



**OTWARTY DIALOG**

**Open Dialog Foundation**

Al. J. Ch. Szucha 11a/21

00-580 Warsaw

T: +48 22 307 11 22

---

Warsaw, 31 March 2020

**FINANCIAL STATEMENT**

**OPEN DIALOGUE FOUNDATION**

**00-580 WARSAW, AL. J. CH. SZUCHA 11A/21**

**ADDITIONAL INFORMATION AND EXPLANATIONS (NOTES)**

**FOR THE 2019 FINANCIAL YEAR**



---

## INTRODUCTION TO THE FINANCIAL STATEMENTS

### General information

#### 1. Full legal name, legal seat and registered address or place of residence, the core business of the entity and its registration number

Fundacja Otwarty Dialog [Open Dialogue Foundation], with its legal seat in Warsaw, registered address: al. J. Ch. Szucha 11a/21, 00-580 Warszawa, founded by Paweł Świdorski and Ivan Sherstyuk on 9 December 2009 (Notarial Reference: A 3938/2009).

The foundation was entered in the National Court Register / Register of Associations, Other Social and Professional Organisations, Foundations and Independent Public Healthcare Providers, based on a decision issued by the District Court in Lublin, 11th Division of the National Court Register, on 12 April 2010. The KRS registration number is 0000353754. On 17 May 2010, the foundation was registered for tax purposes by the Lublin tax office. Its NIP (Tax Reg. No.) is 7123206033. The foundation is also registered for statistical purposes with the Polish national statistics office. The registration number (REGON) is 060615226 (activity code: 9499Z (Polish Classification of Activities): activities of other membership organisations n.e.c.).

The foundation works to defend human rights, democracy and the rule of law in the post-Soviet states. Special attention is given to the largest countries of the post-Soviet region, i.e. Russia, Ukraine, Kazakhstan and Moldova.

#### 2. Duration of the company's activity, if it is limited

The duration of the foundation is perpetual.

#### 3. Reporting period (period covered by these financial statements)

These financial statements cover the period from 1 January 2019 to 31 December 2019.

#### 4. Indication that the financial statements contain aggregated data if the entity includes internal organisational units that prepare separate financial statements

The foundation does not prepare consolidated financial statements.



**5. Indication whether the financial statements have been prepared based on the assumption that the entity will continue its business activity in the foreseeable future and whether there are any circumstances indicating a threat to the continuity of its activity**

These financial statements have been prepared on an ongoing concern basis, and the foundation will continue its activity using its current assets as at 31 December 2018 and expected donations and subsidies or grants in 2019. The foundation is not aware of any circumstances that might threaten the continuity of its activity in the years to come.

**6. If the financial statements are prepared for a period during which a business combination occurred, please indicate that these financial statements were prepared after the business combination and indicate the applied method of accounting for the combination (acquisition or uniting of interests)**

Not applicable

**7. An overview of the adopted accounting policies, including methods of measurement of assets and liabilities (including depreciation), determination of the profit (loss) and the method of preparation of the financial statements to the extent that the entity has the statutory right to make a choice**

The foundation's books of account are kept by Ms Magdalena Pietrzak (Licence No. 26800/01), a sole trader providing accounting services under the name Adiutor Magdalena Pietrzak (address: ul. Pirenejaska 2C, Warsaw). The foundation's accounting documents are recorded and stored at the above address.

These financial statements are based on the foundation's books of account maintained in the reporting (financial) year in accordance with the foundation's documented accounting policy (principles) where

- the financial year is stated as the period from 1 January to 31 December;
- the principles of measurement of assets and liabilities are adopted;
- the principles of keeping the foundation's books of account in accordance with the Polish Accounting Act of 29 September 1994 (as amended) are adopted. These financial statements are prepared in accordance with the regulations effective on 31 December 2019.

The assets and liabilities presented in the balance sheet at the end of the financial year have been measured using the following methods in accordance with the accounting principles (policy) adopted by the foundation:



- short-term receivables are measured at the amount due, in accordance with the prudence principle;
- short-term investments are measured at the nominal value;
- short-term accounts payable are measured at the amount due;
- the fund stated in the foundation's Articles is measured at the nominal value;
- deferred income is measured at the nominal value of the subsidies / grants received by the foundation.

The profit (loss) for the reporting financial year includes all of the foundation's revenue and the related costs, in accordance with the accrual, matching and prudence principles.

