



Stowarzyszenie Żydowski Instytut Historyczny w Polsce

Independent Auditor's Report

Financial Year ended

31 December 2017

AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the General Meeting of Stowarzyszenie Żydowski Instytut Historyczny w Polsce

Report on the Audit of the Annual Financial Statements

We have audited the accompanying annual financial statements of Stowarzyszenie Żydowski Instytut Historyczny w Polsce, with its registered office in Warsaw, ul. Tłomackie 3/5 (the "Entity"), which comprise the introduction to the financial statements, the balance sheet as at 31 December 2017, the profit and loss account for the year then ended and the supplementary information and explanations (the "financial statements").

Responsibility of the Management Board and Supervisory Board of the Entity for the financial statements

The Management Board of the Entity is responsible for the preparation, on the basis of properly maintained accounting records, of financial statements that give a true and fair view in accordance with the accounting act dated 29 September 1994 (Official Journal from 2018, item 395 with amendments) (the "Accounting Act"), related bylaws and other applicable laws. The Management Board of the Entity is also responsible for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act, the Management Board and members of the Supervisory Board of the Entity are required to ensure that the financial statements are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility for the audit of the financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with:

- the act on certified auditors, audit firms and public oversight dated 11 May 2017 (Official Journal from 2017, item 1089) (the „Act on certified auditors”); and
- International Standards on Auditing as adopted by the resolution dated 10 February 2015 of the National Council of Certified Auditors as National Standards on Assurance.

Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the regulations mentioned above will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, deliberate omission, intentional misrepresentations or override of internal controls.

The scope of audit does not include assurance on the future viability of the Entity or on the efficiency or effectiveness with which the Management Board has conducted or will conduct the affairs of the Entity.

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

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

Opinion

In our opinion, the accompanying financial statements of Stowarzyszenie Żydowski Instytut Historyczny w Polsce:

- give a true and fair view of the financial position of the Entity as at 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Accounting Act, related bylaws, and in accordance with the adopted accounting policy;
- have been prepared, in all material respects, on the basis of properly maintained accounting records; and
- comply, in all material respects, with regard to form and content, with applicable laws and the provisions of the Entity's articles of association.

On behalf of audit firm
KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

.....
Marta Zemka
Key Certified Auditor
Registration No. 10427
Limited Liability Partner with power of attorney

10 May 2018

Signed on the Polish original

.....
Anna Budzisz
Key Certified Auditor
Registration No. 11120

ASSOCIATION OF THE JEWISH HISTORICAL INSTITUTE OF POLAND

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2017**

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MANAGEMENT BOARD STATEMENT

As required by Article 52(1) of the Accounting Act of 29 September 1994 (Journal of Laws of 2018, item 395, as amended), the Management Board of the Association of the Jewish Historical Institute of Poland ("Association") presents financial statements which comprise:

- 1) introduction to financial statements;
- 2) balance sheet prepared as at 31 December 2017 showing total assets and liabilities of PLN 15,551,240.95;
- 3) income statement for the period from 1 January 2017 to 31 December 2017 showing a total net profit of PLN 6,624,657.15;
- 4) notes.

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Piotr Wiślicki
President

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Krzysztof Rozen
Management Board Member

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Marian Turski
Vice-President

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Agnieszka Milbrandt
Management Board Member

/illegible signature/

Jan Jagielski
Treasurer

/illegible signature/

Joanna Fikus
Management Board Member

/illegible signature/

Jan Doktor
Secretary

/illegible signature/

Daria Kurkus
Person responsible for keeping books of accounts

Warsaw, 10 May 2018

1. Identification details of the Association

1.1 Name of the Association

Association of the Jewish Historical Institute of Poland, hereinafter referred to as the "Association".

