

**Institute Artes Liberales Foundation (FIAL)**

ul. Jaracza 10/28, 00-378 Warszawa

KRS: 0000145371; NIP: 5212729151

**Introduction to the financial statements  
of the Institute Artes Liberales Foundation (FIAL) for 2019**

Organization, address, KRS (National Court Register) number	Institute Artes Liberales Foundation, ul. Jaracza 10 lok. 28, 00-378 Warszawa; KRS: 0000145371
Changes to the foundation's Management Board	As of Dec. 31, 2019, and as of the date of the financial statements, the foundation's Management Board comprised: Chair of the Board – Prof. Jan Oskar Kieniewicz Vice-Chair of the Board – Dr Maria Pasło-Wiśniewska Member of the Board – Rev. Prof. Andrzej Szostek
Duration of the organization	The organization's duration is unlimited
Reporting period	From Jan. 1, 2019 to Dec. 31, 2019
Continuation of operations	The financial statements were prepared with the assumption that the foundation will continue its operations in the foreseeable future. There are no circumstances indicating any threat to the continuation of its operations.
Accounting principles (policy) adopted	The foundation prepares its financial statements based on the rules set down in Appendix 6 to the Accounting Act. The foundation recognizes revenue connected with a given project up to the sum of costs incurred in a given business year. The surplus of project takings over costs in a given business year does not constitute revenue and is reported as accrued receivables.
Methods of valuation of assets and liabilities (also depreciation)	The foundation values assets and liabilities as follows: a. Fixed assets are valued according to the purchase price (or production costs) minus depreciation calculated on a straight line basis or, for fixed assets worth less than PLN 10,000, on a one-off basis in 100% at the time of issue for use. b. Intangible assets are valued according to the purchase price minus depreciation. c. Tangible current assets are not included in FIAL reports. Purchased office supplies are not stored; they are issued for use. d. Receivables are valued in the amount to be received. e. Liabilities are valued in the amount to be paid. f. Own funds, cash and other assets and liabilities are valued at their nominal value.

**BALANCE SHEET as of Dec. 31, 2019**  
prepared according to Appendix 6 to the Accounting Act

**ASSETS**

Asset type	Value of assets as of:	
	(start of year)	(end of year)
1	2	3
<b>A. FIXED ASSETS</b>	<b>196,850.72</b>	<b>186,965.92</b>
I. Intangible assets	0.00	0.00
II. Tangible fixed assets	196,850.72	186,965.92
III. Long-term debtors	0.00	0.00
IV. Long-term financial investments	0.00	0.00
V. Long-term accruals	0.00	0.00
<b>B. CURRENT ASSETS</b>	<b>5,236,962.50</b>	<b>6,181,576.62</b>
I. Inventories	0.00	
II. Short-term receivables	1,068.22	1,889.77
III. Short-term investments	5,235,894.28	6,179,686.85
IV. Short-term accruals	0.00	0.00
<b>C. Due payments to the statutory capital</b>	<b>0.00</b>	<b>0.00</b>
<b>Total assets</b>	<b>5,433,813.22</b>	<b>6,368,542.54</b>

**LIABILITIES**

Liability type	Value of liabilities as of:	
	(start of year)	(end of year)
1	2	3
<b>A. EQUITY</b>	<b>1,585,045.16</b>	<b>1,546,585.44</b>
I. Statutory capital	<b>1,667,759.36</b>	<b>1,667,759.36</b>
II. Other capital	0.00	0.00
III. Profit (loss) from previous years	-522,814.08	-82,714.20
IV. Net profit (loss)	440,099.88	-38,459.72
<b>B. LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>3,848,768.06</b>	<b>4,821,957.10</b>
I. Provisions for liabilities	45,038.00	39,116.31
II. Long-term liabilities	0.00	0.00
III. Short-term liabilities	4,084.34	20,891.82
IV. Accruals	3,799,645.72	4,761,948.97
<b>Total liabilities</b>	<b>5,433,813.22</b>	<b>6,368,542.54</b>

