

Polska Akcja Humanitarna

FINANCIAL STATEMENTS

*FOR THE PERIOD
FROM 1 JANUARY 2019 TO 31 DECEMBER 2019
COMPRISING:*

- 1. Introduction*
- 2. Balance Sheets*
- 3. Profit and Loss Account*
- 4. Notes*

Balance Sheet
Assets

No.	Item	Note	Balance as at 31.12.2019	Balance as at 31.12.2018
A	NON-CURRENT ASSETS		2 579 832,84	2 679 016,31
1	Intangible assets	1	108 197,64	0,00
1	R&D costs		0,00	0,00
2	Goodwill		0,00	0,00
3	Other intangible assets		108 197,64	0,00
4	Advance payments for intangible assets		0,00	0,00
II	Property, plant and equipment		2 227 135,20	2 679 016,31
1	Fixed assets	2	1 969 522,75	2 679 016,31
a	land (including the right of perpetual usufruct)		0,00	0,00
b	buildings, premises, titles to premises, civil and water engineering structures		399 881,81	457 007,81
c	technical equipment and machines		1 063 582,44	1 494 427,95
d	vehicles		462 635,25	679 713,76
e	other fixed assets		43 423,25	47 866,79
2	Fixed assets under construction	3	257 612,45	0,00
3	Advance payments for fixed assets under construction		0,00	0,00
III	Long-term receivables		0,00	0,00
1	From related parties		0,00	0,00
2	From other entities where the entity has equity interest		0,00	0,00
3	From other entities		0,00	0,00
IV	Long-term investments		244 500,00	0,00
1	Real property		0,00	0,00
2	Intangible assets		0,00	0,00
3	Long-term financial assets		0,00	0,00
a	in related parties		0,00	0,00
b	in other entities where the entity has equity interest		0,00	0,00
c	in other entities		0,00	0,00
4	Other long-term investments		244 500,00	0,00
V	Long-term prepayments		0,00	0,00
1	Deferred tax asset		0,00	0,00
2	Other prepayments		0,00	0,00
B	CURRENT ASSETS		29 482 759,61	37 725 962,47
1	Inventory		4 449,73	4 449,73
1	Materials	5	4 449,73	4 449,73
2	Semi-finished products and work in progress		0,00	0,00
3	Finished products		0,00	0,00
4	Goods		0,00	0,00
5	Advance payments for deliveries and services		0,00	0,00
II	Short-term receivables		17 360 373,58	21 592 768,17
1	Receivables from related parties		0,00	0,00
a	trade receivables, maturing within:		0,00	0,00
b	other		0,00	0,00
2	Receivables from other entities where the entity has equity interest		0,00	0,00
a	trade receivables, maturing within:		0,00	0,00
b	other		0,00	0,00
3	Receivables from other entities		17 360 373,58	21 592 768,17
a	trade receivables, maturing within:		17 263 043,62	21 345 619,49
- 12 months		6	17 263 043,62	21 345 619,49
- more than 12 months			0,00	0,00
b	taxes, grants, customs duties, social security and health insurance and other statutory receivables		0,00	0,00
c	other		97 329,96	247 148,68
d	claimed at court		0,00	0,00
III	Short-term investments		11 688 668,72	15 709 738,79
1	Short-term financial assets		11 688 668,72	15 465 238,79
a	in related parties		0,00	0,00
b	in other entities		2 362,90	3 741 343,33
- shares			0,00	0,00
- other securities			0,00	0,00
- originated loans			0,00	0,00
- other short-term financial assets		4	2 362,90	3 741 343,33
c	cash and other monetary assets		11 686 305,82	11 723 895,46
- cash in hand and at bank			3 041 737,75	11 524 568,71
- other cash			8 644 568,07	199 326,75
- other monetary assets			0,00	0,00
2	Other short-term investments	4	0,00	244 500,00
IV	Short-term prepayments	Z	429 267,58	419 005,78
C	Called up share capital		0,00	0,00
D	Treasury shares		0,00	0,00
	TOTAL ASSETS		32 062 592,45	40 404 978,78

Balance Sheet
Equity and Liabilities

No.	Item	Note	Balance as at 31.12.2019	Balance as at 31.12.2018
A	EQUITY		10 319 885,71	10 762 655,88
I	Founding capital	8	1 500,00	1 500,00
II	Supplementary capital		0,00	0,00
III	Share capital		0,00	0,00
IV	Reserve capital	8	0,00	0,00
V	Prior year profit (loss)		10 761 155,88	12 164 785,97
VI	Net profit (loss)	9	-442 770,17	-1 403 630,09
VII	Appropriations of net profit during the financial year (negative value)		0,00	0,00
B	LIABILITIES AND PROVISIONS FOR LIABILITIES		21 742 706,74	29 642 322,90
I	Provisions for liabilities		2 136 223,45	1 416 268,23
1	Provision for deferred income tax		0,00	0,00
2	Provision for retirement and similar benefits		2 136 223,45	1 416 268,23
	- long-term		0,00	0,00
	- short-term	10	2 136 223,45	1 416 268,23
3	Other provisions		0,00	0,00
	- long-term		0,00	0,00
	- short-term		0,00	0,00
II	Long-term liabilities		0,00	0,00
1	To related parties		0,00	0,00
2	To other entities where the entity has equity interest		0,00	0,00
3	To other entities		0,00	0,00
a	credit facilities and loans		0,00	0,00
b	issues of debt securities		0,00	0,00
c	other financial liabilities		0,00	0,00
d	promissory note liabilities		0,00	0,00
e	other		0,00	0,00
III	Short-term liabilities		1 777 859,62	3 144 914,02
1	Liabilities to related parties		0,00	0,00
a	trade liabilities, maturing within:		0,00	0,00
	- 12 months		0,00	0,00
	- more than 12 months		0,00	0,00
b	other		0,00	0,00
2	Liabilities to other entities where the entity has equity interest		0,00	0,00
a	trade liabilities, maturing within:		0,00	0,00
	- 12 months		0,00	0,00
	- more than 12 months		0,00	0,00
	other		0,00	0,00
3	To other entities		1 772 874,34	3 067 781,74
a	credit facilities and loans		0,00	1 275 706,95
b	issues of debt securities		0,00	0,00
c	other financial liabilities		0,00	0,00
d	trade liabilities, maturing within:		1 350 908,62	1 418 569,57
	- 12 months	11	1 259 487,49	1 418 569,57
	- more than 12 months		91 421,13	0,00
e	advance payments received for deliveries and services		0,00	0,00
f	promissory note liabilities		0,00	0,00
g	taxes, customs duties, social security and health insurance and other statutory liabilities		172 422,02	205 790,37
h	payroll liabilities		159 551,05	126 161,41
i	other		89 992,65	41 553,44
4	Special funds		4 985,28	77 132,28
IV	Accruals		17 828 623,67	25 081 140,65
1	Negative goodwill		0,00	0,00
2	Other accruals	12	17 828 623,67	25 081 140,65
	- long-term		0,00	0,00
	- short-term		17 828 623,67	25 081 140,65
	TOTAL EQUITY AND LIABILITIES		32 062 592,45	40 404 978,78

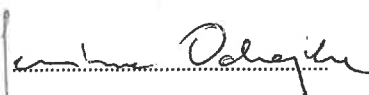
Prepared by:

Dorota Lewandowska, Chief Accountant



Signatures of Members of the Management Board:

