

**POLISH-U.S. FULBRIGHT COMMISSION**

**K.I. Gałczyńskiego 4**

**00-362 Warsaw**

## **Financial statements 2014**

Warsaw, 28 May 2015

**POLISH-U.S. FULBRIGHT COMMISSION****INTRODUCTION TO FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 01 JANUARY 2014 UNTIL 31 DECEMBER 2014****I. IDENTIFICATION**

Name: **POLISH-U.S. FULBRIGHT COMMISSION**

Abbreviated name: **POLISH-U.S. FULBRIGHT COMMISSION**

Registered Office: **K.I.Gałczyńskiego 4, 00-362 Warszawa**

**II. CORE ACTIVITY:**

91.33.Z Initiate, support, conduct and organize activities involving studies, research, training and other projects falling within the area of science and higher education, education, culture and arts offered by or to American and Polish citizens in the USA and in Poland.

**Financial statements 2014**

Registered at the KRS - National Court Register

**166179** The District Court of the City of Warsaw in Warsaw, the 12th Commercial Department of the National Court Register

The Company Identification Numbers

**Regon (Statistical Number)** **12580212** at the Regional Statistical Office in Warsaw

**NIP (Tax Identification Number)** **5261719106** at the Taxpayer Register at the First Mazovian Tax Office in Warsaw

**III. MANAGEMENT BOARD**

As at 31 December 2014, the Management Board of the Polish-U.S. Fulbright Commission was comprised of the following individuals:

- Małgorzata Krasowska - Member of the Management Board - Executive Director
- Katarzyna Lorenc - Member of the Management Board
- Agnieszka Cenzartowicz - Member of the Management Board

On 20 March 2015, the Board of the Polish-U.S. Fulbright Commission removed the following individuals from their positions:

- Małgorzata Krasowska - Member of the Management Board - Executive Director
- Agnieszka Cenzartowicz - Member of the Management Board

and appointed:

- Maria Aleksandra Pawłowska as the Member of the Management Board - Acting Executive Director

On 19 May 2015, the Board of the Polish-U.S. Fulbright Commission removed from her position:

- Katarzyna Lorenc - Member of the Management Board

and appointed:

- Justyna Kozyra-Bober - Member of the Management Board
- Jacek Kasprzak - Member of the Management Board

The current Management Board of the Polish-U.S. Fulbright Commission is comprised of:

- Maria Aleksandra Pawłowska - Member of the Management Board - Acting Executive Director
- Justyna Kozyra-Bober - Member of the Management Board
- Jacek Kasprzak - Member of the Management Board

**IV. PERIOD OF ACTIVITY**

The period of activity is unlimited

**V. PERIOD OF THE FINANCIAL STATEMENTS**

Financial Statements are for the period from 01 January 2014 until 31 December 2014

**VI. CONSOLIDATED FINANCIAL STATEMENTS**

The organization does not have any internal units

**VII. GOING CONCERN**

Financial statements were prepared on a going concern basis.

**VIII. INFORMATION ON MERGERS**

The foundation has not been engaged in any mergers of business entities.

**IX. INFORMATION ON THE PREPARATION OF FINANCIAL STATEMENTS**

Accounting principles applied to prepare the financial statements as of 31 December 2014, are compliant with the Accounting Act of 29 September 1994, as amended, hereinafter referred to as the Act, which identifies, inter alia, accounting principles applicable to the units having registered office or the Management Board at the Republic of Poland.

**X. ACCOUNTING POLICY DURING THE CURRENT FINANCIAL YEAR**

The Foundation uses accrual accounting principles to record its grant income. The profit and loss statement is broken out by revenue and costs per grant type and by year. Furthermore income from statutory activities is shown based on cost incurred.

This method allows for precise matching of revenue and expenses. Grant income not covered by costs is deferred.