1.2 Registered office of the Association

ul. Tłomackie nr 3/5

00-090 Warszawa

1.3 Registration with the National Court Register

Competent Registry Court: District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Court Register

Data: 20 June 2001

Registration number: KRS 0000020904

1.4 Prevailing objects and duration of the Association

- As per the Articles of Association of the Association, the objects of the Association are, among others:
- to collect and preserve objects relating to the history and culture of Polish Jews,
- to maintain, document and catalogue artifacts of Polish Jews,
- to initiate the formation of associations and foundations to support the Association's activities domestically and abroad;
- to organize educational courses for Polish and foreign circles;
- to arrange for the learning of Jewish language;
- to issue scientific, educational and popularizing publication;
- to cooperate closely with the Emanuel Ringelblum Jewish Historical Institute ("Institute"), in particular by offering broad support for the Institute's activity and by exchanging information and experiences;
- to initiate research, to allow the Institute access to museum, library and archival collections; providing space for its offices in the building located at ul. Tłomackie 3/5 in Warsaw;
- to support the activity of the Museum of the History of Polish Jews, which was initiated and co-founded by the Association, by exercising the Association's powers under the Museum's articles of incorporation, transferring subsidies and donations

obtained for this purpose and fulfilling other responsibilities assumed by the Association in those articles.

The duration of the Association is unlimited.

1.5 Reporting period

The financial statements were prepared for the period from 1 January 2017 to 31 December 2017, and the comparative data relate to the period from 1 January 2016 to 31 December 2016.

1.6 Going concern assumption

The financial statements were prepared on the assumption that the Association would continue its operations in the foreseeable future.

There are no circumstances indicating that the Association's continued operations may be at risk.

2. Significant accounting principles

The financial statements were prepared using the accounting principles described below:

2.1 Basis for preparation of the financial statements

The financial statements were prepared in accordance with the practice applied by entities, such as associations operating in Poland, based on accounting principles resulting from the provisions of the Accounting Act of 29 September 1994 (Journal of Laws of 2018, item 395, as amended) and any implementing provisions thereto.

Other than the changes described in section 13 of the notes, the accounting principles adopted by the Association were applied consistently and comply with the accounting principles applied in the previous financial year. On 1 January 2017, the Management Board of the Association of the Jewish Historical Institute of Poland put in place a revised accounting policy.

In order to maintain the comparability of data presented in the balance sheet, profit and loss account and the notes, changes in the presentation of comparative data were made in relation to the approved 2016 financial statements.

2.2 Simplifications applied

As in the previous financial year the Association did not exceed at least two of the following three values:

- 1) PLN 17,000,000,000 – as total assets in the balance sheet at the end of the financial year,

- 2) PLN 34,000,000 – as net revenues from sales of goods and products for the financial year,
- 3) 50 persons – as the average annual headcount measured as full-time equivalents, the Association used the following simplifications:
 - Pursuant to Article 3(6) of the Accounting Act, the Association classifies leasing contracts as per the principles set out in tax regulations.
 - Pursuant to Article 28b of the Accounting Act, the Association does not apply the implementing provisions to the Accounting Act on specific principles of recognition, valuation methods, scope of disclosure and presentation of financial instruments.
 - Pursuant to Article 37(10) of the Accounting Act, the Association does not recognize deferred tax assets and provisions.

The Association of the Jewish Historical Institute of Poland is a public benefit institution.

2.3 Revenues and costs

Revenues from statutory activities include cash and other financial assets received from sources specified in separate legal regulations and the Articles of Association, including statutory contributions received, assets received without consideration, as well as subsidies and grants. Other revenues include, among others, gains from the sale of assets and financial revenues.

Operating costs include costs relating to the fulfilment of statutory tasks, including benefits provided for in the Articles of Association. Administrative costs, in particular payroll, social security contributions and other benefits for employees and other persons, depreciation/amortization or accumulated depreciation/amortization of fixed assets and intangible assets, materials and energy consumed, third party services and other administrative costs are also considered costs.

Pursuant to Article 11.3 of the Articles of Association, the Association pursues business activities only in addition to its public benefit activities. Any surplus of operating revenues over costs is allocated to public benefit activities. Pursuant to the resolution of the Management Board, the entire income on business activities for 2016 has been allocated to the statutory activities of the Association.