Janina Ochojska-Okońska




Grzegorz Gruca



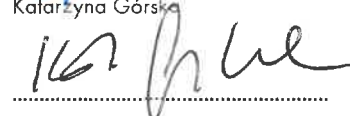
Maciej Bagiński



Sylvie Cambou-Prokopowicz



Katarzyna Górski



Date: 29 June 2020

Profit and Loss Account (by nature of expense)

No.	Item	Note	For the period 01.01 - 31.12.2019	For the period 01.01 - 31.12.2018
A	Revenue from mission-related activities:			
I	Receipts specified in the by-laws		56 614 044,65	82 463 800,22
II	Other revenue specified in the by-laws	13	56 614 044,65	82 463 800,22
			0,00	0,00
B	Costs of mission-related activities, including:			
I	Depreciation and amortization		54 995 036,67	81 481 158,96
II	Consumption of materials and energy		420 435,07	381 261,71
V	Salaries, social security and other benefits	13	12 499 061,37	37 542 886,63
VI	Other expenses by type	13	22 254 049,94	21 094 782,84
		13	19 821 490,29	22 462 227,78
C	Profit/loss on mission-related activities (A-B)		1 619 007,98	982 641,26
D	Administrative expenses			
I	Depreciation and amortization	13	988 432,21	1 491 544,71
II	Consumption of materials and energy		440 607,59	536 609,45
III	External services		32 172,49	13 199,30
IV	Taxes and charges		40 374,88	37 790,45
V	Salaries, social security and other benefits		0,00	69,96
VI	Other expenses by type		475 277,25	903 875,55
			0,00	0,00
E	Profit/loss on mission-related activities less administrative expenses (C-D)		630 575,77	(508 903,45)
F	Other operating revenue			
I	Other	14	761 745,34	384 881,83
			761 745,34	384 881,83
G	Other operating expenses			
I	Other	15	827 444,37	1 111 670,92
			827 444,37	1 111 670,92
H	Operating profit/loss (E+F-G)			
I	Financial revenue		564 876,74	(1 235 692,54)
II	Interest	16	17 804,15	53 412,62
III	Exchange differences	16	11 456,32	52 012,97
III	Other	16	0,00	0,00
		16	6 347,83	1 399,65
J	Financial expenses			
I	Interest		1 025 451,06	221 350,17
II	Loss on disposal of financial assets		965,36	6 116,13
III	Revaluation of financial assets		0,00	0,00
IV	Other	16	0,00	0,00
V	Exchange differences	16	3 823,62	16 010,21
			1 020 662,08	199 223,83
K	Profit/loss on general mission-related activities			
L	Income tax		(442 770,17)	(1 403 630,09)
M	Other statutory reductions/increases in profit/loss		0,00	0,00
N	Net profit/loss (L+K)		(442 770,17)	(1 403 630,09)

Prepared by:

Dorota Lewandowska, Chief Accountant



Signatures of Members of the Management Board:

Janina Ochojska-Okońska

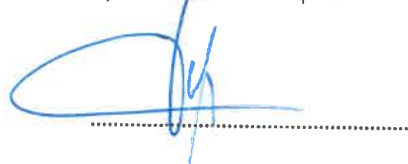


Grzegorz Gruca

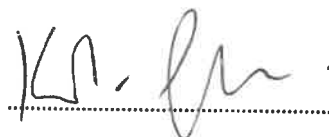
Maciej Bagiński



Sylvie Cambou-Prokopowicz



Katarzyna Górka



Date: 29 June 2020

Note 1

Changes in intangible assets from 1 January 2018 to 31 December 2019

No.	Item	R&D costs	Goodwill	Concessions, patents and licenses (including software)	Other	Advance payments	Total
Gross value							
1	Opening balance	0,00	0,00	129 284,50	0,00	0,00	129 284,50
2	Increases	0,00	0,00	144 263,64	0,00	0,00	144 263,64
a	purchase	0,00	0,00	144 263,64	0,00	0,00	144 263,64
b	used under lease, rental or similar agreements	0,00	0,00	0,00	0,00	0,00	0,00
c	donation	0,00	0,00	0,00	0,00	0,00	0,00
d	contribution in kind	0,00	0,00	0,00	0,00	0,00	0,00
e	reclassification	0,00	0,00	0,00	0,00	0,00	0,00
f	other	0,00	0,00	0,00	0,00	0,00	0,00
3	Decreases	0,00	0,00	0,00	0,00	0,00	0,00
a	sale	0,00	0,00	0,00	0,00	0,00	0,00
b	liquidation	0,00	0,00	0,00	0,00	0,00	0,00
c	donation	0,00	0,00	0,00	0,00	0,00	0,00
d	contribution in kind	0,00	0,00	0,00	0,00	0,00	0,00
e	reclassification	0,00	0,00	0,00	0,00	0,00	0,00
f	other	0,00	0,00	0,00	0,00	0,00	0,00
4	Closing balance	0,00	0,00	273 548,14	0,00	0,00	273 548,14
Amortization							
5	Opening balance	0,00	0,00	129 284,50	0,00	0,00	129 284,50
6	Increases	0,00	0,00	36 066,00	0,00	0,00	36 066,00
a	amortization for the period	0,00	0,00	36 066,00	0,00	0,00	36 066,00
b	reclassification	0,00	0,00	0,00	0,00	0,00	0,00
c	impairment	0,00	0,00	0,00	0,00	0,00	0,00
d	other	0,00	0,00	0,00	0,00	0,00	0,00
7	Decreases	0,00	0,00	0,00	0,00	0,00	0,00
a	sale	0,00	0,00	0,00	0,00	0,00	0,00
b	liquidation	0,00	0,00	0,00	0,00	0,00	0,00
c	donation	0,00	0,00	0,00	0,00	0,00	0,00
d	contribution in kind	0,00	0,00	0,00	0,00	0,00	0,00
e	reclassification	0,00	0,00	0,00	0,00	0,00	0,00
f	impairment	0,00	0,00	0,00	0,00	0,00	0,00
g	other	0,00	0,00	0,00	0,00	0,00	0,00
8	Closing balance	0,00	0,00	165 350,50	0,00	0,00	165 350,50
Impairment losses							
9	Opening balance	0,00	0,00	0,00	0,00	0,00	0,00
a	recognition	0,00	0,00	0,00	0,00	0,00	0,00
b	reversal	0,00	0,00	0,00	0,00	0,00	0,00
c	use	0,00	0,00	0,00	0,00	0,00	0,00
10	Closing balance	0,00	0,00	0,00	0,00	0,00	0,00
11	Net value at the beginning of the period	0,00	0,00	0,00	0,00	0,00	0,00
12	Net value at the end of the period	0,00	0,00	108 197,64	0,00	0,00	108 197,64

