETS**

During the reporting year the Foundation purchased computer sets at the value of PLN 36 770,88. Depreciation of purchased fixed assets starts in 2010.

### **5. SHORT-TERM RECEIVABLES**

As at the balance sheet date the Foundation did not have any short-term receivables.

### **6. CASH AND CASH EQUIVALENTS**

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	<b>31 December 2009</b>
	PLN
- current bank account PLN	70 882,84
- current bank account EUR	1 776 354,15
- current bank account USD	232 131,57
<b>Total cash</b>	<b>2 079 368,56</b>

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## 7. PREPAYMENTS

As at the balance sheet date there were no prepayments in the Foundation balance sheet.

## 8. SHORT TERM LIABILITIES

	<b>31 December 2009 roku</b>
	<b>PLN</b>
Domestic trade liabilities	14 486,19
Liabilities towards Tax Office and Social Security Office (personal income)	15 581,60
Liabilities arising from the settlements of employees advances and credit cards	11 528,60
<b>Short term liabilities, total</b>	<b>41 596,39</b>

## 9. ACCRUALS

As at the balance sheet date, the Foundation did not have any accruals.

## 10. LIABILITIES SECURED ON THE COMPANY'S ASSETS

As at the balance sheet date the Foundation did not have any liabilities secured on its assets.

## 11. CONTINGENT LIABILITIES, INCLUDING GUARANTEES AND SURETYSHIPS GRANTED BY THE COMPANY (INCLUDING BILLS OF EXCHANGE)

As at the balance sheet date the Foundation did not have any significant, contingent liabilities, including guarantees or suretyships granted.

## 12. OFF BALANCE SHEET LIABILITIES

As at balance sheet date the Foundation did not have any significant off balance sheet liabilities.

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### 13. STRUCTURE OF INCOME

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	31 December 2009
	PLN
Donation – Perpetual Fund	1 744 316,38
Other donations received	391 084,90
Bank interests obtained	450,25
Exchange gains	30 261,64
<b>Total income</b>	<b>2 166 113,17</b>

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### 14. STRUCTURE OF ADMINISTRATIVE COSTS

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	31 December 2009
	PLN
Materials and energy	6 808,22
External services	24 671,64
Remuneration, social security and others	47 142,96
Other costs by type	12 945,10
<b>Total administrative costs</b>	<b>91 567,92</b>

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### 15. STATUTORY FUND

The Foundation does not have any statutory fund. Income of the Foundation consists of the investment capital (Perpetual Capital), unless the donor's declaration or the grant agreement clearly show different purpose of donation.

### 16. TENDENCIES OF CHANGES IN REVENUES AND COSTS, ASSETS AND SOURCES OF FINANCING

There will be no changes in revenues and costs or assets and their sources of financing.

### 17. INFORMATION ON AVERAGE EMPLOYMENT

As at the balance sheet date, the Foundation employed 3 people under the contract of mandate.

### 18. INFORMATION ON REMUNERATION, INCLUDING PROFIT BASED BONUSES, PAID OR PAYABLE TO MEMBERS OF MANAGEMENT AND SUPERVISORY BODIES

The Foundation did not pay in the reporting year any remuneration to members of the Management Board.

**19. INFORMATION ON LOANS AND OTHER SIMILAR BENEFITS GRANTED TO MEMBERS  
OF THE MANAGEMENT AND SUPERVISORY BODIES**

During the year ended 31 December 2009 the Foundation did not grant any loans or other similar benefits to members of the management and supervisory bodies.

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11 May 2010r.

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