2.4 Interest

Interest income is recognized when calculated (using the effective interest rate).

2.5 Intangible assets

Intangible assets are recognized in the books at the acquisition price or manufacturing cost and are amortized on a straight-line basis using the following amortization rates:

Other	50%
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The entity periodically revises the correctness of the applied amortization periods and rates for intangible assets, while making relevant adjustments for amortization charges made in subsequent years.

2.6 Fixed assets

Fixed assets are stated in the books at the acquisition price or manufacturing cost (initial value), less any depreciation charges and impairment losses.

The acquisition price and manufacturing cost of fixed assets and fixed assets under construction represent their total cost incurred by the entity in the course of construction, assembly, adaptation and improvement until the date such assets are accepted for use, including the cost of servicing any debt incurred to finance them as well as any related foreign exchange differences, less any related gains.

The initial value, constituting the acquisition price or manufacturing cost of a fixed asset, is increased by the costs of its improvement, consisting of its rebuilding, expansion, upgrade or reconstruction, and causing its value in use upon completion of the improvement to exceed the value in use on acceptance for use.

Fixed assets are depreciated on a straight-line basis. Depreciation starts in the month following the acceptance of the asset for use.

Depreciation rates are illustrated below:

Buildings and structures	2.50%
Plant and machinery	10-30 %

Museum and library collections are non-depreciable.

The entity periodically revises the correctness of the applied depreciation periods and rates for fixed assets, while making relevant adjustments for depreciation charges made in subsequent years.

Assets with a useful life longer than one year and an initial unit value not exceeding PLN 3,500 are charged to operating costs in the month they are purchased.

2.7 Impairment of assets

As at each balance sheet date, the entity assesses whether there is any objective evidence indicating that an asset or group of assets has been impaired. If such evidence exists, an estimated recoverable amount of the asset is determined and an impairment loss is made

equal to the difference between the recoverable amount and the carrying amount. The impairment loss is recognized in the income statement. If the effects of a previous revaluation of assets were recognized in the revaluation reserve, the loss reduces the value of the reserve and the balance of the loss is recognized in the income statement.

2.8 Receivables, claims and liabilities, other than those classified as financial assets and liabilities

Receivables are stated in the required amount payable, subject to the prudence principle. The receivables are impaired based on the degree of probability of their payment by making an impairment provision which is recognized in other operating costs or financial costs, as applicable, depending on the type of a receivable to which the impairment provision relates.

Liabilities are recognized in the books of accounts in the amount required to be paid.

Receivables and liabilities denominated in foreign currencies are recognized on the date they arise at the average exchange rate of the National Bank of Poland published for a given currency, effective on the immediately preceding day.

As at the balance sheet date, receivables and liabilities denominated in foreign currencies are measured at the average exchange rate effective on that date, as published by the National Bank of Poland.

2.9 Prepayments & accruals

The Association recognizes expenses relating to future reporting periods as prepayments. Any probable amounts of liabilities corresponding to the current reporting period are recognized as accruals.

2.10 FX differences

FX differences resulting from the measurement, as at the balance sheet date, of assets and liabilities denominated in foreign currencies, with the exception of long-term investments, and arising in connection with the payment of receivables and liabilities in foreign currencies, as well as the sale of foreign currencies, are credited to financial revenues or financial costs, respectively, and, where justified, to the acquisition price or manufacturing cost of fixed assets, fixed assets under construction or intangible assets.