**ADDITIONAL INFORMATION AND EXPLANATIONS****1. SUPPORTING DATA ON ASSETS**

- **Fixed assets**

**1) A detailed discussion of changes in the value of groups of assets (by type), intangible assets and long-term investments, indicating the value of such assets at the beginning of the financial year, increases and decreases in the value of such assets as a result of revaluation, purchases, disposal, internal movements, and the value of such assets at the end of the financial year; and a similar discussion (incl. values and reasons for changes) for depreciated (amortised) assets**

- **Initial values**

Description	2018 (PLN)	Increase (PLN)	Decrease (PLN)	2019
Intangible assets	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Tangible fixed assets	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Real estate	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Machines and apparatus for general use	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Vehicles	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Other fixed assets	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
<b>Total</b>	<b>PLN 0,00</b>	<b>PLN 0,00</b>	<b>PLN 0,00</b>	<b>PLN 0,00</b>

- **Depreciation**

Description	2018 (PLN)	Increase (PLN)	Decrease (PLN)	2019
Intangible assets	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Tangible fixed assets	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Real estate	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Machines and apparatus for general use	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Vehicles	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
Other fixed assets	PLN 0,00	PLN 0,00	PLN 0,00	PLN 0,00
<b>Total</b>	<b>PLN 0,00</b>	<b>PLN 0,00</b>	<b>PLN 0,00</b>	<b>PLN 0,00</b>

**2) revaluation write-downs recognised during the financial year in respect of fixed assets, separately for long-term non-financial assets and long-term financial assets: N/A**



**3) the amount of costs of completed development work and the amount of goodwill, plus the writing-down period as provided for in Section 33(3) and Section 44b(10) respectively: N/A**

**4) the value of land under perpetual usufruct: N/A**

**5) the value of fixed assets not subject to depreciation used on the basis of rental agreements, leases and other contracts, including lease agreements (*umowa leasingu*):**

The foundation is a sublessee of an office in Warsaw (al. Szucha 11a/21), the annual cost of which is PLN 12.00, and a lessee of an office in Brussels, which cost the equivalent of PLN 86,981.38 in 2019.

**6) The number and value of the securities or rights held by the entity, including participation certificates, convertible debt securities, warrants and options, indicating the rights they provide**

N/A

**7) information on revaluation write-downs for receivables, indicating the balance at the beginning of the financial year, increases, amounts used or reversed, and the balance at the end of the financial year**

N/A

- **Current assets**

- **Short-term receivables**

Description	31/12/2018	31/12/2019
1 Accounts payable to suppliers and receivable from customers	PLN 29 761,92	PLN 4 244,41
2 Accounts payable to employees	PLN 757,08	PLN 0,00
3 Security deposits paid	PLN 11 514,15	PLN 10 315,15
4 Receivables from the government	PLN 442,00	PLN 0,00
5 Other accounts payable/receivable to be explained	PLN 121,00	PLN 121,00
<b>Total</b>	<b>PLN 42 596,15</b>	<b>PLN 14 680,56</b>

- **Short-term investments**

Description	31/12/2018	31/12/2019
1 Cash in hand	PLN 92,88	PLN 92,88
2 Cash at bank (in bank accounts)	PLN 41 777,37	PLN 45,60
<b>Total</b>	<b>PLN 41 870,25</b>	<b>PLN 138,48</b>



## 2. SUPPLEMENTARY INFORMATION RELATING TO LIABILITIES

### 8) Information on the ownership structure of the share capital and the number and nominal value of the subscribed shares, including preference shares

- **Foundation's own funds**

The foundation's own funds include the fund stated in the foundation's Articles and the profit for the reporting financial year (i.e. the amount by which the revenue exceeded the costs).

### 9) Balance as at the beginning of the financial year, increases and amounts used, and the balances of the supplementary (funds), reserve funds and revaluation reserve at the end of the financial year, unless the entity prepares statements of changes in equity (own funds)

N/A

### 10) Proposed distribution of the profit or coverage of loss for the financial year

The foundation's profit, i.e. the amount by which the revenue exceeded the costs, less income tax (PLN 199), i.e. **PLN - 14,201.43 (net profit)** will be used to offset (cover) the foundation's loss for 2017.