**PROFIT AND LOSS ACCOUNT as of Dec. 31, 2019**  
prepared according to Appendix 6 to the Accounting Act

Item	Amount for previous year	Amount for current business year
<b>Revenue from statutory activity</b>	<b>2,345,759.75</b>	<b>2,247,822.39</b>
Revenue from public benefit unpaid work	8,530.70	5,861.14
Revenue from public benefit paid work	0.00	0.00
Revenue from other statutory activity	2,337,229.05	2,241,961.25
<b>Costs of statutory activity</b>	<b>1,957,310.10</b>	<b>1,891,541.99</b>
Costs of public benefit unpaid work	0.00	0.00
Costs of public benefit paid work	0.00	0.00
Costs of other statutory activity	1,957,310.10	1,891,541.99
<b>Profit (loss) from statutory activity (A-B)</b>	<b>388,449.65</b>	<b>356,280.40</b>
Revenue from business activity	0.00	0.00
Costs of business activity	0.00	0.00
<b>Profit (loss) from business activity (D-E)</b>	<b>0.00</b>	<b>0.00</b>
Overheads	<b>383,085.91</b>	<b>350,589.24</b>
<b>Operating profit (loss) (C+F-G)</b>	<b>5,363.74</b>	<b>5,691.16</b>
Other operating revenue	68.73	1,790.27
Other operating costs	0.52	284.03
Financial revenue	434,706.68	52,154.51
Financial costs	38.75	97,811.63
<b>Profit (loss) before taxes (H+I-J+K-L)</b>	<b>440,099.88</b>	<b>-38,459.72</b>
Income tax	<b>0.00</b>	<b>0.00</b>
<b>Net profit (loss) after tax (M-N)</b>	<b>440,099.88</b>	<b>-38,459.72</b>

**Cash flow statement**  
for the period from Jan. 1, 2019 to Dec. 31, 2019  
**(indirect method)**

Item	2018	2019
	1	2
<b>A. Cash flow from operating activities</b>		
I. Net profit (loss) after tax	<b>440,099.88</b>	<b>-38,459.72</b>
II. Adjustments in total:	-2,193,215.52	939,876.26
1. Depreciation	12,148.32	9,884.80
2. Foreign exchange gains (losses)		
3. Interest/dividends received and paid	-74,903.59	-42,376.03
4. Profit (loss) on investment activities	0.00	0.00
5. Change in reserves	-1,887.00	-5,921.69
6. Change in inventory	0.00	0.00
7. Change in receivables	-33.60	-821.55
8. Change in short-term liabilities, excluding loans	4,064.28	16,807.48
9. Change in accruals	-2,132,603.93	962,303.25
10. Other adjustments	0.00	0.00
III. Net cash flow from operating activities (I+/-II)	-1,753,115.64	901,416.54
<b>B. Cash flow from investment activities</b>		
I. Inflows	74,903.59	42,376.03
1. Sale of intangible assets and tangible fixed assets	0.00	0.00
2. Sale of investments in real estate as well as intangible assets	0.00	0.00
3. From financial assets, including:	74,903.59	42,376.03
a) in related parties	0.00	0.00
b) in other parties:	74,903.59	42,376.03
- sale of financial assets	0.00	0.00
- dividends	0.00	0.00
- long-term loans repaid	0.00	0.00
- interest	74,903.59	42,376.03
- other inflows from financial assets	0.00	0.00
4. Other investment inflows	0.00	0.00
II. Outflows	0.00	0.00
1. Purchase of intangible assets and tangible fixed assets	0.00	0.00
2. Investments in real estate as well as intangible assets	0.00	0.00
3. On financial assets, including:	0.00	0.00
a) in related parties	0.00	0.00
b) in other parties	0.00	0.00
- purchase of financial assets	0.00	0.00
- long-term loans issued	0.00	0.00
4. Other investment spending	0.00	
III. Net cash flow from investment activities (I-II)	74,903.59	42,376.03
<b>C. Cash flow from financial activities</b>		
I. Inflows	0.00	0.00

