



**Independent Auditors' Report  
issued on the 2009 Special Purpose  
Financial Information  
of Robert Burns International Foundation**





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## **Independent Auditors' Report on special purpose financial information**

To the Foundation's Curatorium and donors,

We have audited the accompanying special purpose financial information of Robert Burns International Foundation which comprises the balance sheet as at 31 December 2009, and the statement of financial activities for the year then ended and related notes. The special purpose financial information has been prepared by management based on the accounting policies disclosed in Note 3.

### **Management's Responsibility for the Special Purpose Financial Information**

Management is responsible for the preparation of this special purpose financial information in accordance with the accounting policies as described in Note 3, for determining the acceptability of the basis of accounting and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error. This special purpose financial information has been prepared solely to provide summary financial information in a format which management believes will meet the needs of the Foundation's Curatorium and donors for reliable and useful financial information about the Robert Burns International Foundation.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and presentation of the special purpose financial information 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, if any, made by management, as well as evaluating the overall presentation of the special purpose financial information.

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





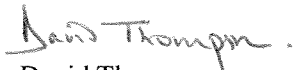
## **Opinion**

In our opinion, the accompanying special purpose financial information for Robert Burns International Foundation as of 31 December 2009 and for the year then ended has been prepared, in all material respects, in accordance with the accounting policies as described in Note 3.

## **Basis of Accounting**

Without modifying our opinion, we draw attention to Note 2, which describes the basis of accounting and explains that the special purpose financial information is not the statutory financial statements of Robert Burns International Foundation. The special purpose financial information is prepared to provide reliable and useful financial information to the Foundation's Curatorium and donors. As a result, the special purpose financial information may not be suitable for another purpose.

Budapest, 22 June 2012

  
David Thompson  
*Partner*



## **Robert Burns International Foundation**

**Financial statements as at and for the year ended 31 December 2009**

(Expressed in Thousands of Forint)

### **Statement of financial activities for the year ended 31 December 2009**

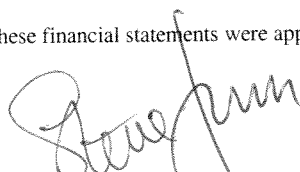
|  | <u>Note</u> | <u>2009</u>   | <u>2008</u>   |
|--|-------------|---------------|---------------|
| Voluntary income                                 |             |               |               |
| Donations received                               | 4           | 13 424        | 18 225        |
| Other income                                     | 5           | 18            | 156           |
| Business income                                  | 6           | 0             | 138           |
| <b>Total income</b>                              |             | <b>13 442</b> | <b>18 519</b> |
| Expenses   | 7           | 8 078         | 5 741         |
| Donations to hospitals and others                | 9           | 3 512         | 9 483         |
| <b>Net movement in funds for the year</b>        |             | <b>1 852</b>  | <b>3 295</b>  |
| Unrestricted funds at the beginning of the year  |             | 9 208         | 5 913         |
| <b>Unrestricted funds at the end of the year</b> |             | <b>11 060</b> | <b>9 208</b>  |

### **Balance Sheet at 31 December 2009**

|   |    | <u>31 December<br/>2009</u> | <u>31 December<br/>2008</u> |
|---|----|-----------------------------|-----------------------------|
| <b>Current assets</b>                                 |    |                             |                             |
| Receivables   |    | 173                         | 202                         |
| Cash at bank  | 10 | 12 462                      | 11 006                      |
| <b>Total assets</b>                                   |    | <b>12 635</b>               | <b>11 208</b>               |
| Less:   |    |                             |                             |
| Creditors: amounts falling due within one year        |    | 475                         | 0                           |
| Accrued expenses and deferred revenues                |    | 0                           | 900                         |
| <b>Total assets less current liabilities</b>          |    | <b>12 160</b>               | <b>10 308</b>               |
| <b>Founder's capital and reserves</b>                 |    |                             |                             |
| Founder's Capital                                     |    | 1 100                       | 1 100                       |
| Unrestricted funds                                    |    | 11 060                      | 9 208                       |
| <b>Total Founder's Capital and unrestricted funds</b> |    | <b>12 160</b>               | <b>10 308</b>               |

The accompanying notes on pages 2 to 7 form an integral part of these financial statements.