Note 2

Changes in fixed assets from 1 January 2018 to 31 December 2019

No.	Item	Buildings, premises, titles to premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other fixed assets	Total
<i>Gross value</i>						
1	Opening balance	571 258,81	2 988 328,16	1 527 372,24	829 076,14	5 916 035,35
2	Increases	0,00	21 715,54	0,00	93 767,56	115 483,10
a	revaluation	0,00	0,00	0,00	0,00	0,00
b	fixed assets under construction made available for use	0,00	0,00	0,00	0,00	0,00
c	purchase of fixed assets	0,00	21 715,54	0,00	93 767,56	115 483,10
d	donations received	0,00	0,00	0,00	0,00	0,00
e	disclosures (e.g. physical counts)	0,00	0,00	0,00	0,00	0,00
f	assets used under lease, rental or similar agreements	0,00	0,00	0,00	0,00	0,00
g	reclassification	0,00	0,00	0,00	0,00	0,00
h	other	0,00	0,00	0,00	0,00	0,00
3	Decreases	0,00	0,00	0,00	0,00	0,00
a	revaluation	0,00	0,00	0,00	0,00	0,00
b	sale	0,00	0,00	0,00	0,00	0,00
c	liquidation	0,00	0,00	0,00	0,00	0,00
d	contribution in kind	0,00	0,00	0,00	0,00	0,00
e	donations granted	0,00	0,00	0,00	0,00	0,00
f	reclassification	0,00	0,00	0,00	0,00	0,00
g	other	0,00	0,00	0,00	0,00	0,00
4	Closing balance	571 258,81	3 010 043,70	1 527 372,24	922 843,70	6 031 518,45

No.	Item	Buildings, premises, titles to premises, civil and water engineering structures	Technical equipment and machines	Vehicles	Other fixed assets	Total
<i>Accumulated depreciation</i>						
1	Opening balance	114 251,00	1 493 900,21	847 658,48	781 209,35	3 237 019,04
2	Increases	57 126,00	452 561,05	217 078,51	98 211,10	824 976,66
a	revaluation	0,00	0,00	0,00	0,00	0,00
b	depreciation for the period	57 126,00	452 561,05	217 078,51	98 211,10	824 976,66
c	impairment	0,00	0,00	0,00	0,00	0,00
d	reclassification	0,00	0,00	0,00	0,00	0,00
e	other	0,00	0,00	0,00	0,00	0,00
3	Decreases	0,00	0,00	0,00	0,00	0,00
a	revaluation	0,00	0,00	0,00	0,00	0,00
b	sale	0,00	0,00	0,00	0,00	0,00
c	liquidation	0,00	0,00	0,00	0,00	0,00
d	contribution in kind	0,00	0,00	0,00	0,00	0,00
e	donations granted	0,00	0,00	0,00	0,00	0,00
f	reclassification	0,00	0,00	0,00	0,00	0,00
g	impairment	0,00	0,00	0,00	0,00	0,00
h	other	0,00	0,00	0,00	0,00	0,00
4	Closing balance	171 377,00	1 946 461,26	1 064 736,99	879 420,45	4 061 995,70
<i>Impairment losses</i>						
5	Opening balance	0,00	0,00	0,00	0,00	0,00
a	recognition	0,00	0,00	0,00	0,00	0,00
b	reversal	0,00	0,00	0,00	0,00	0,00
c	use	0,00	0,00	0,00	0,00	0,00
6	Closing balance	0,00	0,00	0,00	0,00	0,00
7	Net value at the beginning of the period	457 007,81	1 494 427,95	679 713,76	47 866,79	2 679 016,31
8	Net value at the end of the period	399 881,81	1 063 582,44	462 635,25	43 423,25	1 969 522,75

The Foundation does not have any fixed assets used under lease or rental agreements which are depreciated or not.

Note 3**Changes in fixed assets under construction from 1 January 2019 to 31 December 2019**

No.	Item	Value
1	Opening balance	0,00
2	Increases	257 612,45
a	capital expenditure	257 612,45
3	Decreases	0,00
a	reclassification to fixed assets	0,00
4	Closing balance	257 612,45

Note 4**Changes in short-term financial assets from 1 January 2019 to 31 December 2019**

No.	Item	Shares	Other securities	Originated loans	Other short-term financial assets	Total
1	Opening balance	0,00	0,00	0,00	3 741 343,33	3 741 343,33
2	Increases	0,00	0,00	0,00	2 362,90	2 362,90
a	purchase / origination of a loan	0,00	0,00	0,00	0,00	0,00
b	increase in market value	0,00	0,00	0,00	2 362,90	2 362,90
c	interest due	0,00	0,00	0,00	0,00	0,00
d	discount due	0,00	0,00	0,00	0,00	0,00
e	reversal of impairment	0,00	0,00	0,00	0,00	0,00
f	reclassification	0,00	0,00	0,00	0,00	0,00
3	Decreases	0,00	0,00	0,00	3 741 343,33	3 741 343,33
a	sale	0,00	0,00	0,00	0,00	0,00
b	loan repayment	0,00	0,00	0,00	0,00	0,00
c	liquidation	0,00	0,00	0,00	3 741 343,33	3 741 343,33
d	decrease in market value	0,00	0,00	0,00	0,00	0,00
e	impairment	0,00	0,00	0,00	0,00	0,00
f	reclassification	0,00	0,00	0,00	0,00	0,00
4	Closing balance	0,00	0,00	0,00	2 362,90	2 362,90
	including:					
	- in subsidiaries	0,00	0,00	0,00	0,00	0,00
	- in associates	0,00	0,00	0,00	0,00	0,00
	- in jointly-controlled entities	0,00	0,00	0,00	0,00	0,00
	- in other entities	0,00	0,00	0,00	0,00	0,00

Other long-term investments

Other long-term investments include real property (inherited) classified as held for sale, in the amount of PLN 244,500.00.

Note 4.1

Financial instruments - assets

Classification of assets to groups of financial instruments

No.	Financial instrument	Balance as at 31.12.2019	Balance as at 31.12.2018
1.	Held-for-trading assets	0,00	0,00
2.	Loans and receivables	11 686 305,82	11 723 895,46
a	bank deposits	3 041 737,75	199 326,75
b	trade receivables	8 644 568,07	11 524 568,71
3.	Held-to-maturity assets	0,00	0,00
4.	Available-for-sale assets	0,00	0,00
5.	Hedging instruments with positive fair value	0,00	0,00
	Total	11 686 305,82	11 723 895,46

Note 4.1 (cont.)

Measurement of assets classified as financial instruments

No.	Financial instrument	measurement method as at 31.12.2019	carrying amount as at 01.01.2018	change in measurement in 2019 recognized in profit or loss	amount recognized in the current period in the revaluation reserve	fair value as at 31.12.2019
1.	Held-for-trading assets		0,00	0,00	0,00	0,00
2.	Loans and receivables		11 723 895,46	0,00	0,00	11 686 305,82
a	bank deposits	nominal value	199 326,75	0,00	0,00	3 041 737,75
b	trade receivables	at amount due	11 524 568,71	0,00	0,00	8 644 568,07
3.	Held-to-maturity assets		0,00	0,00	0,00	0,00
4.	Available-for-sale assets		0,00	0,00	0,00	0,00
5.	Hedging instruments with positive fair value		0,00	0,00	0,00	0,00
	TOTAL		11 723 895,46	0,00	0,00	11 686 305,82

The Foundation is not exposed to the interest rate risk. In 2019, the Foundation did not use any external sources of funding. Cash held in its bank accounts bears interest at a floating rate.

As the Foundation does not carry on any commercial activities, it is not exposed to the credit risk.

The Foundation is exposed to a considerable currency risk resulting from transactions made in the course of its mission-related activities (grants, purchases of goods and services). Foreign currency receivables and liabilities are the major source of its currency risk.

Foreign currency receivables represented 99% of total short-term receivables and were denominated in EUR and USD as at 31 December 2019.