1. Net inflows from the issue of shares and other capital instruments as well as additional equity contributions	0.00	0.00
2. Loans	0.00	0.00
3. Issue of debt securities	0.00	0.00
4. Other financial inflows	0.00	0.00
II. Outflows	0.00	0.00
1. Purchase of own shares	0.00	0.00
2. Dividend and other payments to owners	0.00	0.00
3. Profit sharing outflows other than payments to owners	0.00	0.00
4. Repayment of loans	0.00	0.00
5. Redemption of debt securities	0.00	0.00
6. Other financial liabilities	0.00	0.00
7. Payment of liabilities arising from financial leasing	0.00	0.00
8. Interest	0.00	0.00
9. Other outflows from financial activities	0.00	0.00
III. Net cash flow from financial activities (I-II)	0.00	0.00
<b>D. Total net cash flow (A.III. +/- B.III +/- C.III)</b>	<b>-1,678,212.05</b>	<b>943,792.57</b>
<b>E. Balance sheet change in cash, including</b>	<b>-1,678,212.05</b>	<b>943,792.57</b>
- change in cash due to exchange differences	<b>367,248.49</b>	<b>-97,810.96</b>
<b>F. Cash opening balance</b>	<b>6,914,106.33</b>	<b>5,235,894.28</b>
<b>G. Closing balance of cash (F+/-D), including:</b>	<b>5,235,894.28</b>	<b>6,179,686.85</b>
- of limited disposability		

**Additional information to the balance sheet  
of the Institute Artes Liberales Foundation for 2019**

1. Information on all financial liabilities, including debt financial instruments, guarantees or contingent liabilities not included in the balance sheet, specifying the character and form of debts with collateral security.

**The organization has no liabilities from debt financial instruments, guarantees or contingent liabilities not included in the balance sheet. The organization's only financial liabilities are described in section 3. Supplementary data on assets and liabilities.**

2. Information on the amounts of down payments and loans granted to members of administrative, management and supervisory bodies, indicating the interest rate, main terms and any repaid, deducted or remitted amounts, and any liabilities incurred on behalf of such members as any kind of guarantee, indicating the overall amount for each category.

**The organization does not grant loans to members of its administrative, management and supervisory bodies, nor does it incur liabilities on their behalf as any kind of guarantee.**

3. Supplementary data on assets and liabilities.

The organization's assets comprise:

**1) Fixed assets:**

a) Tangible assets in the amount of PLN 186,965.92 (net). The tangible assets depreciation is calculated on a straight line basis.

The main tangible asset is the apartment where the foundation has its registered office, worth PLN 171,350.00 net as of Dec. 31, 2019.

The other tangible assets are computers and other minor hardware.

**2) Operating assets:**

a) short-term receivables in the amount of PLN 1,889.77

Party	Title	Amount
Zrzeszenie Transportu Prywatnego m.st. Warszawy (taxi company)	deposit securing contract performance	800.00
Social Insurance Institution (ZUS)	overpaid social insurance premium for Dec. 2019 (Jesiotr, after exceeding the 30-times limit)	312.35
Stipend (foreign national)	Daria Burnasheva	764.00
Accounting for a mini-grant	Zuzanna Kiwerska (documents accounting for expenses under the mini-grant received in Jan. 2020)	13.40
<b>Total:</b>		<b>1,889.77</b>

b) Short-term investments in the amount of PLN 6,179,686.82, including:

No.	Item	Balance as of Dec. 31, 2019	Balance as of Dec. 31, 2018	Description
<b>A.</b>	<b>Investments</b>	<b>6,179,686.85</b>	<b>5,235,894.28</b>	
<b>1.</b>	<b>Cash</b>	-	-	funds used up in day-to-day operations
<b>2.</b>	<b>Current accounts</b>	3,131,833.82	5,235,894.28	
including:	15 1240 1053 1111 0010 5737 6924 (PLN)	3,027,900.74	2,099,022.80	
	32 1240 1053 1111 0010 5737 7006 (PLN)	4,516.02	21,511.00	
	59 1240 1053 1111 0010 5737 7208 (EUR)	99,417.06	96,085.91	
	98 1240 1053 1111 8116 5737 7035 (USD)	-	3,019,274.57	
<b>3.</b>	<b>Deposit accounts</b>	3,047,853.03	-	
including:	CAJEF funds	-	-	
	EXTENDING funds	952,480.86	-	1.32%-interest deposit up to Jan. 7, 2020
	EXTENDING funds	952,480.86	-	1.32%-interest deposit up to Jan. 7, 2020
	EXTENDING funds	1,142,891.31	-	1.32%-interest deposit up to Jan. 7, 2020

In 2019 the amount paid by The Endeavor Foundation into FIAL's account was USD 800,000, at the transfer exchange rate of PLN 4.0000; these funds had not been converted by Dec. 31, 2019.