The following exchange rates (in PLN) were adopted for the valuation of the balance sheet items denominated in foreign currencies:

	31/12/2017	31/12/2016
EUR	4.1709	4.4240
USD	3.4813	4.1793
UAH	0.1236	0.1542

Association of the Jewish Historical Institute of Poland
Financial statements for the financial year ended 31 December 2017
(all figures are presented in PLN)

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Piotr Wiślicki
President

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Krzysztof Rozen
Management Board Member

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Marian Turski
Vice-President

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Treasurer

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Management Board Member

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Jan Doktor
Secretary

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Daria Kurkus
Person responsible for keeping books of accounts

Warsaw, 10 May 2018

Association of the Jewish Historical Institute of Poland**Balance sheet**

(all figures are presented in PLN)

ASSETS	Note	31/12/2017	31/12/2016*
Non-current assets		5,727,842.55	6,046,235.81
Intangible assets	1.1	20,931.67	51,607.14
Tangible assets	2.1	5,706,910.88	5,994,628.67
Current assets		9,823,398.40	10,905,017.35
Short-term receivables	3.1	550.00	75,466.88
Short-term investments			
Cash	4.1	9,822,848.40	10,829,550.47
TOTAL ASSETS		15,551,240.95	16,951,253.16

* restated as described in Note 13

Association of the Jewish Historical Institute of Poland**Balance sheet**

(all figures are presented in PLN)

EQUITY & LIABILITIES	Note	31/12/2017	31/12/2016*
Equity		15,402,896.17	16,821,504.89
Share capital	5.1	8,778,239.02	8,778,239.02
Net profit		6,624,657.15	8,043,265.87
Liabilities and provisions for liabilities		148,344.78	129,748.27
Current liabilities			
Other liabilities	6.1	26,058.28	6,748.27
Accruals			
Other accruals	7.1	122,286.50	123,000.00
TOTAL EQUITY & LIABILITIES		15,551,240.95	16,951,253.16

* restated as described in Note 13

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Piotr Wiślicki

President

/illegible signature/

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Secretary

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Daria Kurkus

Person responsible for keeping books of accounts

Warsaw, 10 May 2018

Association of the Jewish Historical Institute of Poland**Income statement**

(all figures are presented in PLN)

	Note	01/01/2017 - 31/12/2017	01/01/2016 - 31/12/2016*
Revenues from statutory activities **	8	15,750,946.40	13,719,094.90
Revenues from unpaid public benefit activities		15,750,946.40	13,719,094.90
Costs of statutory activities	9	(8,214,604.44)	(5,195,894.77)
Costs of unpaid public benefit activities		(8,214,604.44)	(5,195,894.77)
Profit on statutory activities		7,536,341.96	8,523,200.13
Revenues from business activities	8	-	17,115.50
Costs of business activities	9	-	(14,340.00)
Profit on business activities		-	2,775.50
General administrative costs	9	(594,867.19)	(745,243.47)
Operating profit		6,941,474.77	7,780,732.16
Other operating revenues	8	19,650.49	41,088.44
Other operating costs	9	(50.75)	(21,492.57)
Financial revenues	8	114,816.53	242,937.84
Financial costs	9	(451,233.89)	-
Net profit		6,624,657.15	8,043,265.87

* restated according to the presentation as per Appendix 6 of the Accounting Act

** as per the General Meeting resolution, revenues also include a surplus of revenues over costs for the previous year

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Piotr Wiślicki

President

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Marian Turski

Vice-President

/illegible signature/

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Daria Kurkus

Person responsible for keeping books of accounts

Warsaw, 10 May 2018

Association of the Jewish Historical Institute of Poland**Notes**

(all figures are presented in PLN)

1. Intangible assets**1.1 Change in intangible assets**

	Other intangible assets	Total
Gross value		
01/01/2017	136,674.43	136,674.43
Increases	723.60	723.60
31/12/2017	137,398.03	137,398.03
Accumulated amortization		
01/01/2017	(85,067.29)	(85,067.29)
Increases	(31,399.07)	(31,399.07)
31/12/2017	(116,466.36)	(116,466.36)
Net value		
01/01/2017	51,607.14	51,607.14
31/12/2017	20,931.67	20,931.67

Association of the Jewish Historical Institute of Poland

Notes

(all figures are presented in PLN)

