

POLISH - U.S. FULBRIGHT COMMISSION

ul. K.I.Gałczyńskiego 4

00-362 Warszawa

Financial statements 2015

Warsaw, 12 May 2016

INTRODUCTION TO FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2015 UNTIL 31 DECEMBER 2015

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.

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 2015, the Management Board of the Polish-U.S. Fulbright Commission was comprised of the following individuals:

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

The Board of the Polish-U.S. Fulbright Commission has appointed:

- Justyna Janiszewska - to serve as the Executive Director since 1 May 2016

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

- Justyna Janiszewska - Member of the Management Board - Executive Director
- Maria Aleksandra Pawłowska - Member of the Management Board
- Jacek Kasprzak - Member of the Management Board
- Justyna Kozyra-Bober - 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 2015 until 31 December 2015

VI. CONSOLIDATED FINANCIAL STATEMENTS

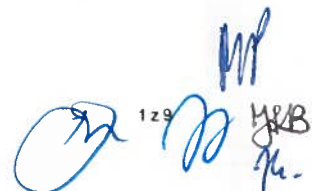
The organization does not have any internal units

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 2015, 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.

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BALANCE SHEET prepared as of 31 December 2015
Based on the Attachment 1 to the Accounting Act

ASSETS

Itemized assets 1	Asset as at	
	31 Dec 2014 2	31 Dec 2015 3
A. FIXED ASSETS	15 570,59	8 543,31
I. Intangible assets	395,00	0,00
II. Tangible fixed assets	15 175,59	8 543,31
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. CURRENT ASSETS	5 902 937,36	9 056 505,80
I. Inventory	0,00	0,00
II. Short-term receivables	104 376,86	102 316,00
III. Short-term investments	4 498 501,22	6 027 725,89
IV. Short-term prepayments	1 300 059,28	2 926 463,91
	0,00	0,00
Total Assets	5 918 507,95	9 065 049,11

LIABILITIES

Itemized liabilities 1	Liabilities as at	
	31 Dec 2014 2	31 Dec 2015 3
A. EQUITY	1 108 180,02	1 535 109,80
I. Equity	899 791,48	1 157 219,66
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)	-49 039,64	-49 039,64
VIII. Net profit (loss)	257 428,18	426 929,78
IX. Write-off on net profit during the financial year (negative value)	0,00	0,00
B. LIABILITIES AND PROVISIONS FOR LIABILITIES	4 810 327,93	7 529 939,31
I. Provisions for liabilities	0,00	0,00
II. Long-term liabilities	0,00	0,00
III. Short-term liabilities	1 305 526,52	2 927 955,85
IV. Accruals	3 504 801,41	4 601 983,46
Total Liabilities	5 918 507,95	9 065 049,11

Warsaw, 12 May 2016

Prepared by
Paweł Jakubowski


SOLTAX Sp. z o.o.

Al. Wyzwolenia 10/171

00-570 Warszawa

NIP: 525-231-04-12 REGON: 015761003

Justyna Janiszewska
Executive Director
Member of the Management Board



Maria Aleksandra Pawłowska
Member of the Management Board



Justyna Kozyra-Bober
Member of the Management Board



Jacek Kasprzak
Member of the Management Board




Profit and Loss Statement as of 31 December 2015
Based on Attachment 1 to the Accounting Act (multiple-step variant)