### 11) Information on the balance of provisions by purpose at the beginning of the financial year, increases, amounts used, termination and the balance at the end of the financial year

N/A

### 12) long-term liabilities broken down according to balance-sheet items, with the time remaining from the balance sheet date to the due date being

- a) up to 1 year
- b) over 1 year to 3 years
- c) over 3 to 5 years
- d) over 5 years



The foundation has no long-term liabilities.

- **Current liabilities**

Specification	31/12/2018	31/12/2019
1 Settlements with suppliers	PLN 53 883,26	PLN 6 007,12
2 PIT-4 settlements	PLN 1 434,00	PLN 0,00
3 Payroll liabilities	PLN 21 385,06	PLN 0,00
4 Liabilities to the Social Insurance Fund	PLN 9 691,66	PLN 437,93
5 Other settlements with employees	PLN 36,81	PLN 0,00
6 Other settlements	PLN 1 821,75	PLN 0,00
7 CIT-8 settlements	PLN 70,00	PLN 199,00
8 loans	PLN 7 731,30	PLN 5 358,50
Total	PLN 96 053,84	PLN 12 002,55

**13) the total amount of the liabilities secured on the entity's assets, indicating the nature and form of those securities**

They did not occur.

**14) list of significant prepayments and accruals, including the amount of prepayments and accrued expenses representing the difference between the value of financial assets received and the obligation to pay for them**

- **Short-term prepayments**

Specification	31/12/2018	31/12/2019
1 Insurance policy	PLN 742,88	PLN 0,00
2 Subscription to Gazeta Wyborcza	PLN 29,90	PLN 0,00
Total	PLN 772,78	PLN 0,00

- **Deferred income**

They did not occur.

**15) where an asset or liability is included in more than one item on the balance sheet, its relationship between those items; this applies to in particular the division of receivables and liabilities into a long-term part and short term**





They did not occur.

**16) the total amount of contingent liabilities, including guarantees and sureties, including bills of exchange, not shown in the balance sheet, indicating the liabilities secured on the entity's assets and the nature and the form of these safeguards; information on contingent liabilities in respect of pensions and similar benefits and to affiliated or associated undertakings should be disclosed separately**

They did not occur.

**17) where non-financial assets are measured at fair value:**

- a) material assumptions used to determine fair value, where the data used to determine that value does not come from an active market;
- b) for each category of asset that is not a financial instrument, the fair value shown in the balance sheet, as well as the effects of revaluation included in financial income or expenses or charged to revaluation reserve (fund) during the reporting period;
- c) table of changes in the capital (fund) from revaluation including the capital (fund) at the beginning and end of the reporting period and its increases and decreases during the financial year

They did not occur.

### ***3. EXPLANATIONS TO THE INCOME STATEMENT***

#### **3.1 Revenue structure:**

- **Income from statutory activities**



Specification of the largest donors	31/12/2018 (PLN)	31/12/2019 (PLN)
<b>INSTITUTIONAL DONORS:</b>	<b>1 282 998,58</b>	<b>1 313 420,17</b>
1 Google Ireland Ltd (provision of internet services)	PLN 324 558,17	PLN 311 138,17
2 Silk Road Biuro Analiz i Informacji sp.z o.o.	PLN 876 319,01	PLN 993 680,40
3 Italian Federation of Human Rights	PLN 82 121,40	PLN 8 601,60
<b>INDIVIDUAL DONORS:</b>	<b>PLN 16 862,80</b>	<b>PLN 12 824,22</b>
1 Bartosz Kramek	PLN 9 562,80	PLN 554,16
2 Lyudmyla Kozlovska	PLN 0,00	PLN 9 886,56
3 Lilia Baluk	PLN 6 150,00	PLN 0,00
4 Mikołaj Ciukij	PLN 550,00	PLN 100,00
5 Dmytro Tamas	PLN 500,00	PLN 0,00
6 Przemysław Kobyliński	PLN 100,00	PLN 140,00
7 Maximilian Steinbeis	PLN 0,00	PLN 2 143,50
<b>Total revenues from statutory activities</b>	<b>1 299 861,38</b>	<b>1 326 244,39</b>

In 2019, the Foundation did not conduct any public fundraising (within the meaning of the Act of 14 March 2014 on the principles of conducting public collections).

