



**Independent Auditors' Report
issued on the 2011 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 2011, 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 2011 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 2011

(Expressed in Thousands of Forint)

Statement of financial activities for the year ended 31 December 2011

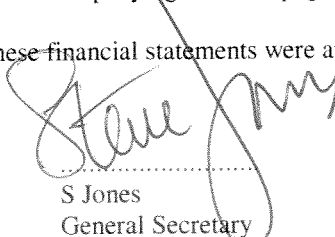
	<u>Note</u>	<u>2011</u>	<u>2010</u>
Voluntary income			
Donations received	4	12 124	20 593
Other income	5	19	53
Business income	6	0	0
Total income		12 143	20 646
Expenses	7	6 585	9 736
Donations to hospitals and others	9	4 538	13 801
Net movement in funds for the year		1 020	(2 891)
Unrestricted funds at the beginning of the year		8 169	11 060
Unrestricted funds at the end of the year		9 189	8 169


Balance Sheet at 31 December 2011

		<u>31 December 2011</u>	<u>31 December 2010</u>
Current assets			
Receivables		392	173
Cash at bank	10	9 899	9 846
Total assets		10 291	10 019
Less: Creditors: amounts falling due within one year		2	0
Accrued expenses and deferred revenues		0	750
Total assets less current liabilities		10 289	9 269
Founder's capital and reserves			
Founder's Capital		1 100	1 100
Unrestricted funds		9 189	8 169
Total Founder's Capital and unrestricted funds		10 289	9 269

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 2011 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 2010 and 2011 and its financial resources at 31 December 2010 and 2011 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 2011 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:

	2011	2010
	THUF	THUF
Burns Suppers		
Auctions	3,545	3,021
Suppers	2,265	4,387
Raffles	1,287	1,314
	<hr/> 7,097	<hr/> 8,722
Other donations	1,559	1,642
BBC (for ESU public speaking competition)	1,544	0
1% of Personal Income Tax	1,398	2,569
Sahara run (for SOTE II.)	526	7,660
	<hr/> 526	<hr/> 7,660
Total	12,124	20,593

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 2011 financial statements

b) The principal donors in each year were:

	2011	2010
	THUF	THUF
Individual donations of HUF 500,000 or more:		
BBC (for ESU public speaking competition)	1,544	0
Adam Toth	601	0
Andras Moldovan	580	290
Vodafone	0	5,000
Tesco	0	1,587
Hungarian Business Leaders Forum	0	720
Visegrádi Ásványvíz	0	1,200
Michael Birch	0	645
	<hr/>	<hr/>
	2,725	9,442
Donations below 500 THUF for the Sahara run appeal	526	0
Other donations below 500 THUF in aggregate	7,475	8,582
1% of Personal Income Tax	1,398	2,569
	<hr/>	<hr/>
Total	12,124	20,593
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Robert Burns International Foundation
Notes to the 2011 financial statements

Note 5: Other income

	2011	2010
	THUF	THUF
Bank interest	8	13
Foreign exchange gain	11	40
Total	19	53

Note 6: Business Income

The Foundation had no business income in 2010 and 2011.

Note 7: Expenses

	2011	2010
	THUF	THUF
Burns Supper	3,478	3,721
ESU public speaking competition	1,544	0
Presentation in Manchester	1,329	2,265
Sahara Run	0	750
Financial costs (bank charges, currency losses)	119	215
Sundry	115	0
Administration services	0	2,785
Total	6,585	9,736

Note 8: Remuneration

No member of the Curatorium received any remuneration from the Foundation in 2011 or 2010.

The General Secretary received remuneration from a sponsor for his services to the Foundation in 2011. The sponsor paid the remuneration directly and consequently neither the sponsorship nor the remuneration are included in the Foundation's financial statements. In 2010, the Foundation paid 2,785 THUF for the General Secretary's services. Included in

Robert Burns International Foundation Notes to the 2011 financial statements

donations in 2010 is an amount of 1,200 THUF (2009: 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 1,329 THUF for the presentation in Manchester in 2011 (2010: 2,265 THUF), were paid by the Foundation.

Note 9: Donations to hospitals and others

	2011	2010
	THUF	THUF
Donations given to:		
Mezőtúr Hospital	1,099	0
Kisvárdai Children's Hospital	1,040	0
Dr. Korill Ferenc Foundation, Salgótarján	1,000	0
Egészségért Foundation, Kiskunfélegyháza	972	0
Balassa János Hospital	427	0
SOTE II Paediatric Clinic, Budapest (Sahara run appeal)	0	7,200
SOTE II Paediatric Clinic, Budapest	0	2,700
Magyar Imre Hospital, Ajka	0	990
Keszthely Hospital	0	909
Palánta Children's Clinic	0	830
Mosonmagyaróvár és Vonz Hospital	0	734
Dr Bugyi István Hospital, Szentes	0	438
Total of donations given	4,538	13,801

Donations in 2010 were given for renovation works to the mother and baby units at SOTE II (the Sahara run appeal), for other departments at SOTE II (from general funds), for a phototherapy machine for the hospital in Ajka, for an electrocardiograph machine for the hospital in Mosonmagyaróvár, and for medical equipment for hospitals in Keszthely and Szentes and for the Palánta Children's Clinic.

Donations provided in 2011 were given for the purchase of medical equipment.

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Note 10: Cash at bank and petty cash

	2011	2010
	31 December	31 December
	THUF	THUF
Raiffeisen HUF accounts	9,778	9,755
Raiffeisen EUR account	96	92
Petty cash	25	0
Total	9,899	9,846

The original currency amounts in the EUR account were: 307 EUR at 31 December 2011 and 329 EUR at 31 December 2010.

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.