**XI. VALUATION OF ASSETS AND LIABILITIES**

- 1) Intangible assets and fixed assets were valued as of the balance sheet date and shown in the balance sheet at historical cost less depreciation.
- 2) Accounts receivable shown in the balance sheet are recognized as the amount due and foreign currency receivables are translated into PLN based on the average exchange rate of the National Bank of Poland as of the date of the balance sheet.
- 3) Short-term financial assets were valued as of the balance sheet date and shown in the balance sheet at the nominal value. Foreign currency amounts were translated at an average exchange rate of the National Bank of Poland as of the balance sheet date.
- 4) Short-term liabilities were valued as of the balance sheet date and shown in the balance sheet at the amount due for payment. Foreign currency amounts were translated at the average exchange rate of the National Bank of Poland as of the balance sheet date.
- 5) Short-term accrued income is shown at the nominal value in the amounts not settled by the balance sheet date.

**BALANCE SHEET prepared as of 31 December 2014**  
Based on the Attachment 1 to the Accounting Act

**ASSETS**

Itemized assets	Asset as at	
	31 Dec 2013	31 Dec 2014
1	2	3
<b>A. FIXED ASSETS</b>	<b>28 054,41</b>	<b>15 570,59</b>
I. Intangible assets	1 158,54	395,00
II. Tangible fixed assets	26 895,87	15 175,59
III. Long-term receivables	0,00	0,00
IV. Long-term investments	0,00	0,00
V. Long-term prepayments	0,00	0,00
<b>B. CURRENT ASSETS</b>	<b>3 962 484,54</b>	<b>5 902 937,36</b>
I. Inventory	0,00	0,00
II. Short-term receivables	55 141,23	104 376,86
III. Short-term investments	2 418 597,04	4 498 501,22
IV. Short-term prepayments	1 488 746,27	1 300 059,28
	0,00	0,00
<b>Total Assets</b>	<b>3 990 538,95</b>	<b>5 918 507,95</b>

**LIABILITIES**

Itemized liabilities	Liabilities as at	
	31 Dec 2013	31 Dec 2014
1	2	3
<b>A. EQUITY</b>	<b>850 751,84</b>	<b>1 108 180,02</b>
I. Equity	899 791,48	899 791,48
II. Called up capital (negative value)	0,00	0,00
III. Own shares (negative value)	0,00	0,00
IV. Supplementary capital	0,00	0,00
V. Revaluation reserve	0,00	0,00
VI. Other reserve capital	0,00	0,00
VII. Previous years profit (loss)	0,00	-49 039,64
VIII. Net profit (loss)	-49 039,64	257 428,18
IX. Write-off on net profit during the financial year (negative value)	0,00	0,00
<b>B. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>3 139 787,11</b>	<b>4 810 327,93</b>
I. Provisions for liabilities	0,00	0,00
II. Long-term liabilities	0,00	0,00
III. Short-term liabilities	1 500 146,05	1 305 526,52
IV. Accruals	1 639 641,06	3 504 801,41
<b>Total Liabilities</b>	<b>3 990 538,95</b>	<b>5 918 507,95</b>

Warsaw, 28 May 2015

prepared by  
**Paweł Jakubowski**

.....  
*T. Jakubowski*

SOLTAX Sp. z o.o.

Al. Wyzwolenia 10/171

00-570 Warszawa

NIP: 525-231-04-12 REGON: 015751003

**Maria Aleksandra Pawłowska**Acting Executive Director  
Member of the Management Board

.....  
*Maria Pawłowska*

**Justyna Kozyra-Bober**

Member of the Management Board

.....  
*Justyna Kozyra-Bober*

**Jacek Kasprzak**

Member of the Management Board

.....  
*Jacek Kasprzak*

**Profit and Loss Statement as of 31 December 2014**  
Based on Attachment 1 to the Accounting Act (multiple-step variant)