**The total amount of income from statutory activities obtained in the form of donations is PLN 1,326,244.39.**

- **Revenues from business activities** - the Foundation did not conduct any business activities in 2019.
- **Other operating income**

Specification	31/12/2018	31/12/2019
1 Settlement of overpaid VAT	PLN 0,00	PLN 770,26
2 Clearing of account balances from delegations	PLN 0,00	PLN 1 003,48
<b>Total</b>	<b>PLN 0,00</b>	<b>PLN 1 773,74</b>

- **Financial income**

Description	31.12.2018	31.12.2019
1 Interest on funds in the bank account	PLN 4.86	PLN 0.21
2 Positive realised exchange rate differences	PLN 6.80	PLN 0.00
<b>Total</b>	<b>PLN 11.66</b>	<b>PLN 0.21</b>

### 3.2 Cost structure:

- **Costs of statutory tasks**



Specification	31/12/2018	31/12/2019
1 Office supplies, small office equipment	PLN 2 462,85	PLN 10 453,98
2 Translation services	PLN 129 878,07	PLN 88 293,96
3 Legal services	PLN 163 942,94	PLN 46 896,64
4 Other services (cleaning, transport, telecommunications, bank commissions, insurance)	PLN 41 385,12	PLN 44 522,03
5 Internet services (Google)	PLN 324 558,17	PLN 311 138,17
6 Remuneration under employment contracts	PLN 32 745,57	PLN 0,00
7 Remuneration under civil law contracts	PLN 119 530,86	PLN 58 190,13
8 Social security contributions resulting from employment contracts	PLN 8 601,60	PLN 0,00
9 Social security contributions resulting from civil law contracts	PLN 9 895,29	PLN 12 662,65
10 Business travel - airline tickets	PLN 132 480,25	PLN 75 036,92
11 Business travel - hotels	PLN 19 724,82	PLN 37 431,32
12 Business travel - allowances	PLN 720,54	PLN 6 804,67
13 Business travel - train tickets and taxi costs	PLN 19 050,51	PLN 17 892,17
14 Representation	PLN 6 847,19	PLN 2 115,39
15 Statutory donation to Hromadska Spilka "Fundatsyya Vidkrytyy Dialoh" (Ukraine)	PLN 116 185,30	PLN 245 215,07
16 Statutory donation to the Open Dialogue Foundation (Belgium)	PLN 0,00	PLN 223 703,90
<b>Total operating, statutory costs</b>	<b>PLN 1 128 009,08</b>	<b>PLN 1 180 357,00</b>

The aforementioned mission expenses concern a number of trips within Poland and to the following countries: Ukraine, Belgium, Italy, Switzerland, Germany, United States of America, Austria, Great Britain, France, Kazakhstan.

- Administrative costs**

Specification	31/12/2018	31/12/2019
1 Usage of materials and energy	PLN 3 583,54	PLN 74,80
2 Telecommunication services	PLN 786,79	PLN 0,00
3 IT services + GoCloud server	PLN 15 930,18	PLN 21 481,55
4 Accounting services	PLN 22 234,71	PLN 15 547,20
5 Bank commissions	PLN 1 010,01	PLN 1 407,29
6 Office rent in Brussels	PLN 67 070,05	PLN 91 155,82
7 Taxes and fees, including VAT due	PLN 250,00	PLN 884,00
<b>Total</b>	<b>PLN 110 865,28</b>	<b>PLN 130 550,66</b>

- Other operating costs**



Specification	31/12/2018	31/12/2019
1 Clearing differences and roundings	PLN 428,68	PLN 2 213,36
Total	PLN 428,68	PLN 2 213,36

- **Financial costs**

Specification	31/12/2018	31/12/2019
1 Budget interest	PLN 465,03	PLN 0,21
2 Bank interest towards counterparties	PLN 0,00	PLN 0,00
3 Negative realised exchange differences	PLN 0,00	PLN 496,68
Total	PLN 465,03	PLN 496,89

- **Structure of the income statement**

Specification	2018	2019
1 revenues	PLN 1 299 873,04	PLN 1 328 018,34
2 costs	PLN 1 239 768,07	PLN 1 313 617,91
Surplus of revenues over costs	PLN 60 104,97	PLN 14 400,43