Note 5

Ageing analysis of inventory as at 31.12.2019

No.	Days on stock	Type of inventory (gross value)			
		Materials	Finished products	Goods	Semi-finished products and work in progress
1	Materials	4 449,73	0,00	0,00	0,00
TOTAL gross value		4 449,73	0,00	0,00	0,00
impairment losses (negative value)					
TOTAL carrying amount		4 449,73	0,00	0,00	0,00

Note 6

Short-term receivables

No.	Item	Balance as at 31.12.2019			Balance as at 31.12.2018		
		gross value	impairment losses	net value	gross value	impairment losses	net value
1	Receivables from related parties, including:	0,00	0,00	0,00	0,00	0,00	0,00
a	trade receivables, maturing within:	0,00	0,00	0,00	0,00	0,00	0,00
	- 12 months	0,00	0,00	0,00	0,00	0,00	0,00
	- more than 12 months	0,00	0,00	0,00	0,00	0,00	0,00
b	other	0,00	0,00	0,00	0,00	0,00	0,00
2	Receivables from other entities where the entity has equity interest, including:	0,00	0,00	0,00	0,00	0,00	0,00
a	trade receivables, maturing within:	0,00	0,00	0,00	0,00	0,00	0,00
	- 12 months	0,00	0,00	0,00	0,00	0,00	0,00
	- more than 12 months	0,00	0,00	0,00	0,00	0,00	0,00
b	other	0,00	0,00	0,00	0,00	0,00	0,00
3	Receivables from other entities, including:	17 360 373,58	0,00	17 360 373,58	22 254 444,77	661 676,60	21 592 768,17
a	trade receivables, maturing within:	17 263 043,62	0,00	17 263 043,62	22 007 296,09	661 676,60	21 345 619,49
	- 12 months	17 263 043,62	0,00	17 263 043,62	21 345 619,49	0,00	21 345 619,49
	- more than 12 months	0,00	0,00	0,00	661 676,60	661 676,60	0,00
b	taxes, grants, customs duties, social security and health insurance and other statutory receivables	0,00	0,00	0,00	0,00	0,00	0,00
c	other	97 329,96	0,00	97 329,96	247 148,68	0,00	247 148,68
d	claimed at court	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL		17 360 373,58	0,00	17 360 373,58	22 254 444,77	661 676,60	21 592 768,17

The balance of trade receivables from other entities includes mainly amounts due under agreements with donors to perform mission-related activities, which total PLN 17 360 373,58

Trade receivables from other entities - by source of funding

No.	Item	Balance as at 31.12.2019
1.	ACTED	1 186 546,32
2.	AMREF HEALTH AFRICA	41 639,61
3.	ARCHE NOVA	306 616,34
4.	EUROPEAN COMMISSION	2 047 905,96
5.	GIZ DEUTSCHE GESESCHAFT FUR INTERNATIONALE	58 125,33
6.	IOM-INTERNATIONAL ORGANIZATION FOR MIGRATION	73 240,16
7.	OCHA	3 534 265,11
8.	Office of U.S Foreign Disaster	7 595 400,00
9.	POZYTYWNA SZKOŁA PODSTAWOWA W KOKOSZKACH	0,00
10.	UNICEF (UNITE FOR CHILDREN)	1 415 721,43
11.	UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)	783 649,78
12.	Należności z tyt dostaw i usług do 12 m-cy	317 263,54
TOTAL		17 360 373,58

Other receivables include a refund of a grant from the Ministry of Foreign Affairs, which has not been used in whole.

Other receivables from other entities

Other receivables from other entities include mainly amounts due in relation to advance payments made to employees for purposes of performing mission-related activities in South Sudan, Somalia and Ukraine, in the amount of PLN 97 329,96

Note 7

Short-term prepayments

No.	Item	Balance as at 31.12.2019	Balance as at 31.12.2018
1	Prepayments	429 267,58	419 005,78
a	Rent	120 538,91	126 711,66
b	Insurance	243 650,08	185 960,90
c	Service contracts related to projects	0,00	0,00
d	Other	65 078,59	106 333,22
	TOTAL	429 267,58	419 005,78

Note 8

Equity structure

As at 31 December 2019, the Foundation's equity totaled PLN 10 247 038,15 and comprised:

- a. Statutory fund consisting of: Founding capital of PLN 1,500.00, contributed by the Founders in equal parts;
- b. Loss of PLN (442 770,17)
- c. Prior year profit of PLN 10 761 155,88

Note 8

No.	Increases in and use of statutory fund	Statutory fund
1	Balance at the beginning of the period	12 166 285,97
a	increases	0,00
	<i>prior year profit</i>	0,00
b	decreases	-1 846 400,26
	<i>profit or loss brought forward</i>	-1 403 630,09
	<i>profit or loss for the financial year</i>	-442 770,17
2	Balance at the end of the period	10 319 885,71

Note 9

Proposed distribution of profit/coverage of loss

The loss reported by the Foundation in the current year resulted from its general mission-related activities and will be covered by the Foundation's funds in the future.

Note 10

Changes in provisions for retirement and similar benefits

No.	Item	long-term	short-term	TOTAL
1	Opening balance	0,00	1 416 268,23	1 416 268,23
2	Recognition of provisions (basis)	0,00	943 946,38	943 946,38
a	Provision for unused annual leave	0,00	203 343,20	203 343,20
b	Provision for interns' pay	0,00		0,00
c	Provision for NSIF contributions in South Sudan	0,00	740 168,49	740 168,49
d	Provision for rent, other		434,69	
3	Reversal of provisions (basis)	0,00	223 991,16	223 991,16
a	Provision for unused annual leave	0,00	223 991,16	223 991,16
4	Use of provisions	0,00	0,00	0,00
5	Closing balance	0,00	2 136 223,45	2 136 223,45

The provision for NSIF contributions in South Sudan is the amount of accumulated NSIF (National Social Insurance Fund) contributions for local employees hired in South Sudan. The Foundation may make a payment under the said insurance upon termination of the employment contract and having obtained an authorization of the Ministry of Labour & Public Service Government of South Sudan. The provision includes also the accrual for the Gratuity post-employment costs for employees in South Sudan. The Foundation may make payments after the termination of employment.

Note 11

Aging analysis of trade liabilities

No.	Age in days	Value
1	Current, including:	0,00
a	to related parties	0,00
b	to other entities where the entity has equity interest	0,00
c	to other entities	0,00
2	Past due, including:	1 350 908,22
a	to related parties:	0,00
	- up to 90 days	0,00
	- from 91 to 180 days	0,00
	- from 181 to 360 days	0,00
	- over 360 days	0,00
b	to other entities where the entity has equity interest	0,00
	- up to 90 days	0,00
	- from 91 to 180 days	0,00
	- from 181 to 360 days	0,00
	- over 360 days	0,00
c	to other entities	1 350 908,62
	- up to 90 days	1 259 487,49
	- from 91 to 180 days	0,00
	- from 181 to 360 days	0,00
	- over 360 days	0,00
	TOTAL	1 350 908,62

Note 11.1 (cont.)

