

**ARGOS Animal Welfare Foundation's
Annual Report 2008**



Warsaw, 20th February 2009

“Argos” Animal Welfare Foundation’s

Annual Report

for the period: 01.01.2008–31.12.2008

drawn up on 20th February 2009

(pursuant to the Minister of Justice’s ordinance dated 8th May 2001 concerning
framework reports on the foundations’ operations)

I. General Data:

Name and Domicile: “ARGOS Animal Welfare Foundation”, 04-886 Warsaw, ul. Garncarska 37A,

Registration Details: entered into the National Court Register on 08.08.2007, No. 00000286138,

REGON No. 141084186

Public Benefit Organisation Status: since 26.11.2008

Represented by the Management Board composed of:

Urszula Pluta (President of the Board), 03-991 Warsaw, ul. Radłowa 14h,
Tadeusz Wypych (Board Member), 04-886 Warsaw, ul. Garncarska 37A,

Statutory Objectives:

Providing charity support to homeless or maltreated animals, preventing and counteracting homelessness and animal abuse.

II. Principles, Forms and Scope of Statutory Operations

The foundation fulfils its statutory objectives by providing free of charge public benefit services:

1. shelters for home pets, animal care centres; pet adoptions,
2. veterinary care,
3. animal foster homes and counteracting animal homelessness
4. propagandist and educational actions aimed at providing support to homeless and maltreated animals, promoting pet adoptions and neutering/spaying of home pets,
5. co-operating with state and local authorities, charity institutions, police, city guards
6. gathering financial resources and providing financial support to individuals in difficult financial situations who participate in implementation of the Foundation’s statutory objectives.

In order to be able to fulfil its public benefit objectives, the Foundation deals in chargeable sales of donated goods.

The Foundation’s basic source of revenue comes from donations offered by natural persons. In 2008, the Foundation’s proceeds thus obtained amounted to PLN **313 533.46** which was the Foundation’s exclusive revenue.

The Foundation used its financial proceeds to cover the following costs:

A) Administrational and financial expenses: (PLN 6 842.75 i.e. 12% of the total costs)

Accountancy costs, bank fees and charges, notarial and legal fees, postal charges, telephone bills, Internet access costs (i.e. servers, website).

B) Statutory operations: (PLN 48 581.44 i.e. 88% of the total costs) which specifically included in the year 2008:

1) Providing direct animal care and offering support to individuals and institutions providing direct animal care.

The Foundation helped pet caretakers by providing support in the form of medical treatment and neutering/spaying of stray dogs/cats. In 2008 the expenditure on veterinary services amounted to PLN 21 482 including, specifically, the costs of medical treatment and spewing/neutering respectively amounting to PLN 15 129, and PLN 6 353.

Around mid-year, the Foundation took care over animals and home of Ms Zofia Nowak who in her last will and testament donated her property to the Foundation.

2) The Animal Protection Bureau (Biuro Ochrony Zwierząt) carries out the following operations:

a) monitoring of actions undertaken by all communes in Poland in the field of providing care to homeless animals, monitoring of operations of animal shelters by collecting, developing and publishing of data gathered in the course of inspections. The findings gathered in the course of the national survey are developed and published on the Internet at: www.boz.org.pl

b) acting as an auxiliary prosecutor in criminal proceedings concerning animal shelters and catching homeless animals.

3) Koteria Urban Cat Centre – project preparation works commenced in November 2008.

Key Legal Events of Financial Importance:

In October 2008 the Foundation received the donation of PLN 270 000 from Zofia Nowak, and inherited Ms Nowak's real property in Warsaw. These resources enabled the Foundation to commence its urban cat city centre project named: "Koteria". By the end of 2008 the Foundation managed to obtain premises for the prospective Centre in the course of tender for lease of municipal premises.

In November 2008 the Foundation became a public benefit institution, which allowed it to apply for grants coming from natural persons' income tax in the year 2008 and take advantage of any other privileges enjoyed by such institutions.

III. Information about Business Operations

The Foundation does not undertake any business operations in accordance with its Bylaws.

IV. The Management Board's Resolutions

During the accounting period, the Management Board adopted the four resolutions:

1. No. 1 as of 30.01.2008 – on adopting the balance sheet and the financial statement for the year 2007.
2. No. 2 as of 30.06.2008 – on revising the Bylaws in order to comply with the requirements determined for public benefit institutions
3. No. 3 as of 30.10.2008 – on accepting the inheritance left by Ms Zofia Nowak
4. No. 4 as of 10.11.2008 – on establishing of Koteria Urban Cat Centre.

III. Revenues

During the accounting period, the Foundation obtained its revenue exclusively from donations provided by natural persons which amounted to PLN 313 533.46 in total. The Foundation has not received any support from public sources.

