



Fundacja Auschwitz - Birkenau

**Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2009**

The opinion contains 2 pages
The report supplementing the auditor's opinion
contains 10 pages
Opinion of the independent auditor
and report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2009

OPINION OF THE INDEPENDENT AUDITOR

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying financial statements of Fundacja Auschwitz – Birkenau have been prepared and present fairly, in all material respects, the financial position of the Foundation as at 31 December 2009 and its financial performance for the year then ended in accordance with the accounting principles applicable to the territory of the Republic of Poland as set out in the Accounting Act and related bylaws, are in compliance with the respective regulations and the provisions of the Foundation's articles of association that apply to the Foundation's financial statements and have been prepared from accounting records that, in all material respects, have been properly maintained.

Other Matters

As required under the Accounting Act, we also report that the Report on the Foundation's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 11528
Magdalena Paulinek

30 May 2011
Warsaw

Signed on the Polish original

.....
Certified Auditor No. 90060
Limited Liability Partner with power of
attorney
Wojciech Stopka

REPORT OF THE INDEPENDENT AUDITOR

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the Council of Fundacja Auschwitz - Birkenau

We have audited the accompanying financial statements of Fundacja Auschwitz - Birkenau, seated in Warsaw, ul. Twarda 6 ("the Foundation"), which comprise the introduction to the financial statements, the balance sheet as at 31 December 2009, the profit and loss account, for the year then ended and the supplementary information and explanations.

Management's Responsibility for the Financial Statements

Management of the Foundation is responsible for the correctness of the accounting records, the preparation and fair presentation of these financial statements and preparation of the Report on the Foundation's activities in accordance with the Accounting Act dated 29 September 1994 (Official Journal from 2009, No. 152, item 1223 with amendments) ("the Accounting Act") and related bylaws, , and other applicable regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

According to the Accounting Act, Management of the Foundation or other body supervising the entity are required to ensure that the financial statements and the Report on the Foundation's activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility, based on our audit, is to express an opinion on these financial statements and whether the financial statements are derived from properly maintained accounting records. We conducted our audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the accounting records from which they are derived are free from material misstatement.

Fundacja Auschwitz - Birkenau

**Report supplementing
the auditor's opinion
on the financial statements
Financial Year ended
31 December 2009**

The report supplementing the auditor's opinion
contains 10 pages
Report supplementing the auditor's opinion
on the financial statements
for the financial year ended
31 December 2009

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1. General

1.1. General information about the Foundation

1.1.1. Foundation name

Fundacja Auschwitz - Birkenau

1.1.2. Registered office

ul. Twarda 6
00-104 Warszawa

1.1.3. Registration in the National Court Register

Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
Date: 23 April 2009
Registration number: KRS 0000328383

1.1.4. Tax Office and Provincial Statistical Office registration

NIP number: 525-24-56-943
REGON: 141817074

1.2. Auditor information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registered office: Warsaw
Address: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City Warsaw in Warsaw,
XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms under number 3546.

1.3. Legal status

1.3.1. Operating period

The Foundation was established for an indefinite period under the terms of its articles of association dated 2 April 2009.

1.3.2. Management of the Foundation

The Management Board is responsible for management of the Foundation.

At 31 December 2009, the Management Board of the Foundation was comprised of the following members:

- Piotr Mateusz Cywiński – President of the Management Board,
- Rafał Pióro – Vice President of the Management Board,
- Łukasz Rozdeiczer Kryszkowski – Vice President of the Management Board,
- Jacek Kasztelaniec – Member of the Management Board – General Director.

1.3.3. Scope of activities

The business activities of the Foundation in accordance with its statutes is to care for the Memorial - the site and the remains of the former Auschwitz I and Auschwitz II-Birkenau, located under the care of the Auschwitz - Birkenau Museum in Oświęcim and supporting the mission of the Museum.

Foundation pursues its objectives by:

- raising funds for the maintenance of the Memorial and its financing, including grants,
- supporting the activities of scientific, educational, publishing, exhibitions and worship
- working with private and legal persons conducting activities consistent with the aims of the Foundation,
- cooperation with local authorities, government, NGOs and academic and research centers in Poland and abroad within the scope set for the Foundation
- initiating and financing their own projects, including in cooperation with the Museum and other organizations

1.4. Prior period financial statements

The financial statements as at and for the period from 15 January 2009 to 31 December 2009 is the first period of Foundation's activity.

1.5. Audit scope and responsibilities

This report was prepared for the Council of Fundacja Auschwitz - Birkenau seated in Warsaw, ul. Twarda 6 and relates to the financial statements comprising: the introduction to the financial statements, the balance sheet as at 31 December 2009, the profit and loss account for the period then ended and the supplementary information and explanations.

The financial statements have been audited in accordance with the contract dated 29 April 2011, concluded on the basis of the resolution of the Council of Fundacja Auschwitz - Birkenau dated 3 February 2011 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act, national standards on auditing issued by Polish National Council of Certified Auditors and International Standards on Auditing.

