



**Independent Auditors' Report
issued on the 2008 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 2008, 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 2008 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 2008

(Expressed in Thousands of Forint)

Statement of financial activities for the year ended 31 December 2008

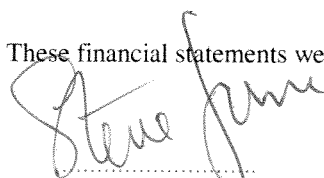
	<u>Note</u>	<u>2008</u>	<u>2007</u>
Voluntary income			
Donations received	4	18 225	25 867
Other income	5	156	83
Business income	6	138	448
Total income		18 519	26 398
Expenses	7	5 741	5 864
Donations to hospitals and others	9	9 483	21 210
Net movement in funds for the year		3 295	(676)
Unrestricted funds at the beginning of the year		5 913	6 589
Unrestricted funds at the end of the year		9 208	5 913

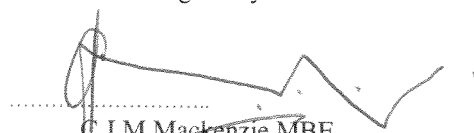
Balance Sheet at 31 December 2008

		<u>31 December</u>	<u>31 December</u>
		<u>2008</u>	<u>2007</u>
Current assets			
Receivables		202	173
Cash at bank	10	11 006	6 870
Total assets		11 208	7 043
Less Creditors: amounts falling due within one year		0	30
Accrued expenses		900	0
Total assets less current liabilities		10 308	7 013
Founder's capital and reserves			
Founder's Capital		1 100	1 100
Unrestricted funds		9 208	5 913
Total Founder's Capital and unrestricted funds		10 308	7 013

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 2008 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 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 2007 and 2008 and its financial resources at 31 December 2007 and 2008 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 2008 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:

	2008	2007
	31 December	31 December
	THUF	THUF
Burns Suppers		
Suppers	4,625	4,447
Auctions	7,085	4,057
Raffles	2,993	2,412
	<hr/> 14,703	<hr/> 10,916
Waiters Race	40	88
Other donations	3,482	14,863
	<hr/>	<hr/>
Total	18,225	25,867

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 2008 financial statements

b) The principal donors in each year were:

	2008	2007
	31 December	31 December
	THUF	THUF
Individual donations of HUF 500,000 or more:		
Matthew Foundation	1,615	0
Linklaters	1,588	0
Unilever	1,425	0
Immochan	1,400	1,870
Malcolm Best (below 500 THUF in 2007)	825	0
Tim Eastgate	754	0
Andras Moldovan	650	0
Vodafone	600	0
Starwood Hotels for SOTE II Paediatric Clinic	0	6,374
Tesco (below 500 THUF in 2008)	0	2,490
Paribas	0	2,000
Pfizer (below 500 THUF in 2008)	0	1,545
Michael Birch (below 500 THUF in 2008)	0	865
Williams (below 500 THUF in 2008)	0	842
“Ridge road”	0	575
Hopkins	0	500
Subtotal	8,857	17,061
Donations below 500 THUF in aggregate	9,368	8,806
Total	18,225	25,867

Robert Burns International Foundation
Notes to the 2008 financial statements

Note 5: Other income

	2008	2007
	31 December	31 December
	THUF	THUF
Bank interest	16	10
Other	0	73
Foreign exchange gain	140	0
Total	156	83

Note 6: Business Income

	2008	2007
	31 December	31 December
	THUF	THUF
Recharged electricity cost	0	62
Recharged office rent	138	386
Total	138	448

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

	2008	2007
	31 December	31 December
	THUF	THUF
Burns Supper	4,027	4,895
Office rent and expenses	308	811
Administration services	900	0
Presentation in Manchester	431	0
Financial costs (bank charges, currency losses)	75	158
Total	5,741	5,864

Robert Burns International Foundation Notes to the 2008 financial statements

Note 8: Remuneration

No member of the Curatorium received any remuneration from the Foundation in 2008 or 2007.

The General Secretary received remuneration from a sponsor for his services to the Foundation in both years. In 2007 and for part of 2008, the sponsor paid the remuneration directly to the General Secretary and consequently neither the sponsorship nor the remuneration are included in the Foundation's financial statements. Administration services of 900 THUF in 2008 represents amounts paid by the Foundation for the General Secretary's services for the period after the sponsorship ceased.

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

Note 9: Donations to hospitals and others

	2008	2007
	31 December	31 December
	THUF	THUF
Donations given to:		
SOTE II Paediatric Clinic, Budapest	7,360	10,081
Zalaegerszeg Hospital	1,000	0
Mátészalka Hospital	1,123	0
Fejlődésben Hátráltatott Gyermekek Foundation, Szekszárd	0	1,180
Bács-Kiskun Hospital, Kecskemét	0	1,000
Emberkék Foundation, Veszprém	0	1,000
Kaposi Mór Hospital, Kaposvár	0	1,000
Pándy Kálmán Hospital, Gyula	0	1,000
Szabad Légzésért Foundation, Mosdós	0	1,000
Bugyi Istvan Hospital, Szentes	0	996
Tudománnyal Foundation, Miskolc	0	880
Cyprian (cultural exchange)	0	253
Autism Centre feasibility study	0	2,700
Déva Foundation	0	120
Total of donations given	9,483	21,210

Robert Burns International Foundation
Notes to the 2008 financial statements

Note 10: Cash at bank

	2008	2007
	31 December	31 December
	THUF	THUF
Raiffeisen HUF accounts	7,832	4,453
Raiffeisen EUR account	3,174	2,417
Total	11,006	6,870

The original currency amounts in the EUR account were 11,990 EUR at 31 December 2008 and 9,588 EUR at 31 December 2007.

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.