IV. Costs

Costs of implementation of statutory objectives	PLN 48 581.44
Administrational and financial expenses	PLN 6 842.75
Total costs:	PLN 55 424.19

V. Supplementary Financial Information

Employment

During the accounting period the Foundation did not hire any employees. The Foundation entered upon a single contract to perform a specific deed whose value amounted to PLN 5 000 and which consisted of developing of a draft revision of the law on protecting domestic animals in Poland. These costs were incurred as part of the Foundation's statutory operations performed free of charge. The Foundation published the report in May 2008 (www.argos.org.pl/prawo).

All other operations of the Foundation were based upon unpaid work performed by the founders and voluntary workers. The Foundation did not grant any bonuses, prizes or similar benefits.

Loans

The Foundation did not extend any loans whatsoever.

Current Assets

The Foundation's assets are deposited at Bank PEKAO on a single basic current account No. 47 1240 6133 1111 0000 4808 5915. As per 31st December 2008, the value of assets deposited on the account was PLN 243 260.31.

Bonds, Shares and Stocks

The foundation did not acquire any bonds, shares or stocks issued by commercial companies.

Acquired Fixed Assets

The Foundation accepted the real estate left by Ms Zofia Nowak as her legacy. However, the inheritance proceedings had not been completed by the end of the year. The real estate will either be let for hire, or sold. The costs of its acquisition (i.e. inheritance proceedings) incurred in 2008 amounted to PLN 2 440.

In 2008 the Foundation also received a donation of fixed asset i.e. passenger car worth of PLN 5 000.

The Foundation's Receivables

As per the balance sheet date, the Foundation's receivables totalled up to PLN 20 476.76 which specifically included the guarantee prepayment for the prospective rental of Koteria Urban Cat Centre's domicile and the tender fee.

The Foundation's Liabilities

As per the balance sheet date, the Foundation's liabilities amounted to PLN 7 182.99 and specifically consisted in unsettled costs of assignments / business trips and liabilities towards suppliers.

Contracted Works

The Foundation did not execute any contracted works for the benefit of any state or local authorities.

Tax Liabilities

The foundation did not incur any liabilities by virtue of taxes. It was exempted from the obligation to file CIT-2 return, but it was obliged to submit PIT-4 and DRA returns.

Audits: During the accounting period, no audits were carried out in the Foundation.

Drafted on: 20th February 2009

Urszula Pluta
President of the Board



Tadeusz Wypych.
Board Member



Balance Sheet
as per 31st December 2008

drawn up pursuant to the annex to the Minister of Finance's Ordinance
as of 15.11.2001 (Journal of Laws 137, item 1539)

	ASSETS	Status as per			LIABILITIES	Status as per	
		beginning	end			beginning	end
1	2	3	4		2	3	4
A	Fixed assets	-	5 000.00	A	Equity fund	1 334.53	262 566.49
I	Intangible assets		5 000.00	I	Statutory fund	1 000.00	1 000.00
II	Material fixed assets	-	-	II	Previous year's financial result	-	334.53
III	Long-term receivables	-	-	III	Net financial result in the accounting year	334.53	261 231.96
IV	Long-term investments	-	-	1	Surplus of revenues over costs (positive value)	334.53	261 231.96
V	Long-term accruals			2	Surplus of costs over revenues (negative value)	-	-
B	Current assets	6 958.55	264 748.78	B	Liabilities and liability provisions	5 624.02	7 182.29
I	Provisions for material fixed assets	-	-	I	Long-term liabilities by virtue of credits and loans	-	-
II	Short-term receivables	-	20 476.76	II	Short-term liabilities and special funds	5 624.02	7 182.29
1				Credits and loans			
2				Other liabilities	5 624.02	7 182.29	
3				Special funds			
III	Short-term investments	6 958.55	244 272.02	III	Reserves for liabilities		
1	Cash	6 958.55	244 272.02	IV	Deferrals	-	-
2	Other financial assets			1	Deferred income		
C	Short-term accruals			2	Other deferrals		
	Balance sheet amount	6 958.55	269 748.78		Balance sheet amount	6 958.55	269 748.78