Financial liabilities by basis

No.	Type of liabilities	Balance as at 31.12.2019	Balance as at 31.12.2018	Including measurement amount recognized in the revaluation reserve	Including measurement amount recognized in profit or loss
		amount	amount		
1	Held-for-trading financial liabilities	0,00	0,00	0,00	0,00
2	Other financial liabilities	1 350 908,62	1 418 569,57	0,00	0,00
	Trade liabilities	1 350 908,62	1 418 569,57	0,00	0,00
3	Hedging instruments with negative fair value	0,00	0,00	0,00	0,00
	TOTAL	1 350 908,62	1 418 569,57	0,00	0,00

Foreign currency liabilities accounted for 87% of total short-term liabilities and were denominated in the national currencies of the countries where the Foundation carries out its mission-related activities (mainly in USD, EUR, UAH, TRY, NOK, IQD, SSP, and SYP).

Note 12

Other accruals

No.	Item	Balance as at 31.12.2019	Balance as at 31.12.2018
1	Short-term	17 828 623,67	25 081 140,65
a	donation agreements	0,00	264 907,40
b	grant agreements	17 760 487,03	24 724 982,91
c	other	68 136,64	91 250,34
	TOTAL	17 828 623,67	25 081 140,65

Other short-term accruals - grant agreements

No.	Item	Balance as at 31.12.2019	Balance as at 31.12.2018
1	Projects implemented in South Sudan	4 866 106,02	4 230 030,99
2	Projects implemented in Syria	568 984,48	5 700 577,87
3	Projects implemented in Ukraine	5 855 635,46	3 761 166,92
4	Projects implemented in Somalia	4 030 162,08	8 598 779,46
5	Educational project	0,00	0,00
6	Projects implemented in Iraq	2 397 556,24	2 336 246,63
7	Other projects	42 042,75	98 181,04
	TOTAL	17 760 487,03	24 724 982,91

Other short-term accruals - donation agreements

No.	Item	Balance as at 31.12.2019	Balance as at 31.12.2018
1	Projects implemented in Syria	0,00	0,00
2	Projects implemented in Somalia	0,00	60 000,00
3	Projects implemented in Poland and worldwide	0,00	68 907,40
4	Projects implemented in South Sudan	0,00	136 000,00
5	Projects implemented in Ukraine	0,00	0,00
	TOTAL	0,00	264 907,40

Other short-term accruals - other

No.	Item	Balance as at 31.12.2019	Balance as at 31.12.2018
1.	Provision for audit	27 000,00	27 000,00
2.	Projects implemented in partnership with Primary School in Kokoszki under the Global Education Program	8 630,64	21 747,34
3.	Donation car Agreement Toyota Avensis UM.DAROW.15/03/2018	32 506,00	42 503,00
	TOTAL	68 136,64	91 250,34

Note 13

Revenue from mission-related activities

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Receipts specified in the by-laws	56 614 044,65	82 463 800,22
2	Other revenue specified in the by-laws		0,00
	TOTAL	56 614 044,65	82 463 800,22

Revenue from mission-related activities - by source of funding

No.	Item	01.01 - 31.12.2019	01.01-31.12.2018 Opening balance after correction	01.01 - 31.12.2018 Opening balance before correction
1.	Foreign government embassies	49 364,04	13 935,96	13 935,96
2.	Donations in kind	1 578 860,54	31 539 700,56	31 539 700,56
3.	Donations in the form of services	7 000,00	14 246,26	14 246,26
4.	Grants from Polish central government institutions	4 648 784,18	3 615 750,99	3 127 089,42
5.	Grants from Polish local government institutions	37 793,33	115 258,12	115 258,12
6.	Foreign government institutions	0,00	0,00	0,00
7.	Bailiff's penalty assessments	0,00	0,00	0,00
8.	NGOs - Polish	70 000,00	0,00	0,00
9.	NGOs - foreign	4 569 052,72	4 209 288,21	4 209 288,21
10.	Foreign government organization	1 455 292,57	6 048 508,30	6 048 508,30
11.	EU organizations	9 088 826,89	9 434 201,31	9 434 201,31
12.	Intergovernmental organizations	-5 419,43	272 179,68	272 179,68
13.	UN organizations	14 524 380,85	9 501 418,25	9 501 418,25
14.	1% receipts	1 911 594,75	1 506 059,71	1 506 059,71
15.	Receipts from individuals and legal persons	13 650 233,91	14 268 872,39	14 268 872,39
16.	Foreign government agencies	5 028 280,30	1 924 380,48	2 413 042,05
17.	Bank interest received	0,00	0,00	0,00
	TOTAL	56 614 044,65	69 263 184,59	82 463 800,22

In the Opening Balance column there is a change in item 4 Grants from Polish government institutions due to correction of revenues eligibility of the financing source previously presented, item 16 Foreign government agencies

Costs of mission-related activities - by source of funding

No.	Item	01.01 - 31.12.2019	01.01-31.12.2018 Opening balance after correction	01.01 - 31.12.2018 Opening balance before correction
1.	Foreign government embassies	51 830,99	13 935,96	13 935,96
2.	Donations in kind	1 564 788,60	31 525 162,44	31 525 162,44
3.	Donations in the form of services	7 000,00	0,00	0,00
4.	Grants from Polish central government institutions	4 648 830,13	3 611 829,31	3 622 535,91
5.	Grants from Polish local government institutions	57 715,83	100 542,51	100 542,51
6.	Foreign government institutions	0,00	0,00	0,00
7.	NGOs - Polish	69 840,00	0,00	0,00
8.	NGOs - foreign	4 447 785,68	4 162 593,94	4 162 593,94
9.	EU organizations	8 987 543,05	9 377 577,22	9 377 577,22
10.	Intergovernmental organizations	378 645,23	266 760,25	266 760,25
11.	Foreign government organization	1 380 148,17	5 937 135,70	5 937 135,70
12.	UN organizations	14 029 949,84	9 510 932,06	9 510 932,06
13.	Bank interest received	0,00	0,00	0,00
14.	1% receipts	4 189 087,56	458 498,89	458 498,89
15.	Receipts from individuals and legal persons	10 229 437,74	14 602 082,81	14 591 376,21
16.	Foreign government agencies	4 952 433,85	1 914 107,87	1 914 107,87
	TOTAL	54 995 036,67	69 263 184,59	69 263 184,59

In the Opening Balance column there is a change in item 4 Grants from Polish government institutions due to correction of costs eligibility of the financing source previously presented under Receipts from individuals and legal persons, item 15

Administrative expenses - by source of funding

No.	Item	01.01 - 31.12.2019	01.01-31.12.2018 Opening balance after correction	01.01 - 31.12.2018 Opening balance before correction
1.	Donations in kind	14 701,94	0,00	0,00
2.	Donations in the form of services	0,00	17 150,12	17 150,12
3.	Grants from Polish central government institutions	0,00	14 246,26	14 246,26
4.	NGOs - foreign	61 889,72	45 924,00	45 924,00
5.	Foreign government organization	87 007,38	59 110,04	59 110,04
6.	EU organizations	36 380,68	127 836,06	127 836,06
7.	UN organizations	126 373,40	77 623,39	77 623,39
8.	1% receipts	0,00	0,00	0,00
9.	Foreign government organization	2 192,21	0,00	0,00
10.	Receipts from individuals and legal persons	584 150,60	1 139 273,24	1 139 273,24
11.	Foreign government agencies	75 736,28	10 381,60	10 381,60
	RAZEM	988 432,21	1 491 544,71	1 491 544,71

Note 14

Other operating revenue

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Other, including:	761 745,34	384 881,83
a	other	761 745,34	384 881,83
b	sale and liquidation of fixed assets	0,00	0,00
	TOTAL	761 745,34	384 881,83