These financial statements were approved on 22 June 2012 and signed by:

  
.....  
S Jones  
General Secretary

  
.....  
C J M Mackenzie MBE  
Chairman of the Board

# **Robert Burns International Foundation**

## **Notes to the 2009 financial statements**

### **Note 1: Robert Burns International Foundation**

Robert Burns International Foundation (in Hungarian: Robert Burns Nemzetközi Alapítvány) (“The Foundation”) is a non-profit organisation domiciled in Hungary. It’s registered address until 15 July 2010 was 99 Váci út, 1139 Budapest. After that date it is Bajza u. 54 em I A, 1062 Budapest.

The founder of the Foundation is Mr Zoltán Magyar. The governing body is a Curatorium which is chaired by Mr Christopher Jock Murdoch MacKenzie. The Foundation’s financial activities have consisted of raising donations, primarily through an annual supper in memory of the Scottish Poet Robert Burns, and the distribution of the surplus to hospitals and others, mainly in the form of cash grants for approved purposes.

### **Note 2: Financial Statements – Basis of preparation and presentation**

The Foundation is required under Act C of 2000 on Accounting (“Act”) and Government Decree 224/2000 (XII.19) (“Decree”) to prepare statutory financial statements each year. The Foundation’s statutory financial statements are not required to be audited or published but can be inspected at the registered office of the Foundation upon request. These financial statements have not been prepared in compliance with the Act and Decree and are not the Foundation’s statutory financial statements.

These financial statements have been prepared on the historical cost basis and in accordance with the accounting policies described in Note 3 for the purpose of presenting a summary of the financial activities undertaken by the Foundation during 2008 and 2009 and its financial resources at 31 December 2008 and 2009 in a format which management believes will meet the needs of members of the Curatorium and donors for reliable and useful financial information about the Foundation. A copy of these special purpose financial statements and the audit report thereon will be published on the Foundation website.

### **Note 3: Accounting Policies**

#### **Recognition of Income**

Donations to the Foundation are voluntary and are recognised only when received. Other income is recognised when the Foundation is entitled to the amounts and there is certainty of receipt.

#### **Recognition of expenses**

Expenses are recognised when the liability is incurred.

# Robert Burns International Foundation

## Notes to the 2009 financial statements

### Recognition of donations to hospitals and foundations

Donations made by the Foundation are generally recognised when the donation is disbursed except where a donation is received for a specific purpose, in which case the corresponding use of funds is recognised at the time the donation is received. A liability is set up and any amount which has not yet been distributed by the year end is recorded as a short time liability in the balance sheet.

### Short term liabilities and accruals

Short term liabilities are stated at cost. Accruals represent liabilities incurred for which invoices have not yet been received and are stated at estimated cost.

### Functional currency and foreign exchange

The functional currency of the Foundation is the Hungarian Forint (HUF) and all amounts are presented in Thousand of Forint (THUF). Transactions in other currencies, primarily the Euro, are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in Euro at the balance sheet date are translated at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Financial Activities.

### Note 4: Donations received

a) Analysis of donations by type:

|                 | 2009          | 2008          |
|-----------------|---------------|---------------|
|                 | THUF          | THUF          |
| Burns Suppers   |               |               |
| Suppers         | 6,295         | 4,625         |
| Auctions        | 4,417         | 7,085         |
| Raffles         | 1,246         | 2,993         |
|                 | 11,958        | 14,703        |
| Waiters Race    | 0             | 40            |
| Other donations | 1,466         | 3,482         |
| <b>Total</b>    | <b>13,424</b> | <b>18,225</b> |

Burns Suppers are held in late January. Donations for Burns Suppers include any donations received which relate to the supper to be held in the next year.

**Robert Burns International Foundation**  
**Notes to the 2009 financial statements**

b) The principal donors in each year were:

|  | <b>2009</b>   | <b>2008</b>   |
|--|---------------|---------------|
|  | <b>THUF</b>   | <b>THUF</b>   |
| Individual donations of HUF 500,000 or more: |               |               |
| Matthew Foundation                           | 0             | 1,615         |
| Linklaters                                   | 0             | 1,588         |
| Unilever                                     | 0             | 1,425         |
| Immochan                                     | 0             | 1,400         |
| Malcolm Best                                 | 0             | 825           |
| Tim Eastgate                                 | 0             | 754           |
| Andras Moldovan                              | 550           | 650           |
| Vodafone                                     | 0             | 600           |
| Visegrádi Ásványvíz                          | 1,200         | 0             |
| John Jace Roy                                | 750           | 0             |
| DHL  | 1,080         | 0             |
| Michael Birch (below 500 THUF in 2008)       | 1,103         | 0             |
|  | <hr/> 4,683   | <hr/> 8,857   |
| Donations below 500 THUF in aggregate        | 8,741         | 9,368         |
|  | <hr/>         | <hr/>         |
| <b>Total</b>                                 | <b>13,424</b> | <b>18,225</b> |
|  | <hr/>         | <hr/>         |