2. Tangible assets

2.1 Change in fixed assets

	Land (including the right of perpetual usufruct to land)	Buildings, premises and civil engineering structures	Plant and machinery	Other total fixed assets	Other fixed assets, including:		Total
					fixed assets – group 8	library collections	
Gross value*							
01/01/2017	245,295.00	9,799,855.95	296,167.67	16,680.95	12,280.95	4,400.00	10,357,999.57
Decreases	-	-	(661.74)	(5,968.00)	(1,568.00)	(4,400.00)	(6,629.74)
31/12/2017	245,295.00	9,799,855.95	295,505.93	10,712.95	10,712.95	-	10,351,369.83
Accumulated depreciation							
01/01/2017	-	(4,148,451.22)	(202,638.73)	(12,280.95)	(12,280.95)	-	(4,363,370.90)
Increases	-	(244,996.40)	(38,321.39)	-	-	-	(283,317.79)
Decreases	-	-	661.74	1,568.00	1,568.00	-	2,229.74
31/12/2017	-	(4,393,447.62)	(240,298.38)	(10,712.95)	(10,712.95)	-	(4,644,458.95)
Net value*							
01/01/2017	245,295.00	5,651,404.73	93,528.94	4,400.00	-	4,400.00	5,994,628.67
31/12/2017	245,295.00	5,406,408.33	55,207.55	-	-	-	5,706,910.88

* restated as described in Note 13

2.2 *Land held in perpetual usufruct*

The Association holds in perpetual usufruct plot of land number KW WA4M/00233715/2 with an area of 690 square meters located at ul. Tłomackie 3/5.

2.3 *Non-depreciated fixed assets*

The Association has no fixed assets used under tenancy, lease or other contracts, including operating lease contracts.

2.4 *Museum and library collections*

Following the change in the accounting policy referred to in section 13 of the notes, in 2017 the Association included all its collections in off-balance sheet records.

The museum, archival and library collections are lent for use under free-of-charge deposit agreements, to two entities:

- the Emanuel Ringelblum Jewish Historical Institute,
- POLIN Museum of the History of Polish Jews.

Association of the Jewish Historical Institute of Poland**Notes**

(all figures are presented in PLN)

3. Short-term receivables**3.1 Structure of short-term receivables**

Receivables broken down by balance sheet item with the contractual repayment period remaining at the balance sheet date.

Receivables on account of:	Maturity date				Total	
	within 1 31/12/2017	year 31/12/2016	above 31/12/2017	1 year 31/12/2016	31/12/2017	31/12/2016
trade receivables	-	75,466.88	-	-	-	75,466.88
in litigation	550.00	6,700.00	-	-	550.00	6,700.00
Total	550.00	82,166.88	-	-	550.00	82,166.88
impairment loss	-	(6,700.00)	-	-	-	(6,700.00)
Total	550.00	75,466.88	-	-	550.00	75,466.88

4. Short-term investments**4.1 Cash**

	31/12/2017	31/12/2016
Cash in hand and in bank	4,172,848.40	1,829,550.47
Other cash	5,650,000.00	9,000,000.00
	9,822,848.40	10,829,550.47

5. Equity**5.1. Sources of increases and uses of the share capital**

	Share capital
As at 01/01/2017*	8,778,239.02
As at 31/12/2017	8,778,239.02

* data restated as described in Note 13

6. Current liabilities**6.1 Structure of current liabilities**

Liabilities broken down by balance sheet item with the contractual repayment period remaining at the balance sheet date.