Note 15

Other operating expenses

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Other, including:	827 444,37	1 111 670,92
a	forfeiture of cash from a bank account to the government of Turkey against a partner organization (IMPR)	0,00	0,00
b	other	827 444,37	1 111 670,92
	TOTAL	827 444,37	1 111 670,92

Note 16

Financial revenue

Other financial revenue

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Cash		
a	interest	11 456,32	52 012,97
b	market value of Investment Funds	11 456,32	8 834,08
		0,00	43 178,89
2	Other, including:	6 347,83	1 399,65
a	reversal of impairment losses on interest on receivables	0,00	0,00
b	surplus of exchange gains over exchange losses, including:	0,00	0,00
	- realized current year exchange gains	0,00	0,00
	- realized current year exchange losses	0,00	0,00
	- unrealized exchange gains from measurement	0,00	0,00
	- unrealized exchange losses from measurement	0,00	0,00
c	Other	6 347,83	1 399,65
	TOTAL	17 804,15	53 412,62

Note 17

Financial expenses

Revaluation of investments

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
	Impairment losses on investments		
1	long-term investments	0,00	0,00
a	shares in related parties	0,00	0,00
b	shares in other entities where the entity has equity interest	0,00	0,00
c	shares in other entities	0,00	0,00
d	securities	0,00	0,00
e	originated loans	0,00	0,00
f	other financial assets	0,00	0,00
2	short-term investments	0,00	0,00
	TOTAL	0,00	0,00

Other financial expenses

No.	Item	01.01 - 31.12.2019	01.01 - 31.12.2018
1	Recognition of provisions	0,00	0,00
2	Other, including:	1 025 451,06	221 350,17
a	impairment losses on interest on receivables	0,00	0,00
b	surplus of exchange losses over exchange gains - including:	1 020 662,08	199 223,83
	- realized current year exchange gains	681 704,36	417 555,47
	- realized current year exchange losses	1 341 100,18	146 101,70
	- realized prior year exchange gains	0,00	0,00
	- realized prior year exchange losses	0,00	0,00
	- unrealized exchange gains from measurement	1 470 151,71	357 879,78
	- unrealized exchange losses from measurement	1 831 417,97	828 557,38
c	interest paid to the state treasury	965,36	6 116,13
d	other	3 823,62	16 010,21
	TOTAL	1 025 451,06	221 350,17

Note 18**Exchange rates used for measurement of foreign currency assets and liabilities**

No.	Item	31.12.2019	31.12.2018
1.	kurs EUR/PLN	4,2585	4,3000
2.	kurs USD/PLN	3,7977	3,7597
3.	kurs GBP/PLN	4,9971	4,7895
4.	kurs AUD/PLN	2,6624	2,6549
5.	kurs NOK/PLN	0,4320	0,4325
6.	kurs TRY/PLN	0,6380	0,7108
7.	kurs RUB/PLN	0,0611	0,0541
8.	kurs IQD/PLN	0,3182	0,0031
9.	kurs SYP/PLN	0,0087	0,0037
10.	kurs KES/PLN	3,7503	0,0369
11.	kurs UGX/PLN	0,1036	0,0010
12.	kurs SSP/PLN	2,3885	0,0244
13.	kurs UAH/PLN	0,1602	0,1357
14.	kurs NPR/PLN	3,3295	0,0336
15.	kurs CAD/PLN	2,9139	2,7620
16.	kurs AED/PLN	1,0339	1,0227
17.	kurs YER/PLN	1,5241	1,5028
18.	kurs DJF/PLN	2,1335	2,1109

Transactions presented in the profit and loss account were measured using the exchange rates applicable as at the transaction date, in accordance with the principles described in the introduction to the financial statements.

Note 19**Headcount**

Information on average headcount in the financial year by foreign mission

No.	Item	Average headcount in the financial year ended	
		01.01 - 31.12.2019	01.01 - 31.12.2018
1	Total employees, including:	329	369
a	Turcja/Syria	0	86
b	Sudan Południowy	67	82
c	Warszawa, Kraków, Toruń	72	72
d	Ukraina	144	83
e	Irak	14	17
f	Jemen	2	0
g	Somalia	30	29

Board Members are not remunerated for the functions which they perform.

Note 20**Fees paid or due for the financial year to the certified auditor or the entity authorized to audit financial statements**

No.	Type of services	Fees
1	Statutory audit of the annual financial statements	28 000,00
	TOTAL	28 000,00

Note 21***Changes in the accounting principles (policy) during the financial year***

Presentation of changes in the accounting principles (policy) introduced in the financial year, including to measurement methods and the method of preparation of the financial statements, if exerting a significant effect on the entity's financial and economic position and its financial performance; their causes and effect on the change in profit/loss

Due to the change in the Foundation policy of accounting principles in the 2019, there is a change in point 3.2.2.b. The Foundation depreciates low value fixed assets whose initial value are equal or higher than PLN 1,000.00 which is in line with the lower limit for recognition of low-value property, plant and equipment, as specified in the applicable tax regulations, i.e. PLN 10,000.00. The 100% depreciation amount is charged to costs in the month when low value fixed assets are put in service

Note 22***Comparability of financial information***

Figures ensuring comparability of the information in the financial statements for the prior year with the information for the current financial year

Not applicable

Note 23***Contingent liabilities***

The Foundation did not have any contingent liabilities as at the end of the financial year.

Note 24***Post-balance sheet events***

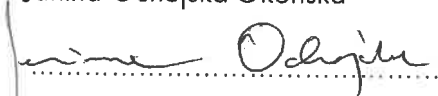
No post-balance sheet events having a material effect on the financial statements prepared as at 31 December 2019 occurred at the Foundation.

The Financial Statements comprise:


1. Introduction, pages 1 to 10.
2. Balance Sheet, pages 1 to 2
3. Profit and Loss Account, page 3
4. Statement of Changes in Equity, No applicable
5. Cash Flow Statement, No applicable
6. Notes, pages 4 to 17

The Financial Statements have been presented by the Management Board

Janina Ochojska-Okońska



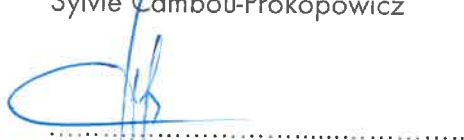
Grzegorz Gruca



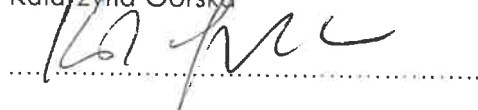
Maciej Bagiński



Sylvie Cambou-Prokopowicz



Katarzyna Górską



Prepared by:

Dorota Lewandowska
Chief Accountant



Date: 29 June 2020

A. INTRODUCTION TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Polska Akcja Humanitarna Foundation (the "Foundation") was established by a notarized deed prepared in the office of Marek Bartnicki, Notary Public in Warsaw, on 1 December 1994 (Rep. A 616/94). As at 31 December 2018, the registered office of the Foundation was located at ul. Al.Jerozolimskie 78A in Warsaw.

The Foundation carries out its mission in accordance with the Act on Foundations of 6 April 1984 (Journal of Laws of 2016, item 40, of 2017, item 1909, as amended), the Act on Public Benefit Activity and Volunteerism of 24 April 2003 (Journal of Laws of 2018, item 450, as amended) as well as its by-laws.