When valuing the balance sheet items expressed in foreign currency, the following exchange rates into PLN were adopted:

Balance sheet of Dec. 31, 2018

EUR – 4.3000

USD – 3.7597

Balance sheet of Dec. 31, 2019

EUR – 4.2585

USD – 3.7977

### 3) Liabilities:

1) Main capital (fund) in the amount of PLN 1,667,759.36, including:

- a) initial capital of PLN 2,000
- b) statutory capital of PLN 1,665,759.36

2) Financial result (net) for 2018 = PLN 440,099.88

3) Financial result for 2019 = PLN -38,459.72

4) Liabilities and provisions for liabilities in the amount of PLN 60,008.13 including:

- a) short-term liabilities = PLN 20,891.82

<b>Party</b>	<b>Title</b>	<b>Amount</b>
IZI	domain maintenance	67.65
POLKOMTEL	mobile phone services	60.58
UW "HERA"	accommodation	2,240.00
Zrzeszenie Transportu Prywatnego m.st. Warszawy (taxi company)	personal transport (taxi rides)	2,366.28
Social Insurance Institution (ZUS)	underpaid health insurance premium for Dec. 2019 (Jesiotr, after exceeding the 30-times limit)	31.00
Warszawa Śródmieście First Tax Office	underpaid taxes for Jan. and Feb. 2019 (D. Burnasheva's stipend)	764.00
Remuneration under an employment contract	Marzena Jesiotr (supplemented salary for Dec. 2019 – ZUS memo on exceeding the 30-times limit received in Jan. 2020)	85.30
Remuneration under a specific-task contract	Przemysław Kaniecki (bill to go with the contract received in Jan. 2020)	1,500.00
	Zbigniew Karaszewski (bill to go with the contract received in Jan. 2020)	3,000.00
	Michał Mizera (bill to go with the contract received in Jan. 2020)	1,500.00
	Michał Oleszczyk (bill to go with the contract received in Jan. 2020)	1,500.00
	Krzysztof Skonieczny (bill to go with the contract received in Jan. 2020)	1,500.00
	Tymoteusz Król (bill to go with the contract received in Jan. 2020)	1,250.00
	Grzegorz Sokół (bill to go with the contract received in Jan. 2020)	1,500.00
	Piotr Kulas (bill to go with the contract received in Jan. 2020)	1,500.00



Stipend	Adrian Urniaż (bank account number received in Jan. 2020)	2,000.00
Accounts settled with employees	Joanna Romanowicz (expense documents received in Jan. 2020)	15.50
Total		20,891.82

b) provisions for short-term liabilities = PLN 39.116,31

Party	Title	Amount
Deloitte	accounting consulting service for 2019 (USD 10,300 × 3.7977)	39,116.31
Total		39,116.31

5) accrued receivables in the amount of PLN 4,761,948.97

No.	Item	Status as of Dec. 31, 2018	Used up in 2019	Increase in 2019	Status as of Dec. 31, 2019
<b>A.</b>	<b>Deferred revenue</b>	<b>3,799,645.72</b>	<b>2,241,961.25</b>	<b>3,204,264.50</b>	<b>4,761,948.97</b>
1	Endeavor Foundation projects	3,510,574.83	2,209,499.55	3,200,000.00	4,501,075.28
2	Greek	192,376.14	16,216.70	4,264.50	180,423.94
3	Cypriot	62,253.36	0.00	0.00	62,253.36
4	OSI	16,245.00	16,245.00	0.00	0.00
5	Humboldt	18,196.39	0.00	0.00	18,196.39
6	Other	0.00	0.00	0.00	0.00

- Funding received from The Endeavor Foundation is also used to cover the foundation's administrative costs. In 2019, this funding was used to cover PLN 350,589.24 of administrative costs. The costs related to projects financed by The Endeavor Foundation amounted to PLN 1,858,910.31.