**Robert Burns International Foundation**  
**Notes to the 2009 financial statements**

**Note 5: Other income**

|                       | <b>2009</b> | <b>2008</b> |
|-----------------------|-------------|-------------|
|                       | <b>THUF</b> | <b>THUF</b> |
| Bank interest         | 18          | 16          |
| Foreign exchange gain | 0           | 140         |
| <b>Total</b>          | <b>18</b>   | <b>156</b>  |

**Note 6: Business Income**

|                            | <b>2009</b> | <b>2008</b> |
|----------------------------|-------------|-------------|
|                            | <b>THUF</b> | <b>THUF</b> |
| Recharged electricity cost | 0           | 0           |
| Recharged office rent      | 0           | 138         |
| <b>Total</b>               | <b>0</b>    | <b>138</b>  |

Up until March 2008 when the arrangement ceased, 75% of the total office rent cost was recharged to the Hungarian Business Leaders' Forum which shared our office.

**Note 7: Expenses**

|   | <b>2009</b>  | <b>2008</b>  |
|---|--------------|--------------|
|   | <b>THUF</b>  | <b>THUF</b>  |
| Burns Supper                                    | 3,399        | 4,027        |
| Office rent and expenses                        | 8            | 308          |
| Presentation in Manchester                      | 1,741        | 431          |
| Administration services                         | 2,746        | 900          |
| Financial costs (bank charges, currency losses) | 184          | 75           |
| <b>Total</b>                                    | <b>8,078</b> | <b>5,741</b> |

# Robert Burns International Foundation

## Notes to the 2009 financial statements

### Note 8: Remuneration

No member of the Curatorium received any remuneration from the Foundation in 2009 or 2008.

The General Secretary received remuneration from a sponsor for his services to the Foundation for part of 2008. The sponsor paid the remuneration directly and consequently neither the sponsorship nor the remuneration are included in the Foundation's financial statements. The administration fee of 900 THUF in 2008 represents amounts paid by the Foundation for the General Secretary's services for the period in 2008 after the sponsorship ceased. In 2009, the Foundation paid 2,746 THUF for the General Secretary's services. Included in donations in 2009 is an amount of 1,200 THUF received from a sponsor towards the cost of the administration services.

The expenses of the Founder, the Chairman and the General Secretary included in the amount of 1,741 THUF for the presentation in Manchester in 2009 (2008: 431 THUF), were paid by the Foundation.

### Note 9: Donations to hospitals and foundations

|                                 | 2009         | 2008         |
|---------------------------------|--------------|--------------|
|                                 | THUF         | THUF         |
| <b>Donations given to:</b>      |              |              |
| SOTE II, Budapest               | 1,001        | 7,360        |
| Zalaegerszeg Hospital           | 0            | 1,000        |
| Mátészalka Hospital             | 0            | 1,123        |
| Győr Hospital                   | 705          | 0            |
| Miskolc Hospital                | 990          | 0            |
| Szeged Hospital                 | 816          | 0            |
| <b>Total of donations given</b> | <b>3,512</b> | <b>9,483</b> |

Donations were given in 2009 for the genetic research programme of SOTE II and for paediatric equipment to hospitals in Miskolc, Győr and Szeged.

**Robert Burns International Foundation**  
**Notes to the 2009 financial statements**

**Note 10: Cash at bank**

|                         | <b>2009</b>        | <b>2008</b>        |
|-------------------------|--------------------|--------------------|
|                         | <b>31 December</b> | <b>31 December</b> |
|                         | <b>THUF</b>        | <b>THUF</b>        |
| Raiffeisen HUF accounts | 10,818             | 7,382              |
| Raiffeisen EUR account  | 1,644              | 3,174              |
| Petty cash              | 0                  | 0                  |
| <b>Total</b>            | <b>12,462</b>      | <b>11,006</b>      |

The original currency amounts in the EUR account were 6,069 EUR at 31 December 2009 and 11,990 EUR at 31 December 2008.

**NOTE 11: CONTINGENCIES**

The Foundation is exempt from taxation. The Hungarian tax authorities may inspect the books to ensure the conditions of this exemption have not been breached during the 6 years after the end of the related fiscal year.

It is the policy of the Foundation to retain a part of the unrestricted funds as a precaution against any differences of opinion that might arise in case of a tax inspection.