Item	Itemized	12 months by 31 Dec 2014	12 months by 31 Dec 2015
1	2	3	4
A	Net revenue from sales of products, goods and materials	0,00	0,00
I	Net revenue from sales of products (Incl. services)	0,00	0,00
II	Net revenues from sales of goods and materials	0,00	0,00
B	Cost of products, goods and materials sold	0,00	0,00
I	Manufacturing cost of products sold (Incl. Services)		0,00
II	Value of goods and materials sold		0,00
C	Gross profit (loss) on sales (A-B)	0,00	0,00
D	Selling costs		0,00
E	General and administrative costs	1 391 007,31	1 357 065,23
F	Profit (loss) on sales (C-D-E)	-1 391 007,31	-1 357 065,23
G	Other operating revenue	6 691 587,89	7 942 779,57
I	Gain on disposal of non-financial fixed assets	0,00	0,00
II	Subsidies	6 647 124,00	7 897 850,91
1.	Grants for Fulbright Program Including:	6 647 124,79	7 897 850,91
	a). US government grants	2 647 124,79	3 897 850,91
	b). Polish government grants	4 000 000,00	4 000 000,00
2.	Subsidies for other programs	0,00	0,00
III	Other operating revenues	44 463,10	44 928,66
1.	Revenue from statutory activities (donations, contributions)	21 586,60	42 056,75
2.	Statutory activity - public benefit activities for a fee	22 675,96	1 104,88
3.	Other operating revenue	200,54	1 767,03
H	Other operating expenses	5 263 082,42	6 584 450,89
I	Loss on disposal of non-financial assets	0,00	0,00
II	Revaluation of non-financial assets	0,00	0,00
III	Other operating expenses	5 263 082,42	6 584 450,89
1.	Statutory activity expenses - free of charge activity	5 256 336,20	6 545 810,49
	a). Fulbright Program - from the US grant	1 256 117,48	2 545 658,88
	b). Fulbright Program from the Polish grant	4 000 218,72	4 000 151,61
	c). Other statutory tasks	0,00	0,00
2.	Statutory activity expenses - public benefit activities for a fee	0,00	1 208,76
3.	Other operating expenses	6 746,22	37 431,64
I	Profit (loss) on operating activities (F+G-H)	37 498,16	1 263,45
J	Financial revenues	219 983,58	425 667,08
I	Dividend and profit sharing	0,00	0,00
II	Interest	1 877,04	452,14
III	Gain on disposal of investment	0,00	0,00
IV	Revaluation of investment	0,00	0,00
V	Other	218 106,54	425 214,94
K	Financial expenses	53,56	0,75
I	Interest	53,56	0,75
II	Loss on disposal of investment	0,00	0,00
III	Revaluation of investment	0,00	0,00
IV	Other	0,00	0,00
L	Profit (loss) on business activities (I+J-K)	257 428,18	426 929,78
M	Result on extraordinary events (M.I. - M.II.)	0,00	0,00
I	Extraordinary gains	0,00	0,00
II	Extraordinary losses	0,00	0,00
N	Gross profit (loss) (L±M)	257 428,18	426 929,78
O	Income tax	0,00	0,00
P	Other obligatory decrease of profit (Incr. In loss)	0,00	0,00
R	Net profit (loss) (N-O-P)	257 428,18	426 929,78

Warsaw, 12 May 2016

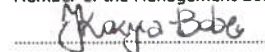
Prepared by
Pawel Jakubowski

SOLTAX Sp. z o.o.Al. Wyzwolenia 10/171
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NIP: 525-231-04-12 REGON: 015761003

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Executive Director
Member of the Management Board

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Justyna Kozyra-Bober
Member of the Management Board

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Member of the Management Board



**Notes to the financial statements
for the period 01 January 2015 - 31 December 2015**

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 in PLN.

SECTION 1

Ad 1 (FIXED ASSETS)

Tangible fixed assets

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	61 274,25	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
	TOTAL FIXED ASSETS	207 095,19	207 095,19

Depreciation of fixed tangible assets

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	46 098,66	52 730,94
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
	TOTAL FIXED ASSETS DEPRECIATION	191 919,60	198 551,88

Depreciation of fixed tangible assets during the financial reporting period

6 632,28

Intangible assets

ACCOUNT	ACCOUNT NAME	Opening balance	Closing balance
020	Intangible assets	12 980,08	12 980,08
020-1	Software	11 023,73	11 023,73
020-2	Other intangible assets	1 956,35	1 956,35
	TOTAL INTANGIBLE ASSETS	12 980,08	12 980,08

Depreciation of intangible assets

ACCOUNT	ACCOUNT NAME	Opening balance	Closing balance
078	Intangible assets	12 585,08	12 980,08
075-1	Software	10 628,73	11 023,73
075-2	Other intangible assets	1 956,35	1 956,35
	TOTAL INTANGIBLE ASSETS DEPRECIATION	12 585,08	12 980,08

Depreciation of intangible assets during the financial reporting period:

395,00

Ad 2. (LAND PERPETUAL USUFRUCT)

Not applicable

Ad 3. (LEASEHOLD VALUE)

Not applicable

Ad 4. (COMMITMENTS UNDER THE OWNERSHIP RIGHTS)

Not applicable

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Ad 5. (SHARE CAPITAL)

Statutory fund breakdown:	
Itemized sources of origin of the fund	Amount
Value of the statutory fund including:	1 157 219,66
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
16) PK financial result for 2014	257 428,18