Liabilities on account of:	Due date				Total	
	within 1 year 31/12/2017	year 31/12/2016	above 31/12/2017	1 year 31/12/2016	31/12/2017	31/12/2016
trade liabilities	14,653.09	6,272.39	256.19	-	14,909.28	6,272.39
taxes	11,149.00	475.00	-	-	11,149.00	475.00
other liabilities	-	0.88	-	-	-	0.88
Total	25,802.09	6,748.27	256.19	-	26,058.28	6,748.27

7. Accruals

Association of the Jewish Historical Institute of Poland

Notes

(all figures are presented in PLN)

7.1 Other accruals

	31/12/2017	31/12/2016
Provision for liabilities	122,286.50	123,000.00
	122,286.50	123,000.00

Association of the Jewish Historical Institute of Poland**Notes**

(all figures are presented in PLN)

8. Structure of realized revenues with an indication of their sources

Specification	01/01/2017-31/12/2017		01/01/2016-31/12/2016	
	Amount	% structure	Amount	% structure
Total revenues, of which:	15,885,413.42	100.00%	14,020,236.68	100.00%
1. revenues from unpaid public benefit activities, including:	15,750,946.40	99.15%	13,719,094.90	97.85%
- revenues from current year	7,707,680.53	48.52%	8,974,399.90	64.01%
- surplus of revenues over costs from previous year	8,043,265.87	50.63%	4,744,695.00	33.84%
2. Other operating revenues	19,650.49	0.13%	41,088.44	0.29%
3. Financial revenues	114,816.53	0.72%	242,937.84	1.74%
4. Revenues from business activities	-	0.00%	17,115.50	0.12%

Association of the Jewish Historical Institute of Poland

Notes

(all figures are presented in PLN)

9. Structure of costs constituting cash and non-cash benefits specified in the Articles of Association and structure of administrative costs

Specification	01/01/2017-31/12/2017		01/01/2016-31/12/2016	
	Amount	% structure	Amount	% structure
<i>Total costs, of which:</i>	9,260,756.27	100.00%	5,976,970.81	100.00%
1. Costs of unpaid public benefit activities	8,214,604.44	88.70%	5,195,894.77	86.93%
2. Administrative costs, of which:	594,867.19	6.43%	745,243.47	12.47%
<i>a) Materials and energy consumed</i>	2,451.59	0.03%	1,127.79	0.02%
<i>b) Third party services</i>	266,494.56	2.88%	378,015.83	6.32%
<i>c) Taxes and charges</i>	4,500.21	0.05%	4,931.88	0.08%
<i>d) Payroll, social security contributions and other benefits</i>	58,806.64	0.64%	76,828.34	1.29%
<i>e) Amortization/depreciation</i>	245,510.18	2.65%	260,287.46	4.36%
<i>j) Other</i>	17,104.01	0.18%	24,052.17	0.40%
3. Other operating costs	50.75	0.00%	21,492.57	0.36%
4. Financial costs	451,233.89	4.87%	-	0.00%
5. Costs of business activities, of which:	-	0.00%	14,340.00	0.24%
a) Value of goods sold	-	0.00%	14,250.00	0.24%
d) Payroll, social security contributions and other benefits	-	0.00%	90.00	0.00%

Association of the Jewish Historical Institute of Poland**Notes**

(all figures are presented in PLN)

10. Costs of activities, by type

	01/01/2017- 31/12/2017	01/01/2016- 31/12/2016
Amortization/depreciation	(314,716.86)	(324,942.70)
Materials and energy consumed	(8,254.80)	(6,117.48)
Third party services	(1,641,283.32)	(1,281,729.82)
Taxes and charges	(44,664.91)	237,224.50
Payroll	(460,261.12)	(441,424.94)
Social security contributions and other benefits	(52,714.63)	(33,852.55)
Other costs	(6,287,575.99)	(4,104,635.25)
	<u>(8,809,471.63)</u>	<u>(5,955,478.24)</u>

11. Presentation of the structure of sources of increase in financial resources

	Proceeds in the period 01/01/2017- 31/12/2017	Proceeds in the period 01/01/2016- 31/12/2016
1. Revenues from 1% personal income tax	7,495.60	9,727.20
2. Revenues from public sources, including:	262,000.00	466,574.38
<i>a) from state budget funds</i>	<i>262,000.00</i>	<i>376,115.29</i>
<i>b) from local government budget funds</i>	<i>0.00</i>	<i>90,459.09</i>
3. Revenues from private sources, including:	7,438,184.93	8,498,098.32
<i>a) from member contributions</i>	<i>4,950.00</i>	<i>5,794.00</i>
<i>b) from donations offered by individuals</i>	<i>1,202,336.39</i>	<i>1,171,740.04</i>
<i>c) from donations offered by legal persons</i>	<i>6,230,898.54</i>	<i>7,320,564.28</i>
4. From other sources	134,467.02	301,141.78
Total revenues	<u>7,842,147.55</u>	<u>9,275,541.68</u>

