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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 2023, 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 2023 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) (IESBA Code), that are relevant to our audit of the special purpose financial information 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.

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, 17 May 2024

KPMG Hungária Kft.

Willem Delport
Partner

Robert Burns International Foundation

Financial statements as at and for the year ended 31 December 2023

(Expressed in Thousands of Forint)

Statement of financial activities for the year ended 31 December 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Voluntary income			
Donations received and receivable	4	25 472	19 257
Other income	5	30	1
Total income		25 502	19 258
Expenses	7	11 321	8 548
Donations to hospitals and others	9	11 980	11 536
Net movement in funds for the year		2 201	-826
Unrestricted funds at the beginning of the year		1 326	2 152
Unrestricted funds at the end of the year		3 527	1 326

Balance Sheet at 31 December 2023

		<u>31 December 2023</u>	<u>31 December 2022</u>
Current assets			
Cash at bank	10	13 826	4 974
Receivables	11	33	1 753
Prepayments	11	1 649	1 321
Total assets		15 508	8 048
Less: Creditors and accruals	12	10 881	5 622
Total assets less current liabilities		4 627	2 426
Founder's capital and reserves			
Founder's Capital		1 100	1 100
Unrestricted funds		3 527	1 326
Total Founder's Capital and unrestricted funds		4 627	2 426

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

These financial statements were approved on 17 May 2024 and signed by:



Douglas Arnott
Chairman of the Curatorium



Member of the Curatorium

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 1 A, 1062 Budapest.

The founder of the Foundation is Mr Zoltán Magyar. The governing body is the Board, 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 a 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 2023 and its financial resources at 31 December 2023 in a format which management believes will meet the needs of members of the Board 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 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.

Note 3: Accounting Policies

Recognition of Income

Donations to the Foundation are voluntary and are generally recognised only when received. However donations which have not yet been received are also recognised as income where the donor has entered into a contractual commitment to provide the donation in the year and the donation is received after the year end but before the financial statements for the year are approved.

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 income 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 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.

Functional currency and foreign exchange

The functional currency of the Foundation is the Hungarian Forint (HUF) and all amounts are presented in thousands of forints (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:

	<u>2023</u>	<u>2022</u>
	THUF	THUF
Auctions	5 913	4 035
Suppers	14 686	9 774
Raffles	1 365	1 451
	<u>21 964</u>	<u>15 260</u>
Summer BBQ	613	969
SME scheme	1 950	2 398
1% of Personal Income Tax	560	0
Other donations	385	630
	<u>25 472</u>	<u>19 257</u>
Total	25 472	19 257

Burns Suppers are held in late January. Donations for Burns Suppers exclude donations received prior to 31 December which relate to the supper to be held in the next year.

b) The principal donors in each year were:

	<u>2023</u>	<u>2022</u>
	THUF	THUF
Budapest Airport Zrt	575	1 099
FirstMed - FMC Kft	1 540	1 375
Inter Relocation Kft.	860	300
Taxually Kft	980	850
BP BSC Kft	1 015	599
4 The Client Kft.	270	515
UPS Hungary Forwarding LLC	594	0
Churchill Lovesz Kft	798	264
Stockmvp Limited	746	0
Astrazeneca Kft	580	320
BBIS Alapítvány	580	410
Waberer's International Nyrt	580	0
Norhot Befektetési Kft	500	0
	<u>9 618</u>	<u>5 732</u>
Donations below 500 THUF in aggregate	<u>15 854</u>	<u>13 525</u>
Total	25 472	19 257

Robert Burns International Foundation
Notes to the 2023 financial statements

Note 5: Other income

	<u>2023</u>	<u>2022</u>
	THUF	THUF
Bank interest	0	0
Foreign exchange gain	30	1
Total	30	1

Note 6: Business Income

The Foundation had no sales revenue in 2023 based on Hungarian law.

Note 7: Expenses

	<u>2023</u>	<u>2022</u>
	THUF	THUF
Burns Supper	8 620	7 306
Auction	0	0
Administration costs	0	0
Summer BBQ	853	889
Audit fee	64	64
Bookkeeping fee	0	0
Financial and other costs	1 784	289
Total	11 321	8 548

In 2022 and 2023, KPMG made donations to the Foundation equivalent to the audit fees they charged. Moore has made no charge for its bookkeeping services in 2022 or 2023.

Note 8: Remuneration

No member of the Foundation's Board received any remuneration from the Foundation in 2022 or 2023.

Note 9: Donations to hospitals and foundations

	2023	2022
	THUF	THUF
Donations given to:		
Neonatal Department, Péterfy Sándor Hospital, Budapest	4 448	3 598
2nd Dept. of Paediatrics (SOTE II), Tüzoltó Street, Budapest	3 422	3 239
Szent Rafael Hospital, Zalaegerszeg	1 200	2 000
Peter Cerny Foundation	0	1 200
Life-Health Hódmezővásárhely Foundation, Hódmezővásárhely hospital	800	600
Infant and Children's Department, Mezőtúr Hospital	500	499
Csolnoky Ferenc Hospital, Infant and Children's Department, Veszprém	0	400
Jávorszky Ödön Hospital, Vác	1 070	0
Őrzők Foundation	540	0
	11 980	11 536
Total of donations given	11 980	11 536

Financial donations were given in 2023 to Semmelweis University (SOTE II) Tüzoltó Street, Péterfy Sándor Hospital, Infant and Children's Department Hospital Mezőtúr, Szent Rafael Hospital Zalaegerszeg, Life-Health Hódmezővásárhely Foundation, Jávorszky Ödön Hospital Vác and to the Őrzők Foundation; in each case for the purchase of medical devices and/or other equipment.

Note 10: Cash at bank and petty cash

	2023	2022
	THUF	THUF
Raiffeisen Bank, HUF accounts	9 085	4 973
Raiffeisen Bank, EUR account	885	1
WISE Europe Bank HUF	385	0
WISE Europe Bank EUR	3 469	0
WISE Europe Bank GBP	2	0
	13 826	4 974
Total	13 826	4 974

The original currency amounts in the Raiffeisen EUR account were: 2.311 EUR at 31 December 2023 and 3 EUR at 31 December 2022. The original currency amounts in the WISE accounts were: 9.063 EUR and 4 GBP at 31 December 2023.

The Foundation has no Petty cash.

Note 11: Receivables and prepayments

	<u>2023</u>	<u>2022</u>
	THUF	THUF
Donations held by PayPal	33	444
Receivables from Donation based on agreement	0	1 309
Prepayments	1 649	1 321
Total	1 682	3 074

Note 12: Creditors and Accruals

	<u>2023</u>	<u>2022</u>
	THUF	THUF
Creditors	89	0
Deferred income	10 728	5 558
Accrued expenses	64	64
Total	10 881	5 622

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.