4. Information on the structure of realized revenue, indicating the sources thereof.

No.	Item	Revenue	Amount received in 2019	Amount expressed as increased deferred revenue	Used up deferred revenue from previous years
<b>A.</b>	<b>Revenue</b>	<b>2,247,822.39</b>	<b>3,210,125.64</b>	<b>3,204,264.50</b>	<b>2,241,961.25</b>
<b>I.</b>	<b>Revenue from other statutory activity</b>	<b>2,241,961.25</b>	<b>3,204,264.50</b>	<b>3,204,264.50</b>	<b>2,241,961.25</b>
1	Endeavor Foundation projects	2,209,499.55	3,200,000.00	3,200,000.00	2,209,499.55
2	Greek	16,216.70	4,264.50	4,264.50	16,216.70
3	Cypriot	0.00	0.00	0.00	0.00
4	OSI	16,245.00	0.00	0.00	16,245.00
5	Humboldt	0.00	0.00	0.00	0.00

6	Other	0.00	0.00	0.00	0.00
II.	Revenue from public benefit unpaid work	<b>5,861.14</b>	<b>5,861.14</b>		
1	1% income tax donations	5,861.14	5,861.14		

5. Information on the structure of costs incurred.

No.	Item	Costs incurred in 2019 (under group 5)	including:			
			Depreciation	Materials and energy	Remuneration, social insurance and other services/benefits	Other costs
1	2	3	4	5	6	7
<b>A.</b>	<b>Costs</b>	<b>2,242,131.23</b>	<b>9,884.80</b>	<b>104,064.97</b>	<b>1,553,628.02</b>	<b>574,553.44</b>
<b>I.</b>	<b>Costs of unpaid statutory activity</b>	<b>1,891,541.99</b>	<b>0.00</b>	<b>86,351.83</b>	<b>1,345,172.52</b>	<b>460,017.64</b>
1	Endeavor Foundation projects	1,858,910.31	0.00	85,367.13	1,315,090.52	458,452.66
2	Greek	16,216.70	0.00	984.70	14,232.00	1,000.00
3	Cypriot	0.00	0.00	0.00	0.00	0.00
4	OSI	16,244.58	0.00	0.00	15,850.00	394.58
5	Other (OSF 2016)	170.40	0.00	0.00	0.00	170.40
6	Humboldt	0.00	0.00	0.00	0.00	0.00
7	Other	0.00	0.00	0.00	0.00	0.00
<b>II.</b>	<b>Administrative costs</b>	<b>350,589.24</b>	<b>9,884.80</b>	<b>17,713.14</b>	<b>208,455.50</b>	<b>114,535.80</b>

6. The organization has public benefit status.

a. Revenue from 1% income tax donations amounted to PLN 5,861.14

b. Costs amounted to PLN 0.00

The money constituting revenue from 1% personal income tax donations has been deposited in a bank account and will be spent in 2020 as intended.

7. Error correction

The comparative data from the business year ending on Dec. 31, 2018 have been converted – the changes are due to the following:

a) in the present financial statements, the comparative data in the balance sheet and the profit and loss account as of Dec. 31, 2018 and for the business year ending on that day are changed from the data approved in the financial statements for 2018. The foundation accounted for revenue from Greek, Cypriot and Humboldt funding according to the cash principle instead of the accrual principle.

Following the correction of this error, the net financial result for 2018 and previous years was changed

	financial result 2018	loss/profit from previous years as of Dec. 31, 2018	accrued receivables as of Dec. 31, 2018
Approved financial statements for 2018	428,245.71	-238,134.02	3,562,819.83
- error correction	11,854.17	-284,680.06	-272,825.89
Financial statements for 2018 (after correction)	440,099.88	-522,814.08	3,289,993.94

The difference in the amount of PLN 272,825.89 was related to accrued receivables.

8. Other information of importance for the organization's financial situation.

1) The foundation keeps its cash in bank accounts in PLN as well as foreign currencies.

2) Due to the continuing COVID-19 pandemic since March 2020:

a) We take into account that, similarly to 2018, the donation from The Endeavor Foundation will not arrive as planned in 2020, but that double the amount will come in 2021. This will not affect our operations, as the foundation has savings and there is no danger of loss of liquidity.

b) It is probable that planned spending on projects and programs will not take place in 2020 due to the postponement, until after the pandemic, of the scientific conferences that formed their integral part.

Prepared on:

June 18, 2020

Teresa Miłkowska