The Foundation accomplishes socially beneficial purposes by performing public service tasks, as defined in the Act on Public Benefit Activity. The purpose of the Foundation is to organize and provide humanitarian, developmental, charitable, socially beneficial and educational aid and to prevent social exclusion.

The Foundation is entered in the Register of Entrepreneurs under number KRS 0000136833. The entry was made by the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register, on 28 October 2002. The existence of the Foundation is perpetual.

The reporting period lasts from 1 January 2019 to 31 December 2019 and the comparative period from 1 January 2018 to 31 December 2018.

The Foundation does not include any internal organizational units preparing their own financial statements.

The Polish zloty is the currency of the financial statements.

Composition of the Management Board during the reporting period and as at the date of these financial statements being signed:

Janina Okońska-Ochojska	– Chair
Grzegorz Gruca	– Deputy Chair
Maciej Grzegorz Bagiński	– Member
Sylvie Marie-Louise Cambou Prokopowicz	– Member
Katarzyna Górską	– Member

2. GOING CONCERN

The financial statements of the Foundation have been prepared on the assumption that it will continue as a going concern within at least 12 months of the balance sheet date, i.e. of 31 December 2019. According to the Management Board, as at the date of the financial statements being signed no facts

or circumstances indicated a risk to the Foundation's ability to continue as a going concern within at least 12 months of the balance sheet date due to intended or forced discontinuation or material limitation of its activities.

3. ACCOUNTING PRINCIPLES (POLICY)

3.1. *Format and basis of preparation*

The financial statements have been prepared in line with the provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 2018, item 395, as amended; the "Accounting Act").

They have been prepared on the historical cost basis, which has been modified as appropriate in the cases discussed in the relevant sections of the introduction to the financial statements.

3.2. The Foundation prepares its profit and loss account by nature of expense. In the preceding financial year, the Foundation's net prior year profit was presented within revenue for 2017. The approved financial information for the preceding financial year is presented as *comparative information on the balance sheet and in the profit and loss account for 2019*.

3.3. Intangible assets Intangible assets are recognized on the balance sheet if it is probable that in the future they will result in an inflow of economic benefits to the Foundation that may be directly related to such assets. Intangible assets are initially recognized at acquisition price or manufacturing cost. After initial recognition, intangible assets are measured at acquisition price or manufacturing cost, less amortization and impairment losses. Intangible assets are amortized using the straight-line method over the period of their estimated useful life.

The estimated useful life of other intangible assets is 5 years.

Amortization is recognized in the month following immediately the month when the intangible assets were made available for use. The estimated useful life and the amortization method are reviewed periodically with a view to verifying whether the amortization method and period are consistent with the anticipated distribution of economic benefits generated by the intangible assets over time. At each balance sheet date, the Foundation verifies whether the carrying amount of assets exceeds the value of expected future economic benefits. If there are reasons to believe so, the carrying amount of the assets is reduced as appropriate. Impairment losses are recognized within other operating expenses.

Intangible assets the initial value of which does not exceed the minimum threshold determined by the applicable tax regulations for an asset to be classified as an intangible asset are expensed on a one-off basis.

3.4. *Fixed assets*

Fixed assets are measured at acquisition price, manufacturing cost or revalued amount (in accordance with separate regulations), less depreciation and impairment losses.

Costs incurred after a fixed asset has been made available for use, such as costs of repairs, overhauls or maintenance fees, affect the financial result of the reporting period during which they were incurred. However, if it is possible to prove that such costs resulted in an increase in the expected future economic benefits related to the holding of the fixed asset in excess of the originally assumed benefits, they increase the gross value of the fixed asset.

Fixed assets, except for land, are depreciated using the straight-line method over their estimated useful life or the shorter of their estimated useful life and the right-of-use. Depreciation rates based on the estimated useful life for each fixed asset group:

Technical equipment and machines	10% - 60%
Vehicles	14%, 20%
Other fixed assets	10% - 30%

Depreciation is recognized effective from the month following immediately the month in which fixed assets were made available for use. Fixed assets with a low gross unit value (i.e. below PLN 10 000.00) are expensed on a one-off basis.

Assets with the estimated useful life exceeding one year and the gross value of less than PLN 1,000.00 are recognized as the cost of consumption of materials.

The estimated useful life and the depreciation method are reviewed periodically with a view to verifying whether or not the methods and depreciation period are consistent with the anticipated distribution of economic benefits generated by the fixed assets over time.

At each balance sheet date, the Foundation verifies whether the carrying amount of assets exceeds the value of expected future economic benefits. If there are reasons to believe so, the carrying amount of the assets is reduced as appropriate. Impairment losses are recognized within other operating expenses.

Fixed assets purchased by the Foundation with the use of grants and subsidies and used for its statutory purposes and during Missions are recognized on the balance sheet.

3.5. *Fixed assets under construction*

Fixed assets under construction are measured at the total costs which are directly related to their acquisition or development, including financial expenses, less impairment losses. Fixed assets under construction are not depreciated until their construction is complete and until they are first made available for use.

Advance payments for fixed assets under construction are measured at the amount of cash transferred,

less any impairment losses.

3.6. *Short-term investments*

Short-term investments are measured no later than at the end of the reporting period at a reliably estimated amounts, i.e. at their market value. The effects of revaluation of financial assets (gains or losses) are recognized, as appropriate, as financial revenue or expenses in the reporting period in which revaluation took place.

3.7. *Inventory*

The inventory of goods and materials is measured at acquisition price. The value of consumed (released) inventory items is determined using the specific identification method with respect to costs of specific projects, irrespective of the date of purchase. Inventory is registered in the value and volume records.

At each balance sheet date, the Foundation verifies whether the carrying amount of assets exceeds the value of expected future economic benefits. If there are reasons to believe so, the carrying amount of the assets is reduced as appropriate. Impairment losses are recognized within other operating expenses.

3.8. *Short- and long-term receivables*

Trade receivables are recognized at the amount due, less impairment losses.

Receivables are revalued based on the probability of their payment, through recognition of impairment losses. Impairment losses on receivables are charged to other operating expenses or financial expenses, depending on the type of receivables.

Cancelled and expired receivables as well as bad debts reduce the related impairment losses recognized before.

Cancelled and expired receivables as well as bad debts for which impairment losses have not been recognized at all or in whole, are charged to other operating expenses or financial expenses, as appropriate.

Trade receivables include amounts due under:

- donation agreements relating to the performance of statutory activities;
- agreements with donors relating to the performance of statutory activities;
- advance payments for services to be performed in relation to projects carried out in South Sudan, Somalia, Syria, Ukraine and Iraq.

3.9. *Foreign currency transactions*

Foreign currency transactions are translated into PLN at the average exchange rate published for each currency by the National Bank of Poland at the date preceding immediately the transaction date.

- rent paid;
- health insurance, business travel insurance and other property insurance paid;
- prepaid services and utilities, such as the internet or fuel.

Costs corresponding to a given period are assigned to relevant projects and funding sources in accordance with cost allocation principles laid down in the PAH Financial Manual, i.e. a cost allocation ratio corresponding to the current engagement of employees assigned to each project and to the size of projects carried out is determined for each month. Revenue under grant, subvention and donation agreements is recognized up to the amount of costs incurred under these agreements in the financial year.

Deferred income is determined as at the balance sheet date as the nominal value of revenue to be realized in future periods and includes amounts received or due from contracting parties or donors to be used in future reporting periods.