Drawn up on: 20th February 2009

Dorota Dębniak
Main Ledger Accountant

GLÓWNY KSIĘGOWY

Dorota Dębniak

Urszula Pluta
President of the Board

Tadeusz Wypych.
Board Member

Urszula Pluta

Tadeusz Wypych

Profit and Loss Account
as per the period from 1st January to 31st December 2008

Item	Specification	For the previous year	For the accounting year
1	2	3	4
A.	Revenue obtained by virtue of implementation of statutory tasks	11 091,00	313 533,46
I.	Gross contributions determined in the Bylaws		
II.	Subsidies and grants	0,00	0,00
III.	Donations	11 091,00	313 533,46
B.	Costs of implementation of statutory tasks	9 020,80	38 830,96
I	The Animals Protection Bureau	4 111,06	5 540,01
1.	Business trips	2 021,20	0,00
2.	Postal charges	1 047,27	5 414,11
3.	Legal assistance	600,00	125,90
4.	Office supplies	442,59	0,00
II	Direct animal care	4 909,74	33 290,95
1.	Pet food	1 238,56	8 522,97
2.	Veterinary care	3 671,18	20 435,22
3.	Materials & Equipment		2 299,94
4.	Permanent services		1 106,44
5.	Sanitary materials		926,38
C.	Administrational Costs	1 735,71	13 451,58
1.	Bank charges	19,00	201,50
2.	Notarial and legal fees	913,28	3 407,00
3.	Internet access	66,86	92,60
4.	Postal charges	73,50	0,00
5.	Telecommunications	663,07	3 119,16
6.	Transport		3 765,61
7.	Other office-related costs		2 865,71
E.	Other revenues (unspecified in items A and G)	0,00	0,00
F.	Other costs (unspecified in items B, D and H)	0,00	0,00
G.	Financial revenue	0,04	3,65
H.	Financial costs	0,00	22,61
I.	Total gross financial revenue on operational activity (+ or -) (C-D+E-F+G-H)	334,53	261 231,96
J.	Extraordinary profits or losses	0,00	0,00
I.	Extraordinary profits - positive value		
II.	Extraordinary losses - negative value		
K.	Total financial result (I+J)	334,53	261 231,96

Drawn up on: 20th February 2009

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ARGOS Animal Welfare Foundation
Introduction to the Financial Report for the Year 2008

- 1) **The Foundation's Domicile:** 04-886 Warsaw, ul Garncarska 37a
- 2) **The Foundation's statutory objectives:** providing charity support to homeless and maltreated animals, eliminating sources of any such phenomena.
- 3) **Registration authority:** The National Court Register No. 0000286138.
- 4) **The Foundation's period of duration:** unlimited
- 5) **The present report covers the following period:** 1st January – 31st December 2008
- 6) **In drawing up of the present report we assumed that the entity would continue its operations in the foreseeable future, and that there existed no circumstances which might confirm that there existed any serious threat of discontinuation of such operations.**
- 7) **The entity is not a subsidiary, and does not have any subsidiaries.**
- 8) **Analysis of the applied accounting principles, including methods of evaluation of assets and liabilities, assessments of the financial result and the mode of drafting of the financial report within the scope permitted by law.**
 - a) The accounting principles applied in drafting of the financial report as per 31st December 2008 are consistent with the Accountancy Act as of 29th September 2004.
 - b) The financial report has been based upon the historical costs principle.
 - c) The profit and loss account has been drawn up in a comparative form.
- 9) **Fixed assets, fixed assets in constructions, intangibles.**
 - a) Fixed assets and intangibles are assessed in accordance with their purchase prices, manufacturing costs or updated values (after fixed assets' valuation updates), minus depreciation or redemption, and write-offs by virtue of permanent loss of value.
 - b) Fixed assets in construction are assessed as the overall costs directly connected with purchase or production thereof, minus write-offs by virtue of permanent loss of value.
 - c) Depreciation of fixed assets and intangibles constituting acquired rights is made pursuant to the depreciation scheme of annual depreciation amounts and rates. The depreciation is effected according to straight-line method, starting from the month following the month of acceptance of a fixed asset for use. The depreciation rates used for basic fixed assets groups are in line with the Corporate Income Tax Law.
- 10) **Shares in other entities and investments categorised as fixed assets are assessed in accordance with their purchase prices minus write-offs by virtue of permanent loss of value.**
- 11) **Long and short-term receivables and claims are presented as due amounts increased by penalty interest (such interest is categorised as financial revenue) in observance of the principle of cautious assessment.**

12) Reserves of tangible current assets components are presented in accordance with their purchase prices or manufacturing costs. If any such reserves have lost their use value, exceed the actual business needs, or are subject to price discount due to any other reasons, the purchase prices or the manufacturing costs are reduced to net prices minus valuation updates.

13) Short-term investments are assessed in accordance with their market prices, and short-term investments in the case of which there exist no active markets are valued in accordance with their fair value determined otherwise. The differences between the purchase price and the market value are categorised as financial costs, while the results of their value increase are classified as financial revenue at the amount not exceeding the value of differences previously classified as financial costs.

14) Long and short term liabilities are presented as the actually payable amounts i.e. together with any interest due as per the balance sheet date. Any such interests are categorised as financial costs.

Drawn up on: 20th February 2009

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