Item	Itemized	12 months by 31 Dec 2013	12 months by 31 Dec 2014
1	2	3	4
<b>A</b>	<b>Net revenue from sales of products, goods and materials</b>	<b>0,00</b>	<b>0,00</b>
I	Net revenue from sales of products (incl. services)		0,00
II	Financial statements 2014		0,00
<b>B</b>	<b>Cost of products, goods and materials sold</b>	<b>0,00</b>	<b>0,00</b>
I	Manufacturing cost of products sold (incl. Services)		0,00
II	Value of goods and materials sold		0,00
<b>C</b>	<b>Gross profit (loss) on sales (A-B)</b>	<b>0,00</b>	<b>0,00</b>
<b>D</b>	<b>Selling costs</b>		<b>0,00</b>
<b>E</b>	<b>General and administrative costs</b>	<b>1 719 333,58</b>	<b>1 391 007,31</b>
<b>F</b>	<b>Profit (loss) on sales (C-D-E)</b>	<b>-1 719 333,58</b>	<b>-1 391 007,31</b>
<b>G</b>	<b>Other operating revenue</b>	<b>10 862 838,40</b>	<b>6 691 587,89</b>
<b>II</b>	<b>Subsidies</b>	<b>10 786 572,84</b>	<b>6 647 124,79</b>
1.	Grants for Fulbright Program including:	8 780 799,18	6 647 124,79
a).	US government grants	4 880 799,18	2 647 124,79
b).	Polish government grants	3 900 000,00	4 000 000,00
2.	Subsidies for other programs	2 005 773,66	
<b>III</b>	<b>Other operating revenues</b>	<b>76 265,56</b>	<b>44 463,10</b>
1.	Revenue from statutory activities (donations, contributions)	75 183,16	21 586,60
2.	Statutory activity - public benefit activities for a fee		22 675,96
3.	Other operating revenue	1 082,40	200,54
<b>H</b>	<b>Other operating expenses</b>	<b>9 123 753,20</b>	<b>5 263 082,42</b>
I	Loss on disposal of non-financial assets		
II	Revaluation of non-financial assets		
III	Other operating expenses	9 123 753,20	5 263 082,42
1.	Statutory activity expenses - free of charge activity	9 123 690,31	5 256 336,20
a).	Fulbright Program - from the US grant	3 450 224,39	1 256 117,48
b).	Fulbright Program from the Polish grant	3 916 602,78	4 000 218,72
c).	Other statutory tasks	1 756 863,14	0,00
2.	Statutory activity expenses - public benefit activities for a fee	0,00	0,00
3.	Other operating expenses	62,89	6 746,22
<b>I</b>	<b>Profit (loss) on operating activities (F+G-H)</b>	<b>19 751,62</b>	<b>37 498,16</b>
<b>J</b>	<b>Financial revenues</b>	<b>23 286,97</b>	<b>219 983,58</b>
I	Dividend and profit sharing		0,00
II	Interest	23 286,97	1 877,04
III	Gain on disposal of investment		0,00
IV	Revaluation of investment		0,00
V	Other		218 106,54
<b>K</b>	<b>Financial expenses</b>	<b>92 078,23</b>	<b>53,56</b>
I	Interest	66,18	53,56
II	Loss on disposal of investment		0,00
III	Revaluation of investment		0,00
IV	Other	92 012,05	0,00
<b>L</b>	<b>Profit (loss) on business activities (I+J-K)</b>	<b>-49 039,64</b>	<b>257 428,18</b>
<b>M</b>		<b>0,00</b>	<b>0,00</b>
<b>N</b>	<b>Gross profit (loss) (L±M)</b>	<b>-49 039,64</b>	<b>257 428,18</b>
<b>O</b>	<b>Income tax</b>		0,00
<b>P</b>	<b>Net profit (loss) (N-O-P)</b>	<b>-49 039,64</b>	<b>257 428,18</b>

Warsaw, 28 May 2015

prepared by  
**Paweł Jakubowski**

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Member of the Management Board

*Maria Pawłowska*

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Member of the Management Board

*Justyna Kozyra-Bober*

**Jacek Kasprzak**

Member of the Management Board

*Jacek Kasprzak*

**Notes to the financial statements  
for the period 01 January 2014 - 31 December 2014**

Notes to the financial statements were prepared based on Attachment 1 to the Accounting Act According to art. 50 of the Accounting Act, notes to the financial statements may be prepared in the abridged format. Amounts are stated in PLN

