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Independent Auditors' Report

To the Robert Burns International Foundation' Curatorium and donors

Opinion

We have audited the special purpose financial information of Robert Burns International Foundation ("the Foundation"), which comprise the balance sheet as at 31 December 2021, the statements of financial activities for the year then ended, and notes.

In our opinion, the accompanying special purpose financial information of the Foundation as at 31 December 2021 and for the year then ended is prepared, in all material respects, in accordance with the accounting policies as described in Note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Special Purpose Financial Information section of our report. We are independent of the Foundation in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (hereinafter referred to as the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 3 to the special purpose financial information, which describes the basis of accounting and explains that the special purpose financial information is not the statutory financial statements of the Foundation. The special purpose financial information is prepared to provide reliable and useful financial information to the Foundation' Curatorium and donors. As a result, the special purpose financial information may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Information

Management is responsible for the preparation of the special purpose financial information in accordance with 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.

In preparing the special purpose financial information, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Robert Burns International Foundation - 100 - 2021.12.31.



Auditors' Responsibilities for the Audit of the Special Purpose Financial Information

Our objectives are to obtain reasonable assurance about whether the special purpose financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this special purpose financial information.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the special purpose financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Budapest, 27 May 2022

KPMG Hungária Kft.



Elek Votin
Partner



Robert Burns International Foundation

Financial statements as at and for the year ended 31 December 2021

(Expressed in Thousands of Forint)

Statement of financial activities for the year ended 31 December 2021


	<u>Note</u>	<u>2021</u>	<u>2020</u>
Voluntary income			
Donations received	4	6 295	21 692
Other income	5	2	410
Total income		6 297	22 102
Expenses	7	2 227	8 619
Donations to hospitals and others	9	4 600	18 342
Net movement in funds for the year		-530	-4 859
Unrestricted funds at the beginning of the year		2 682	7 541
Unrestricted funds at the end of the year		2 152	2 682


Balance Sheet at 31 December 2021

		<u>31 December 2021</u>	<u>31 December 2020</u>
Current assets			
Cash at bank	10	7 906	3 799
Receivables	11	226	108
Prepayments	11	0	0
Total assets		8 132	3 907
Less: Creditors and accruals	12	4 880	125
Total assets less current liabilities		3 252	3 782
Founder's capital and reserves			
Founder's Capital		1 100	1 100
Unrestricted funds		2 152	2 682
Total Founder's Capital and unrestricted funds		3 252	3 782

The accompanying notes on pages 2 to 6 form an integral part of these financial statements.

These financial statements were approved on 27 May 2022 and signed by:


Douglas Arnott
Chairman of the Curatorium


David Thompson
Member of the Curatorium

Robert Burns International Foundation

Notes to the 2021 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. Its registered address 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 Douglas Arnott. 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 and Act CLXXV of 2011 on Non-Profit Organizations to prepare statutory financial statements each year. The Foundation's statutory financial statements which are not required to be audited under the Act on Accounting, will be published on the official website of the Foundation, <http://www.rbif.hu/>, as prescribed by the Act on Non-Profit Organizations.

These financial statements have not been prepared in compliance with the Act 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 2021 and its financial resources at 31 December 2021 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.

The Foundation holds its principal fund-raising event, the Burns Supper, in January each year. 2021 was a special year due to Covid restrictions on social gatherings and it was not possible to hold the Burns Supper as normal. We organised Burns Supper Hampers for donors to enjoy at home but it was not practical to arrange the auction and raffle which we have held in conjunction with the Burns Supper in previous years. Due to these changes, the level of donations received and event expenses were both significantly lower in 2021 than in 2020.

The Foundation does not have any fixed assets and nor does it have any long-term financial commitments or any overhead costs. It raises funds, primarily through holding events, and distributes the surplus after paying event costs, to charitable causes. The Covid pandemic had a significant effect on the Foundation's ability to hold events and on its opportunities to raise funds during the periods social restrictions were in place in 2020 and in 2021. However the Foundation continued to raise funds and to make donations to hospitals and others in both years. Thanks to its volunteers and supporters, it was also able to hold the 2022 Burns Supper as normal again in January 2022. The Curatorium believes that the Foundation's experience during the Covid pandemic demonstrates its ability to continue as a going concern and to raise worthwhile amounts of funding which help meet social needs even during very difficult times.

Note 3: Accounting Policies

Recognition of Income

Donations to the Foundation are voluntary and are recognised only when received.

The Burns Supper is held at the end of January each year. Donations received by the Foundation before 31 December which relate to the next January Supper are deferred (not included in the year they are received) and are recognised in the year when the Supper is held.

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.

