

WARSAW VOLUNTEER MISSION

**Financial Report for the period
1st of January till the 31st of December
2015**

Warsaw, 29th of February 2016

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General Information

1. Information about the Foundation

- a) Name of Foundation: **Warsaw Volunteer Mission**
- b) Office: 05-500 Piaseczno, ul. Elizy Orzeszkowej 39
- c) Establishment of Foundation: Notarial Act of 10 August 2004.
- d) The Foundation is registered under the KRS number 0000220615. The entry was issued by the District Court in Warsaw - XIV Division of the National Court Register on 29 October 2004.
- e) Tax Identification Number (NIP): 522-274-88-59
- f) National Business Registry Number (REGON): 015860596
- g) Subject of activity:
Public benefit activity in the following areas:
 - Providing financial, organizational and educational assistance, including charity activity for the benefit of people who are indigent, unemployed and in need.
 - Preserving ethical and moral patterns of behavior in the society by propagating Christian values and culture.
- h) The Foundation was established for an indefinite period
- i) The financial data contained in this report:
 - Current period: 1st of January 2015 – 31 December 2015
 - Comparable data: 1st of January 2014 – 31 of January 2014
- j) During the period of the financial year the Members of the Management Board were:
 - Michael Gerald Murphy – President of the Board
 - Kristina Murphy – Vice President of the Board

The financial report has been prepared with the assumption of the Foundation's ongoing activity for at least 12 consecutive months after the balance sheet date, i.e. 31 December 2015; we are not aware of any circumstances that would indicate a serious threat to the activity of our Foundation.

2. The format and basis of drawing up the financial report

The financial report has been prepared in accordance with the Accounting Act from the 29th of September 1994 (Journal of Laws from 2013. Pos.330, as amended), hereinafter referred to as "the Act".

The Foundation keeps records of expenses according to type and function, and prepares the profit and loss account in the calculation variant.

The figures in the financial report are presented in Polish zloty.

The report has been drawn up using the following simplifications for micro entities in accordance with the Act:

- a) Art. 7 paragraph. 2a - The Foundation resigns from keeping the precautionary principle in the valuation of assets and liabilities
- b) Art. 48a paragraph. 3 - The Foundation does not prepare a statement of changes in equity
- c) Art. 48b paragraph. 4 - The Foundation does not prepare a cash flow statement

3. The accounting principles - the methods used to value assets and liabilities, measurement of financial result

a) Material Fixed Assets and Intangible Assets

Material fixed assets and non-material assets are valued at the cost of purchase, decreased by accumulated amortization and any impairment.

The purchase price of the asset is increased by the cost of improvements, consisting of the reconstruction, modernization, and expansion, causing the value in use of the asset at the end of improvements to exceed the value when purchased.

When destined for cancellation, withdrawal from usage, or other reasons that cause impairment of the material fixed asset or intangible asset, they are revaluated and the decrease in value is recorded in other operating expenses.

Depreciation is calculated using the straight-line method. In determining the depreciation period and the annual depreciation rate, the period of economic usefulness of the tangible and intangible assets is taken into account. The appropriateness of the periods and amortization rates are periodically reviewed.

The Foundation applies depreciation rates in accordance with the Legal Entity Income Tax law.

Assets with an initial value below PLN 3,500.00 are once written off as an expense in the month of use.

Assets under construction are valued at the total costs directly attributable to the acquisition, net of write-offs for impairment.

Assets under construction are not depreciated until they are completed and put into use.

b) Investments

Investments include assets acquired to achieve economic benefits arising from the increase in the value of these assets, obtaining interest income from them, dividends (shares in profits) or other benefits, including from commercial transactions, and in particular financial assets, as well as the properties and intangible assets that are not used by the Foundation, but were acquired in order to achieve these benefits.

c) Receivables

Receivables are valued according to the amount of the due payment.

d) Inventory of Material Current Assets

The value of inventories is determined based on the purchase price, while decreases are measured using the first in, first out method.

e) Cash and Cash Equivalents

Cash in the bank and in hand is recorded at the nominal value.

f) Prepayments

Prepayments are made for costs relating to future reporting periods.

Accrued expenses – n/a

g) Shareholders' equity/ own funds

The statutory fund is disclosed in the amount specified in the contract and the court register. Declared, but unpaid capital contributions are recognized as outstanding share capital contributions.

h) Provisions for liabilities

The Foundation does not make any provisions in accordance with the simplifications for micro units provided for in the Act (art. 7 paragraph. 2a).

i) Liabilities

Liabilities are recorded according to the amount of the due payment.

Balance

ASSETS			
	(in złoty)	31st December 2015	31st December 2014
A.	Fixed assets, including:	64 760,49	85 523,06
-	material fixed assets	64 760,49	85 523,06
B.	Current assets, including:	151 995,16	93 047,62
-	inventory of material current assets	0,00	0,00
-	short-term receivables	1 178,84	1 003,40
-	short-term investments	148 315,17	89 157,07
-	short-term prepayments	2 501,15	2 887,15
Total Assets		216 755,65	178 570,68

LIABILITIES			
	(in złoty)	31st December 2015	31st December 2014
A.	Shareholders' equity/own funds, including:	210 523,80	172 076,70
-	statutory Fund	1 000,00	1 000,00
-	payments due to the statutory fund	0,00	0,00
-	net financial result for the year	209 523,80	171 076,70
B.	Liabilities and provisions for liabilities, including:	6 231,85	6 493,98
-	short-term liabilities	6 231,85	6 493,98
-	provisions for liabilities	0,00	0,00
-	liabilities from loans and borrowings	0,00	0,00
Total Liabilities		216 755,65	178 570,68

Profit and Loss Account – Calculation Variant

(in zloty)		Year ended on 31 st of December 2015	Year ended on 31 st of December 2014
A.	Income from charter (statute) activity, including change in products	617 056,48	415 334,51
B.	Cost of charter activity realization	335 891,16	167 139,95
C.	Administrative costs	77 580,43	77 705,93
I.	Depreciation	20 762,57	18 930,88
II.	Material and energy usage	7 728,99	8 617,77
III.	Salaries, social insurances and other benefits	27 067,00	22 246,98
IV.	Other costs	22 021,87	27 910,30
D.	Other income and profit, including revaluation of assets	6 037,05	2 340,03
E.	Other costs and losses, including revaluation of assets	98,14	1 751,96
F.	Income tax	0,00	0,00
G.	Total net financial result (A-B-C+D-E-F), including:	209 523,80	171 076,70
I.	Surplus of income over costs (positive value)	209 523,80	171 076,70
II.	Surplus of costs over income (negative value)	0,00	0,00

A note on the Accounts

Polish accounting for charities includes the excess of income over costs from the prior year in the current year Profit & Loss statement resulting in the annual income of the WVM appearing to be higher than it actually was.

For example, in 2015, the WVM reports gross income of PLN 617,056 with a net income (i.e. all income less all costs) of PLN 209,524. However, PLN 171,077 of the income is the net result from 2014 (which itself is also overstated). Therefore, subtracting the PLN 171,077 from the 2015 results provides a more accurate picture of WVM's activity level in 2015.

Therefore, on a cash received basis, in 2015, the WVM had income of PLN 445,980, and the net result (i.e. excess of income over costs) after its charitable activities was PLN 38,447.

Supplementary information to the balance sheet

- a) The total amount of financial obligations- n/a
- b) The amount of advances and loans granted to the members of the bodies of administration, management and supervision – n/a
- c) Equity shares (stocks) – n/a