**SECTION 1**

**Ad 1 (FIXED ASSETS)**

**Tangible fixed assets**

Financial statements	GROUP OF FIXED ASSETS	Opening balance	Closing balance
1	Buildings and units	0,00	0,00
2	Civil and hydro engineering objects	0,00	0,00
3	Boilers and power generation machines	0,00	0,00
4	General use machines and equipment	0,00	0,00
5	Special use machines and equipment	0,00	0,00
6	Technical equipment	49 888,89	61 274,25
7	Means of transport	0,00	0,00
8	Tools, instruments, movables and furnishing	145 820,94	145 820,94
9	Livestock	0,00	0,00
	<b>TOTAL FIXED ASSETS</b>	<b>195 709,83</b>	<b>207 095,19</b>

GROUP	GROUP OF FIXED ASSETS	Opening balance	Closing balance
1	Buildings and units	0,00	0,00
2	Civil and hydro engineering objects	0,00	0,00
3	Boilers and power generation machines	0,00	0,00
4	General use machines and equipment	0,00	0,00
5	Special use machines and equipment	0,00	0,00
6	Technical equipment	22 993,02	46 098,66
7	Means of transport	0,00	0,00
8	Tools, instruments, movables and furnishing	145 820,94	145 820,94
9	Livestock	0,00	0,00
	<b>TOTAL FIXED ASSETS DEPRECIATION</b>	<b>168 813,96</b>	<b>191 919,60</b>

Depreciation of fixed tangible assets during the financial reporting period 23 105,64

**Intangible assets**

ACCOUNT	ACCOUNT NAME	Opening balance	Closing balance
<b>020</b>	<b>Intangible assets</b>	<b>10 563,21</b>	<b>12 980,08</b>
020-1	Software	8 606,86	11 023,73
020-2	Other intangible assets	1 956,35	1 956,35
	<b>TOTAL INTANGIBLE ASSETS</b>	<b>10 563,21</b>	<b>12 980,08</b>

**Depreciation of intangible assets**

ACCOUNT	ACCOUNT NAME	Opening balance	Closing balance
<b>078</b>	<b>Intangible assets</b>	<b>9 404,67</b>	<b>12 585,08</b>
075-1	Software	7 448,32	10 628,73
075-2	Other intangible assets	1 956,35	1 956,35
	<b>TOTAL INTANGIBLE ASSETS DEPRECIATION</b>	<b>9 404,67</b>	<b>12 585,08</b>

Depreciation of intangible assets during the financial reporting period: 3 180,41

**Ad 2. (LAND PERPETUAL USUFRUCT)**

Not applicable

**Ad 3. (LEASEHOLD VALUE)**

Not applicable

**Ad 4. (COMMITMENTS UNDER THE OWNERSHIP RIGHTS)**

Not applicable

**Ad 5. (SHARE CAPITAL)****Statutory fund breakdown:**

Itemized sources of origin of the fund	Amount
Value of the statutory fund including:	<b>899 791,48</b>
1) Endowment fund	5 329,50
2) PK financial result for prior years	253 605,23
3) PK financial result for 2001	83 753,18
4) PK financial result for 2002	1 067 497,56
5) PK financial result for 2003	1 032 508,26
6) PK financial result for 2004	-89 170,38
7) PK financial result for 2005	-476 807,09
8) Adjustment due to the change of the revenue valuation method	-1 360 859,87
9) PK financial result for 2006	-34 715,41
10) PK financial result for 2007	-73 130,48
11) PK financial result for 2008	-26 469,29
12) PK financial result for 2009	349 997,88
13) PK financial result for 2010	-22 420,61
14) PK financial result for 2011	-51 054,18
15) PK financial result for 2012	241 727,18

**Ad 6. (EQUITY)**

ITEMIZED	Opening balance	Closing balance
I. Share capital (fund - statutory fund)	899 791,48	899 791,48
II. Called up share capital (negative value)	0,00	0,00
III. Own shares (negative value)	0,00	0,00
IV. Supplementary capital	0,00	0,00
V. Revaluation reserve	0,00	0,00
VI. Other reserve capital	0,00	0,00
VII. Previous years profit (loss)	0,00	-49 039,64
VIII. Net profit (loss)	-49 039,64	257 428,18
IX. Write-off on net profit during the financial year (negative value)	0,00	0,00