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. Donations received for a specific purpose are recognised at the time the donation is received. A

Robert Burns International Foundation
Notes to the 2021 financial statements

corresponding liability is set up and any amount which has not yet been disbursed by the year end is recorded as a short term liability in the balance sheet.

Short term liabilities and accruals

Short term liabilities are stated at cost. Accruals represent liabilities incurred in the financial year for which invoices have not yet been received by the financial statement preparation date.

Robert Burns International Foundation
Notes to the 2021 financial statements

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 rates quoted by the National Bank of Hungary 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 quoted by the National Bank of Hungary 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:

	2021	2020
	THUF	THUF
Burns Supper		
Auctions	0	1 860
Suppers	1 244	14 325
Raffles	0	910
	1 244	17 095
Summer BBQ	1 474	516
1% of Personal Income Tax	239	487
Other donations	3 338	3 594
Total	6 295	21 692

Burns Suppers are held in late January. Donations for Burns Suppers exclude donations related to the supper to be held in the next year.

b) The principal donors in each year were:

	2021	2020
	THUF	THUF
Budapest Airport Zrt	0	750
Firstmed	418	974
Inter Relocation Kft.	1 120	0
Jamie Clayton Anderson	0	515
Northon Befektetési Kft	0	1 000
Edu Zsolna Nonprofit Kft.	0	515
4 The Client Kft.	665	677
	2 203	4 431
Donations below 500 THUF in aggregate	4 092	17 261
Total	6 295	21 692

Robert Burns International Foundation
Notes to the 2021 financial statements

Note 5: Other income

	2021	2020
	THUF	THUF
Bank interest	0	1
Foreign exchange gain	2	129
PwC accounting fee (see Note 7)	0	280
Total	2	410

Note 6: Business Income

The Foundation had no business income in 2021.

Note 7: Expenses

	2021	2020
	THUF	THUF
Burns Supper	993	7 003
Auction	0	0
Raffle	0	0
Summer BBQ	794	934
Audit fee	77	50
Bookkeeping fee	0	280
Financial and other costs	363	352
Total	2 227	8 619

In 2021, KPMG made a donation to the Foundation equivalent to the audit fee they charged for 2020. Moore was appointed the bookkeeper for the Foundation from 1 October 2021. Moore has made no charge for its services in 2021. PWC was the bookkeeper up until 30 September 2021. PWC made no charge for their services in 2020 and 2021. The value attributed to PWC's services in 2020 was included in Expenses and was matched by an equal amount included in Other Income.

Note 8: Remuneration

No member of the Curatorium received any remuneration from the Foundation in 2020 or 2021.

Robert Burns International Foundation
Notes to the 2021 financial statements

Note 9: Donations to hospitals and foundations

	2021	2020
	THUF	THUF
Donations given to:		
Semmelweis University (SOTE II), Tüzoltó Street, Budapest	800	3 850
Adra-Vitium Foundation (Péterfy Sándor Hospital), Budapest	800	2 638
Bajcsy-Zsilinszky Hospital, Budapest	0	1 501
Guardians Foundation, Debrecen	0	300
Foundation for the Children of Fejér County	1 000	1 000
Istenmezeje Nursery, Heves country	0	1 200
MKE Bethesda Childrens Hospital, Budapest	0	2 641
Koala Childrens Home, Budapest	0	2 032
Foundation for Premature Babies and Paediatric ICU, Zalaegerszeg	800	2 201
Life-Health Hódmezővásárhely Foundation, Hódmezővásárhely/Makó	1 200	979
Total of donations given	4 600	18 342

Financial donations were given in 2021 to Semmelweis University (SOTE II) Tüzoltó Street, Adra-Vitium Foundation, Foundation for the Children of Fejér County, Foundation for Premature Babies and Paediatric ICU, Life-Health Hódmezővásárhely Foundation; in each case for the purchase of medical devices and/or other equipment.

Note 10: Cash at bank and petty cash

	2021	2020
	THUF	THUF
Raiffeisen Bank, HUF accounts	7 727	2 160
Raiffeisen Bank, EUR account	179	1 640
Total	7 906	3 800

The original currency amounts in the EUR account were: 484 EUR at 31 December 2021 and 4.487 EUR at 31 December 2020.

The Foundation has no Petty cash.

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Note 11: Receivables and prepayments

	<u>2021</u>	<u>2020</u>
	THUF	THUF
Donations held by PayPal	226	108
Prepayments	<u>0</u>	<u>0</u>
Total	<u>226</u>	<u>108</u>

Note 12: Creditors and Accruals

	<u>2021</u>	<u>2020</u>
	THUF	THUF
Creditors	0	75
Deferred income (Accruals)	4 816	0
Deferred cost (Accruals)	<u>64</u>	<u>50</u>
Total	<u>4 880</u>	<u>125</u>

Note 13: 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.