The above list does not include the surplus of revenues over costs for the previous year which, in accordance with the relevant General Meeting resolutions, was allocated to increase the revenues of the following year.

12. Information on the method of expending funds from 1% personal income tax

In 2017, revenues obtained by the Association on account of 1% personal income tax amounted to PLN 7,945.60. As the completion date for the project which is expected to be financed, among others, from funds derived from 1% personal income tax, has been extended, the funds will be expended in 2018.

13. Changes in the accounting principles

In the presented financial statements, comparative data in the balance sheet, profit and loss account and notes as at 31 December 2017 and for the financial year then ended were changed in relation to the data approved as at the end of the financial year 2016.

The data were changed following the decision of the Association's Management Board to include the entire collection of the Association in off-balance sheet records. The above decision related to the adoption of the revised accounting policy.

Association of the Jewish Historical Institute of Poland**Notes**

(all figures are presented in PLN)

Following the changes in accounting principles, as at 31 December 2016 non-current assets and equity were changed as shown below:

	Tangible assets as at 31/12/2016	Share capital as at 31/12/2016
Financial statements approved as at 31/12/2016	7,970,001.22	10,753,611.57
<i>- adjustment for a decrease in the value of tangible assets (transfer of assets included in the collections to off-balance sheet records) and the corresponding decrease in the share capital</i>	<u>(1,975,372.55)</u>	<u>(1,975,372.55)</u>
Comparative data presented in the current financial statements	<u>5,994,628.67</u>	<u>8,778,239.02</u>

14. Events after the balance sheet date, not recognized in the financial statements

In carrying out its statutory objectives, the Association cooperates with the POLIN Museum of the History of Polish Jews, the E. Ringelblum Jewish Historical Institute and other organizations who seek to preserve and commemorate the history and culture of Polish Jews and their contribution to world culture. Unused funds dedicated to a given project are refunded to the Association after completion of the project implementation and allocated for subsequent projects. Unused resources reduce the costs of the current year. An unused total amount which was received after 31 December 2017 and allocated in previous years for the implementation of joint projects amounts to PLN 430,009.10.

15. Information regarding guarantees, sureties and other obligations related to statutory activities

Pursuant to the Agreement on the Establishment of a Cultural Institution under the name of the Museum of the History of Polish Jews ("Agreement on the Establishment of the Museum") of 25 January 2005, the Association is obliged to annually provide the Museum of the History of Polish Jews ("Museum") with funds equivalent to at least 6% of the specified beneficiary subsidy provided for in the draft budget act for the operation of the Museum.

As part of this obligation, the Association raises and transfers to the Museum funds for program activities within the scope of: development and enrichment of the permanent exhibition, expanding collections (works of art and exhibits), exhibition, educational and research programs, artistic and other public programs related to the culture and history of Jews from Central and Eastern Europe.

The Association considers the implementation in cooperation with the Jewish Historical Institute of the Oneg Shabbat program, which is a series of activities commemorating the achievements of Emanuel Ringelblum and Oneg Shabbat and their work, i.e. the Ringelblum Archive, including activities related to securing and disseminating its works, to be one of the priorities of its activity for the coming years.

Association of the Jewish Historical Institute of Poland**Notes**

(all figures are presented in PLN)

In addition, in 2017 the Association entered into framework cooperation agreements with the POLIN Museum of the History of Polish Jews and the E. Ringelblum Jewish Historical Institute, under which activities falling within the scope of the statutory objectives of these entities are pursued.