**Ad 7. (FINANCIAL RESULT)**

In 2014, the Foundation had the revenue amounting to:	6 911 571,47
and incurred cost in the amount of:	6 654 143,29
<b>Gross profit for 2014 was:</b>	<b>257 428,18</b>
Income tax for 2014 amounted to:	0,00
<b>Net profit for 2014 was:</b>	<b>257 428,18</b>

**Ad 8. (PROVISIONS)**

Not applicable

**Ad 9. (REVALUATION OF RECEIVABLES)**

Not applicable

**Ad 10. (BREAKDOWN OF LONG-TERM LIABILITIES)**

Not applicable

**Ad 11. (PREPAYMENTS AND ACCRUED INCOME)**

TITLE	Opening balance	Closing balance
<b>Total prepayments and deferred income including:</b>	<b>1 488 746,27</b>	<b>1 300 059,28</b>
Scholarships (640)	1 486 634,59	1 296 534,25
Insurance	2 111,68	3 525,03
<b>Total accruals and deferred income:</b>	<b>25 865,79</b>	<b>57 898,90</b>
Provisions for costs	25 865,79	57 898,90
<b>Total accruals and deferred income:</b>	<b>1 613 775,27</b>	<b>3 446 902,51</b>
Grants not spent	1 613 775,27	3 432 556,93
Other	0,00	14 345,58

**Ad 12. (LIABILITIES SECURED BY ASSETS)**

Not applicable

**Ad 13. (CONTINGENT LIABILITIES)**

Not applicable

**Ad 1. (BREAKDOWN OF SALES)****Breakdown of revenue by sources, including those required under the statute:**

Itemized	Revenue for year:	
	previous	financial
<b>Total revenue</b>	<b>10 886 125,37</b>	<b>6 911 571,47</b>
Including:		
<b>1) Revenue from statutory activities - typical</b>	-	-
<b>2) Other statutory revenue</b>	<b>10 861 756,00</b>	<b>6 691 387,35</b>
Including:		
1) US government grants - Fulbright	4 880 799,18	2 647 124,79
2) Polish government grants - Fulbright	3 900 000,00	4 000 000,00
3) Grants for Kirkland Program	2 005 185,96	0,00
4) Grants for other programs	587,7	0,00
5) Other statutory revenue	75 183,16	44 262,56
<b>3) Other revenue</b>	<b>1 082,40</b>	<b>200,54</b>
<b>4) Financial revenue</b>	<b>23 286,97</b>	<b>219 983,58</b>
<b>5) Extraordinary gains</b>		

**Ad 2. (REVALUATION OF FIXED ASSETS)**

Not applicable

**Ad 3. (REVALUATION OF INVENTORY)**

Not applicable

**Ad 4. (RESULT ON DISCONTINUED OPERATION)**

Not applicable

**Ad 5. (TAXABLE PROFIT)**

<b>Revenue</b>	<b>6 911 571,47</b>
Difference between grants received recognized as taxable income and grants accrued for balance sheet purposes	1 600 149,79
<b>Tax revenue</b>	<b>8 511 721,26</b>
Financial revenue	800,78
Donations	21 586,60
Conference organization	22 675,96
Inflows of the US government and Polish government grants	8 466 657,92
<b>Costs</b>	<b>6 654 143,29</b>
Non-deductible expenses as per art.16 sec.1p.58 of the CIT Act	6 654 143,29
<b>Tax expenses</b>	<b>0,00</b>
<b>Tax income</b>	<b>8 511 721,26</b>
Tax exempted income as per art. 17 sec. 1 p.23 and 24 of the CIT Act	8 511 721,26
<b>Taxable income</b>	<b>0,00</b>