#### 4. SETTLEMENT OF THE MAIN ITEMS DIFFERING THE INCOME TAX BASE FROM THE GROSS FINANCIAL RESULT

Specification	2018	2019
<b>I Revenues indicated in the income statement</b>	<b>PLN 1 299 873,04</b>	<b>PLN 1 328 018,34</b>
- Surplus revenues over the costs of the previous year	PLN 0,00	PLN 0,00
- Subsidies received in the previous year in the part concerning expenditure in the current year	PLN 0,00	PLN 0,00
- Subsidies received in the previous year in the part concerning spending in the following year	PLN 0,00	PLN 0,00
- Non-tax revenues	PLN 0,00	PLN 0,00
- Off-balance sheet tax revenues - free rental of space at Nowy Świat Street, 63	PLN 0,00	PLN 0,00
<b>Taxable Income</b>	<b>PLN 1 299 873,04</b>	<b>PLN 1 328 018,34</b>
<b>II Costs indicated in the income statement</b>	<b>PLN 1 239 768,07</b>	<b>PLN 1 313 617,91</b>
- unpaid remuneration and delegations	PLN 3 928,68	- PLN 3 500,00
- non-tax costs	PLN 116 185,30	PLN 468 918,97
- interest and budget costs paid	PLN 463,49	PLN 2 213,36
<b>Deductible expenses</b>	<b>PLN 1 119 190,60</b>	<b>PLN 845 985,58</b>
<b>III Income according Corporate Income Tax Law</b>	<b>PLN 180 682,44</b>	<b>PLN 482 032,76</b>
<b>IV Tax-free income (revenues), including:</b>	<b>PLN 180 682,44</b>	<b>PLN 482 032,76</b>
Free income (revenues) (Article 17 (1) (4))	PLN 180 682,44	PLN 482 032,76
<b>V Non-statutory taxable expenses</b>	<b>PLN 464,00</b>	<b>PLN 2 213,00</b>
<b>VI Income tax</b>	<b>PLN 70,00</b>	<b>PLN 199,00</b>

The Foundation benefits from the exemption from corporate income tax on the basis of Art. 17 of the Corporate Income Tax Act, point. 1, section 4 - in the part intended for statutory activities.

#### 1) for financial statement items expressed in foreign currencies - exchange rates adopted for their valuation.

For balance sheet valuation, the average NBP exchange rates used were those quoted in table 251/A/NBP/2019 of 31/12/2019

USD	3,7977
EUR	4,2585
RUB	0,0611
CAD	2,9139
GBP	4,9971
HRK	0,5722



**2. Explanation of the structure of cash used in the cash flow statement and, if the cash flow statement is prepared using the direct method, a reconciliation of net cash flows from operating activities made using the indirect method shall also be provided; for differences between changes in some items explain the reasons for these in the balance sheet and the changes in the same items shown in the cash flow statement.**

The Foundation is not required to prepare a cash flow statement.

## **5. ADDITIONAL INFORMATION AND EXPLANATIONS**

- The average annual employment under employment contracts in the financial year was as follows:  
Year 2018 - 1,00  
Year 2019 - the Foundation did not employ any staff

In 2018, the Foundation employed staff in the following positions: coordinator of Eastern projects.

The amount of gross salaries on account of employment contracts was

Year 2018 - PLN 29,245.57

Year 2019 - PLN 0.00

- Employment under civil law contracts in the financial year amounted to  
Year 2018 - 14 agreements, 6 contractors/performing parties  
Year 2019 - 11 agreements, 8 contractors/ performing parties

The amount of gross remuneration on account of civil law contracts amounted to:

Year 2018 - PLN 119,530.86

Year 2019 - PLN 58,190.16

- The members of the Board and Council of the Foundation did not receive remuneration for their functions.
- The Foundation did not provide any guarantees, sureties or contingent liabilities.
- There are no contracts which are not included in the balance sheet.



- The Foundation did not provide loans or benefits to members of its governing bodies.
- The Foundation has not paid or is not obliged to pay the fee of an auditor or an entity authorised to audit financial statements for the financial year.
- No significant events not included in the financial statements occurred after the balance sheet date.
- There has been no change introduced in the accounting policy.
- The entity does not run a joint venture within the meaning of the Accounting Act.
- The entity is not required to prepare consolidated financial statements.
- In the financial year 2019, no adjustments were made to previous years.

Warsaw, 31 March 2020.

.....  
Magdalena Pietrzak  
(person responsible for bookkeeping)

.....  
Lyudmyla Kozlovska  
(President of the Management Board)