Ad 6. (EQUITY)

ITEMIZED	Opening balance	Closing balance
I. Share capital (fund - statutory fund)	899 791,48	1 157 219,66
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)	-49 039,64	-49 039,64
VIII. Net profit (loss)	257 428,18	426 929,78
IX. Write-off on net profit during the financial year (negative value)	0,00	0,00

Ad 7. (FINANCIAL RESULT)

In 2015, the Foundation had the revenue amounting to:	8 368 446,65
and incurred cost in the amount of:	7 941 516,87
Gross profit for 2015 was:	426 929,78
Income tax for 2015 amounted to:	0,00
Net profit for 2015 was:	426 929,78

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
Total prepayments and deferred income including:	1 300 059,28	2 926 463,91
Scholarships (640)	1 296 534,25	2 920 483,91
Insurance	3 525,03	5 980,00
Total accruals and deferred income:	57 898,90	11 766,61
Provisions for costs	57 898,90	11 766,61
Total accruals and deferred income:	3 446 902,51	4 590 216,85
Grants not spent	3 446 902,51	4 590 216,85
Other	0,00	0,00

Ad 12. (LIABILITIES SECURED BY ASSETS)

Not applicable

Ad 13. (CONTINGENT LIABILITIES)

Not applicable

SECTION 2

Ad 1. (BREAKDOWN OF SALES)

Breakdown of revenue by sources, including those required under the statute:

Itemized	Revenue for year:	
	previous	financial
Total revenue	6 911 571,47	8 368 446,65
Including:		
1) Revenue from statutory activities - typical	-	-
2) Other statutory revenue	6 691 387,35	7 941 012,54
Including:		
1) US government grants - Fulbright	2 647 124,79	3 897 850,91
2) Polish government grants - Fulbright	4 000 000,00	4 000 000,00
3) Grants for other programs	0,00	0,00
4) Other statutory revenue	44 262,56	43 161,63
3) Other revenue	200,54	1 767,03
4) Financial revenue	219 983,58	425 667,08
5) Extraordinary gains	0,00	0,00

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)

Revenue	8 368 446,65
Difference between grants received recognized as taxable income and grants accrued for balance sheet purposes	1 342 442,25
Tax revenue	9 710 888,90
Financial revenue	619 465,66
Donations	1 064,95
Conference organization	1 104,88
Inflows of the US government and Polish government grants	9 060 840,16
Other revenue	28 413,25
Costs	7 941 516,87
Non-deductible expenses as per art.16 sec.1p.58 of the CIT Act	7 941 516,87
Tax expenses	0,00
Tax income	9 710 888,90
Tax exempted income as per art. 17 sec. 1 p.23 and 24 of the CIT Act	9 710 888,90
Taxable income	0,00

Ad 6. (COSTS BY TYPE)

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

Itemized	Cost for year	
	Previous	Financial
Total cost, including:	6 654 143,29	7 941 516,87
1. Cost of statutory tasks, including:	5 256 336,20	6 547 019,25
1) Fulbright Program (US government grants)	1 256 117,48	2 545 658,88
2) Fulbright Program (Polish government grants)	4 000 218,72	4 000 151,61
3) Other statutory costs	0,00	0,00
4) Statutory activity expenses - public benefit activities for a fee		1 208,76
2. General administrative costs, including:	1 391 007,31	1 357 065,23
1) Depreciation	26 286,05	7 027,28
2) Materials and energy	14 000,19	14 270,50
3) Third party services	378 979,41	382 433,72
4) Taxes and bank charges	30,00	664,98
5) Salaries	814 528,97	793 651,01
6) Social insurance contributions and other benefits	139 422,61	137 245,82
7) Other costs by type	17 760,08	21 771,92
3. Other operating expenses	6 746,22	37 431,64
4. Financial expenses, including	53,56	0,75

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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 EXTRARDINARY 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 preceding the transaction 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 2015, 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	404 669,48
Remuneration paid from profit	0,00
Other remuneration - Contracts of Mandate and Contracts for Specific Tasks	0,00
Total remuneration paid to members of the Management Board	404 669,48

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 2015, 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 ACCOUNTNG 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

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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, 12 May 2016

Prepared by
Paweł Jakubowski



SOLTAX Sp. z o.o.

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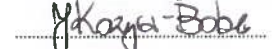
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