16. Information on trends of changes in revenues and costs as well as assets and sources of their financing

The statutory objective of the Association is to preserve and commemorate the history and culture of Polish Jews and their contribution to world culture. The Association pursues these objectives by collecting and preserving objects relating to the history and culture of Polish Jews and implementing joint projects with the E. Ringelblum Jewish Historical Institute and the POLIN Museum of the History of Polish Jews. The Association's activity is primarily financed from received donations, the amount of which is maintained at a stable level, thus allowing the Association to plan operations in a time horizon stretching beyond one year.

The level of costs is likewise stable, which is related to the assumptions regarding the number of projects implemented, mainly with the POLIN Museum and the Jewish Historical Institute. We expect that, in the coming years, our considerable efforts will enable us to increase the amount of funds raised by approx. 10 to 15%. Changes in revenues and costs as well as assets and sources of their financing are presented below:

	01/01/2017 31/12/2017	01/01/2016 31/12/2016	Change in terms of value	Change in terms of percentage
Revenues from activities				
Revenues from statutory activities	15,750,946.40	13,719,094.90	2,031,851.50	15%
Revenues from business activities	–	17,115.50	(17,115.50)	-100%
	15,750,946.40	13,736,210.40	2,014,736.00	15%
Costs of activities	(8,809,471.63)	(5,955,478.24)	(2,853,993.39)	48%
Other revenues	19,650.49	41,088.44	(21,437.95)	-52%
Other costs	(50.75)	(21,492.57)	21,441.82	-100%
Financial revenues	114,816.53	242,937.84	(128,121.31)	-53%
Financial costs	(451,233.89)	-	(451,233.89)	100%
Total financial result	6,624,657.15	8,043,265.87	(1,418,608.72)	-18%

ASSETS	31/12/2017	31/12/2016*	Change in terms of value	Change in terms of percentage
Non-current assets	5,727,842.55	6,046,235.81	318,393.26	-5%
Intangible assets	20,931.67	51,607.14	30,675.47	-59%
Tangible assets	5,706,910.88	5,994,628.67	287,717.79	-5%
Current assets	9,823,398.40	10,905,017.35	(1,081,618.95)	-10%
Short-term receivables	550.00	75,466.88	(74,916.88)	-99%
Short-term investments	9,822,848.40	10,829,550.47	(1,006,702.07)	-9%

Association of the Jewish Historical Institute of Poland

Notes

(all figures are presented in PLN)

Cash

9,822,848.40	10,829,550.47	(1,006,702.07)	-9%
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TOTAL ASSETS

15,551,240.95	16,951,253.16	(1,400,012.21)	-8%
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* restated as described in Note 13

EQUITY & LIABILITIES	31/12/2017	31/12/2016*	Change in terms of value	Change in terms of percentage
Equity				
Share capital	8,778,239.02	8,778,239.02	-	-
Net financial result for the financial year	6,624,657.15	8,043,265.87	(1,418,608.72)	-18%
	15,402,896.17	16,821,504.89	(1,418,608.72)	-8%
Liabilities and provisions for liabilities	148,344.78	129,748.27	18,596.51	14%
Current liabilities				
Other liabilities	26,058.28	6,748.27	19,310.01	286%
	26,058.28	6,748.27	19,310.01	286%
Accruals				
Other accruals	122,286.50	123,000.00	(713.50)	-1%
	122,286.50	123,000.00	(713.50)	-1%
TOTAL EQUITY & LIABILITIES	15,551,240.95	16,951,253.16	(1,400,012.21)	-8%

* restated as described in Note 13

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Piotr Wiślicki
President

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Marian Turski
Vice-President

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Jan Jagielski
Treasurer

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Agnieszka Milbrandt
Management Board Member

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Krzysztof Rozen
Management Board Member

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Joanna Fikus
Management Board Member

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Jan Doktor
Secretary

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Daria Kurkus
Person responsible for keeping books of accounts

Warsaw, 10 May 2018