We audited the financial statements in the Foundation's head office during the period from 8 to 9 December 2010 and from 9 to 13 May 2011.

Management of the Foundation is responsible for the correctness of the accounting records and the preparation and fair presentation of the financial statements and preparation of the Report on the Foundation's activities in accordance with the accounting principles as set out in the Accounting Act and in compliance with the respective bylaws and other applicable regulations.

Our responsibility is to express an opinion and to prepare a supplementing report on the financial statements and whether the financial statements have been prepared from properly maintained accounting records based on our audit.

Management of the Foundation submitted a statement, dated the same date as this report, as to the true and fair presentation of the financial statements presented for audit, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the financial statements.

All our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. k., the members of its Management Board and other persons involved in the audit of financial statements of the Foundation fulfill independence requirements. The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

2. Financial analysis of the Foundation

2.1. Summary of the financial statements

2.1.1. Balance sheet

ASSETS	31.12.2009 PLN '000	% of total
Non-current assets		
Tangible fixed assets	36.8	1.7
	36.8	1.7
Current assets		
Short term investments	2,079.3	98.3
	2,079.3	98.3
TOTAL ASSETS	2,116.1	100.0
EQUITY AND LIABILITIES		
Equity		
Net result for the year	2,052.0	97.0
	2,052.0	97.0
Liabilities and provisions for liabilities		
Short term liabilities	64.1	3.0
	64.1	3.0
TOTAL EQUITY AND LIABILITIES	2,116.1	100.0

2.1.2. Profit and loss account

	15.01.2009 - 31.12.2009	% of total sales
	PLN '000	
Revenues from statutory activities		
Other contributions defined by statute	2,135.4	100.0
	<u>2,135.4</u>	<u>100.0</u>
Administrative costs		
Materials and energy	(6.8)	0.3
External services	(24.7)	1.1
Payroll Social security and other benefits	(69.6)	3.3
Other expenses by kind	(13.0)	0.6
	<u>(114.1)</u>	<u>5.3</u>
Financial income		
Other	30.7	1.4
	<u>30.7</u>	<u>1.4</u>
Gross result on overall activities	2,052.0	96.1
Total net result	2,052.0	96.1

2.2. Selected financial ratios

	2009
1. Debt ratio	
<u>liabilities and provisions for liabilities x 100%</u> total equity and liabilities	3.0%
2. Current ratio	
<u>current assets</u> current liabilities	32.4

- Current assets exclude receivables due in more than 12 months.
- Current liabilities are comprised of short-term provisions for liabilities, short-term liabilities (excluding liabilities due in more than 12 months) and other short-term accruals.
- Net revenues are comprised of the sale of finished products, merchandise and raw materials.
- Average trade receivables represent the average of trade receivables to related and other parties at the beginning and at the end of the period, excluding allowances for receivables.

2.3. Interpretation of selected financial ratios

High **current ratio** and low **debt ratio** resulted from high balance of cash at bank and deposits kept by the Foundation accompanied by low level of liabilities.

3. Detailed report

3.1. Proper operation of the accounting system

The Foundation maintains current documentation describing the applied accounting principles adopted by the Management Board to the extent required by Art. 10 of the Accounting Act.

During the audit of the financial statements, we tested, on a sample basis, the operation of the accounting system. Our assessment covered in particular:

- appropriateness and consistency of the accounting principles used,
- correctness of the documentation of transactions,
- fairness, accuracy and verifiability of the accounting records, including the matching of accounting entries with supporting documentation and the financial statements,
- compliance of the adopted policies relating to the safeguarding of the supporting documentation, the accounting records and the financial statements with the Accounting Act.

On the basis of the work performed, we have not identified material irregularities in the accounting system which have not been corrected and that could have a material impact on the financial statements. Our audit was not conducted for the purpose of expressing a comprehensive opinion on the operation of the accounting system.

3.2. Asset verification

The Foundation performed a physical verification of assets in accordance with the requirements and time frame specified in Art. 26 of the Accounting Act. The following categories of assets were included in the verification:

- cash,
- trade receivables.

Verification differences have been recognised in the period covered by the financial statements.

3.3. Introduction and supplementary information and explanations to the financial statements

All information included in the introduction and the supplementary information and explanations to the financial statements is, in all material respects, presented correctly and completely. The introduction and supplementary information and explanations should be read in conjunction with the financial statements taken as a whole.

3.4. Report on the Foundation's activities

The Report on the Foundation's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and the information is consistent with the financial statements.

3.5. Information on the opinion of the independent auditor

Based on our audit of the financial statements of the Foundation as at and for the year ended 31 December 2009, we have issued an unqualified.

On behalf of KPMG Audyt Spółka z ograniczoną
odpowiedzialnością sp.k. registration number 3546
ul. Chłodna 51, 00-867 Warsaw

Signed on the Polish original

.....
Certified Auditor No. 11528
Magdalena Paulinek

30 May 2011
Warsaw

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Certified Auditor No. 90060
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