**Ad 6. (COSTS BY TYPE)**

**Breakdown of statutory activity costs defined by the statute and general administrative costs**

Itemized	Cost for year	
	Previous	Financial
<b>Total cost, including:</b>	<b>10 935 165,01</b>	<b>6 654 143,29</b>
<b>1. Cost of statutory tasks, including:</b>	<b>9 123 690,31</b>	<b>5 256 336,20</b>
1) Fulbright Program	3 450 224,39	1 256 117,48
2) Fulbright Program	3 916 602,78	4 000 218,72
3) Lane Kirkland Program	1 693 112,15	0,00
4) Other statutory costs	63 750,99	0,00
<b>2. General administrative costs, including:</b>	<b>1 719 333,58</b>	<b>1 391 007,31</b>
1) Depreciation	44 131,03	26 286,05
2) Materials and energy	35 734,14	14 000,19
3) Third party services	464 118,30	378 979,41
4) Taxes and bank charges	1 349,12	30,00
5) Salaries	973 801,19	814 528,97
6) Social insurance contributions and other benefits	157 787,84	139 422,61
7) Other costs by type	42 411,96	17 760,08
<b>3. Other operating expenses</b>	<b>62,89</b>	<b>6 746,22</b>
<b>4. Financial expenses, including</b>	<b>92 078,23</b>	<b>53,56</b>

**Ad 7. (CONSTRUCTION IN PROGRESS)**

Not applicable

**Ad 8. (NON-FINANCIAL FIXED ASSETS)**

Not applicable

**Ad 9. (EXTRAORDINARY GAINS AND LOSSES)**

Not applicable

**Ad 10. (INCOME TAX ON GAINS ON EXTRAORDINARY OPERATIONS)**

Not applicable

**SECTION 2a****Ad 1. (FX RATES USED FOR TRANSLATION OF FX AMOUNTS)**

Cost and revenue documents are translated into PLN at the average exchange rate of the National Bank of Poland as of the date preceding the transaction date.

Bank operations are valued at the average exchange rate of the National Bank of Poland as of the date

**SECTION 3****Ad 1. (EXPLANATIONS TO THE CASH FLOW STATEMENT)**

Not applicable

**SECTION 4****Ad 1. (MATERIAL AGREEMENTS NOT INCLUDED IN THE BALANCE SHEET)**

Not applicable

**Ad 2. (TRANSACTIONS WITH AFFILIATED ENTITIES)**

Not applicable

**Ad 3. (EMPLOYMENT)**

As of 31 December 2014, the Foundation employed 8 persons based on the employment contracts.

**Ad 4. (REMUNERATION OF THE MEMBERS OF THE FOUNDATION GOVERNING BODIES)**

Description	PLN
Gross remuneration paid under employment contracts	344 776,30
Remuneration paid from profit	0,00
Other remuneration - Contracts of Mandate and Contracts for Specific	0,00
<b>Total remuneration paid to members of the Management Board</b>	<b>344 776,30</b>

**Ad 5. (LOANS TO MEMBERS OF THE FOUNDATION GOVERNING BODIES)**

Not applicable

**Ad 6. (SERVICES OF AUDITORS AND ENTITIES AUTHORIZED TO AUDIT FINANCIAL STATEMENTS)**

A fee paid for the audit of the financial statement for 2014, was PLN 5000 + VAT

**SECTION 5****Ad 1. (EVENTS OF PREVIOUS YEARS)**

Not applicable

**Ad 2. (EVENTS AFTER THE BALANCE SHEET DATE)**

Not applicable

**Ad 3. (CHANGES OF ACCOUNTING POLICIES)**

Not applicable

**Ad 4. (COMPARABILITY OF ANNUAL FINANCIAL STATEMENTS)**

Not applicable

**SECTION 6****Ad 1. (JOINT VENTURES AND AFFILIATED ENTITIES)**

Not applicable

**SECTION 7****Ad 1. (MERGER OF ENTITIES)**

Not applicable

**SECTION 8****Ad 1. (GOING CONCERN UNCERTAINTY)**

In the light of the information held by the Management Board there is no uncertainty as to the Foundation's ability to continue as a going concern.

**SECTION 9****Ad 1. (OTHER MATERIAL INFORMATION)**

The Management Board has no knowledge of any information other than mentioned above, which if disclosed might have a material effect on the assessment of the entity's assets, financial situation and financial result.

**Warsaw, 28 May 2015**

prepared by

**Paweł Jakubowski**

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**Maria Aleksandra Pawłowska**

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