Deferred income in the financial year includes unrealized grants, subventions and donations received to carry out the Foundation's statutory activities under agreements concluded with donors with regard to projects specified therein. Funds received to finance purchases of fixed assets under these agreements are accounted for along with depreciation charges. Agreements concluded with donors specify in detail:

- the amount of the grant/donation;
- the purpose for which it may be used;
- the project funding period; and
- financial and non-financial settlement rules.

Where the agreement does not specify the above, the donation is recognized as revenue for the financial year in whole.

3.12. *Capital*

The founding capital has been created from founders' contributions at such amount as specified in the by-laws.

The reserve capital is created from funds received in the year which have not been spent in whole, in accordance with the Reserve Capital Creation and Management Policy. The appropriation amount is determined by the Management Board and approved by its resolution.

3.13. *Provisions*

Provisions are recognized if the Foundation has a present (legal or constructive) obligation resulting from past events and if it is certain or highly probable that fulfilment of such an obligation will result

As at the balance sheet date, assets and liabilities denominated in currencies other than PLN are translated into PLN using the average exchange rate effective as at that date and determined by the National Bank of Poland. Exchange differences arising from translation are recognized as financial revenue or financial expenses, as appropriate, or capitalized in the value of assets in accordance with the law.

The following exchange rates have been used for measurement purposes in these financial statements and in the comparative period:

<i>Exchange rates</i>		
Tytuł	31.12.2019r.	31.12.2018r.
kurs EUR/PLN	4,2585	4,3000
kurs USD/PLN	3,7977	3,7597
kurs GBP/PLN	4,9971	4,7895
kurs AUD/PLN	2,6624	2,6549
kurs NOK/PLN	0,432	0,4325
kurs TRY/PLN	0,638	0,7108
kurs RUB/PLN	0,0611	0,0541
kurs IQD/PLN	0,3182	0,0031
kurs SYP/PLN	0,0087	0,0037
kurs KES/PLN	3,7503	0,0369
kurs UGX/PLN	0,1036	0,0010
kurs SSP/PLN	2,3885	0,0244
kurs UAH/PLN	0,1602	0,1357
kurs NPR/PLN	3,3295	0,0336
kurs CAD/PLN	2,9139	2,7620
kurs AED/PLN	1,0339	1,0227
kurs YER/PLN	1,5241	1,5028
kurs DJF/PLN	2,1335	2,1109

3.10. *Cash and cash equivalents*

Cash at bank and in hand is measured at face value.

At the balance sheet date, only cash in hand and at bank is measured at the average exchange rate of the National Bank of Poland applicable at that date.

Exchange differences determined at the end of the financial year are recognized in profit or loss: exchange gains within financial revenue and exchange losses within financial expenses.

3.11. *Prepayments, accruals and deferred income*

The Foundation recognizes prepayments if the related costs pertain to future reporting periods. Accruals are recognized at the amount of probable liabilities relating to the current reporting period.

Prepaid expenses include:

in an outflow of resources.

The Foundation offers retirement benefits to its employees. The resulting expenses are recognized in profit or loss so as to distribute the cost of retirement benefits over the entire period of service with the Foundation. Expenses relating to the said benefits are estimated using the accrued benefit method and recognized in accordance with the materiality principle.

3.14. *Bank loans and credit facilities*

At initial recognition, credit facilities and loans are recognized at cost, i.e. the value of cash disbursed, including the costs incurred to arrange the credit facility/loan (transaction costs). All bank loans and credit facilities are subsequently measured at adjusted acquisition price (amortized cost), using the effective interest method. Financial liabilities are measured no later than at the end of the reporting period at adjusted acquisition price.

Credit facilities used by the Foundation:

- overdraft facility of up to PLN 1,000,000.00 until 31 December 2019 (utilization as at 31 December 2019: PLN 0.00);
- multi-purpose line of credit of up to PLN 2,100,000.00 until 30 December 2019 (utilization as at 31 December 2019: PLN 0.00).

3.15. *Off-balance contingent liabilities*

Contingent liabilities are potential obligations to provide supplies in the future, the occurrence of which is conditional on specific events taking place. Contingent liabilities are recognized off the balance sheet.

3.16. *Taxes*

The Foundation is entitled to the following exemptions:

- on income tax (material scope) – under Article 17.1.6c of the Corporate Income Tax Act of 15 February 1992;
- on income tax, real estate tax and tax on civil law transactions (personal scope) – under Article 24.1 of the Act on Public Benefit Activity and Volunteerism of 24 April 2003.

3.17. *Impairment of assets*

At each balance sheet date, the Foundation verifies whether there is any objective indication of impairment of an asset or a group of assets. If such an indication exists, the Foundation estimates the recoverable amount of the asset and recognizes an impairment loss corresponding to the difference between the recoverable amount and the carrying amount of the asset. Impairment losses are recognized in profit or loss for the period. If assets have been revalued before, the loss reduces the revaluation reserve and is then recognized in profit or loss for the period.

3.18. Revenue recognition

Revenue is recognized at the amount of probable economic benefits that can be derived by the Foundation and measured reliably.

3.18.1. Revenue from mission-related activities

Revenue from mission-related activities includes amounts received from donors and those supporting the Foundation (including donations, inheritance, gifts, public collection, compensatory damages, other payments awarded by the court or amounts seized by bailiffs as well as 1% PIT receipts). Revenue is recognized on the accrual basis, which is similar to the cash basis for such revenue.

The Foundation's revenue also includes grants-in-aid from Polish and foreign institutions. Revenue from grants-in-aid relating to projects whose detailed budgeting and reporting principles are laid down in the relevant agreements is recognized in profit or loss up to the amount of costs incurred. The remaining grant amount is recognized as deferred income. Deferred income has been discussed in section 3.10.

3.18.2. Grants and subventions

Grants and subventions are recognized at fair value if there is a reasonable certainty that the grant will be received and all grant receipt conditions will be satisfied. If a grant or subvention is related to a cost item, it is deferred on the balance sheet and recognized within revenue on a systematic basis so that it matches the expenses which the grant is intended to offset.

If a grant or subvention is aimed to finance the acquisition or development of a fixed asset, it is deferred on the balance sheet and recognized within revenue over the period of depreciation of the fixed asset.

3.18.3. Interest

Interest income is recognized when interest accrues (using the effective interest rate), if its receipt is not doubtful.

3.19. Social Benefits Fund – assets and liabilities

Pursuant to the Act on the Social Benefits Fund of 4 March 1994, the social benefits fund is established by employers hiring at least 20 full-time employees. The Foundation has created such a fund in accordance with the law and makes periodic appropriations in the minimum required amount. The purpose of the fund is to finance the Foundation's social activities. The balance of the fund consists of its accumulated revenue less expenses which may not be reimbursed. The fund's balance and assets are presented on the Foundation's balance sheet separately.

Prepared in Warsaw on 29 June 2020


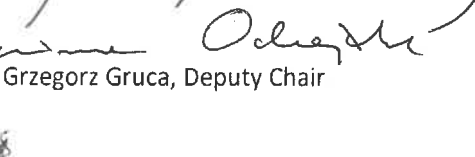
Prepared by:

Dorota Lewandowska, Chief Accountant


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Members of the Management Board:

Janina Ochojska-Okońska, Chair


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Grzegorz Gruca, Deputy Chair

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Sylvia Prokopowicz, Member


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Katarzyna Górka, Member


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Maciej Bagiński, Member


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