FUNDACJA „MICROFINANCE CENTRE"
CAPITAL GROUP

WARSAW, NOAKOWSKIEGO 10/38

CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE 2012 FINANCIAL YEAR

WITH
AUDITOR'S OPINION
AND
AUDIT REPORT

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Deloitte.

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AUDITOR'S OPINION

To the Management and Board of Directors of Fundacja "Microfinance Centre"

We have audited the attached consolidated financial statements of Fundacja „Microfinance Centre" ("the Foundation"), with its registered office at Noakowskiego 10/38, in Warsaw, as the Parent of the Capital Group, including consolidated statement of financial position prepared as of 31 December 2012, consolidated statement of comprehensive income, consolidated statement of changes in fund balances, consolidated statement of cash flows for the financial year from 1 January 2012 to 31 December 2012 and notes comprising a summary of significant accounting policies and other explanatory information.

Preparation of consolidated financial statements of the Capital Group in line with the law is the responsibility of the Management of the Foundation. The Management of the Foundation is obliged to ensure that the consolidated financial statements of the Foundation meet the requirements of the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations.

Our responsibility was to audit and express an opinion on compliance of the consolidated financial statements with the accounting principles (policy) adopted by the Foundation and whether the financial statements present fairly and clearly, in all material respects, the financial and economic position as well as the financial result of the Capital Group.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act,
- national auditing standards, issued by the National Council of Statutory Auditors in Poland.

We have planned and performed our audit of the consolidated financial statements in such a way as to obtain reasonable assurance to express an opinion on the consolidated financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) applied by the Foundation and the subsidiaries, verification – largely on a test basis – of the basis for the amounts and disclosures in the consolidated financial statements, as well as overall evaluation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Deloitte.

In our opinion the audited consolidated financial statements of Fundacja "Microfinance Centre" Capital Group in all material respects:

- present fairly and clearly the information material to evaluate the economic and financial position of the Capital Group as of 31 December 2012 as well as its profit or loss in the financial year from 1 January 2012 to 31 December 2012,
- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as European Commission regulations, and in all matters not regulated in the standards – in accordance with the provisions of the Accounting Act and secondary legislation to the Act,
- comply with the provisions of law applicable to the Foundation, which affect the contents of the consolidated financial statements.

Without raising any qualifications as to the correctness and fairness of the audited consolidated financial statements, we would like to point out that the consolidated financial statements are not the statutory financial statements prepared in accordance with requirements of Polish Accounting Act.

Jacek Marczak
Key certified auditor
conducting the audit
No. 9750

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Dariusz Szkaradek – President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.)

Warsaw, 21 May 2013

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF FUNDACJA "MICROFINANCE CENTRE"CAPITAL GROUP FOR THE 2012 FINANCIAL YEAR

I. GENERAL INFORMATION

1. Details of the audited Foundation

The Parent Company of the Capital Group operates under the name Fundacja „Microfinance Centre" ("the Foundation"). The Company's registered office is located in Warsaw, Noakowskiego 10/38.

The legal name of the Foundation changed from Fundacja Centrum Organizacji Pożyczkowych "Microfinance Centre" to Fundacja "Microfinance Centre" according to the decision of Council of the Foundation made on 9 October 2011. On 6 July 2012 the updated charter of the Foundation was registered.

The Foundation was established by a notarized deed on 8 December 1997 before Anna Brzozowska, Notary Public in Warsaw (Repertory A No. 383/97).

Currently, the Foundation is recorded in National Court Register in the Register of Associations, other Social and Trade Organisations, Foundations and Public Health Establishments, kept by the District Court XII Business-Registry Division in Warsaw, under KRS number 0000101471.

The Foundation's tax identification number NIP assigned by the Second Tax Office Warszawa-Śródmieście on 17 November 2000 is 526-214-11-29.

The REGON number assigned by the Statistical Office is 012913553.

In accordance with the Foundation's articles of association, the scope of its activities includes:
- providing financial, practical, organizational and intellectual assistance to entities operating within the scope of the Foundation's own objectives,
- organizing and providing (financial, practical, organizational and intellectual) assistance through exchange of expertise and by propagating knowledge of potential and existing activities undertaken within the scope of the Foundation's objectives,
- organizing discussions, seminars, symposia, conferences, lectures, workshops and training programs,
- organizing and financing research, analyses and evaluations,
- organizing and financing the on-the-job training, practical courses and exchange visits for individuals engaged in activities that fall within the scope of the Foundation's objective,
- publishing and distributing training materials and other publications,
- financing of hire experts, consultants and lecturers,
- presiding over and conducting foreign assistance programs,
- facilitating access to domestic and foreign political, legal, economic and social information,
- co-operating with national and foreign individuals and institutions conducting activities that fall within the scope of the Foundation's objectives.

In the audited period, the Foundation conducted business activities within the scope described in the articles of associations.

As of 31 December 2012, the Foundation's statutory fund amounted to PLN 2,100.

During the financial year and after the balance sheet date there were no changes in the statutory fund of the Foundation.

During the audited period, the structure of the Foundation's statutory fund did not undergo any changes.

As of 31 December 2012, the Foundation Capital Group's own funds amounted to PLN 8,142,448.

The Capital Group's financial year is the calendar year.

Composition of the Management of the Foundation as of the date of the opinion:
- Grzegorz Galusek – Executive Director,
- Katarzyna Pawlak – Deputy Director.

There were no changes in the composition of the Foundation's Management during the audited period.

Composition of the Foundation Capital Group as of 31 December 2012:
- Fundacja "Microfinance Centre" (formerly: Fundacja Centrum Organizacji Pożyczkowych "Microfinance Centre") – Parent Company,
- MFC Sp. z o.o. – Subsidiary.

The Foundation preparing the consolidated financial statements did not simplify or alter consolidation principles in relation to the consolidated entities.

In the financial year, no changes occurred in the composition of the Capital Group and its entities included in consolidation, for which the Foundation has prepared the audited consolidated financial statements.

2. Information about the consolidated financial statements for the prior financial year

The activities of the Foundation Capital Group in 2011 resulted in a consolidated net profit of PLN 1,801,387. The consolidated financial statements of the Foundation for 2011 were audited by a certified auditor. The audit was performed by authorized entity Deloitte Audyt Sp. z o.o. On 21 May 2012 the certified auditor issued an unqualified opinion on those financial statements.

3. Details of the authorized entity and the key certified auditor acting on its behalf

The audit of the consolidated financial statements was performed based on the agreement of 3 April 2013 concluded between Fundacja „Microfinance Centre" (formerly: Fundacja Centrum Organizacji Pożyczkowych „Microfinance Centre") and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k (formerly: Deloitte Audyt Sp. z o.o.) with its registered office in Warsaw, al. Jana Pawła II 19, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the consolidated financial statements was conducted under the supervision of Jacek Marczak, key certified auditor (No. 9750) in the registered office of the Foundation and outside its premises from 15 April 2013 till the date of the audit opinion.

The entity authorized to audit the consolidated financial statements was appointed by the resolution of the Foundation Board of 13 November 2009 based on authorization included in Article 13 of the Foundation's articles of association.

The consolidated financial statements are not the statutory financial statements prepared in accordance with requirements of Polish Accounting Act.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) and Jacek Marczak, key certified auditor, confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on statutory auditors and their self-governing body, auditing firms and on public oversight (Journal of Laws of 2009, No. 77, item 649, as amended) to express an unbiased and independent opinion on the consolidated financial statements of Fundacja „Microfinance Centre" Capital Group.

4. Availability of data and management's representations

The scope of our audit was not limited.

During the audit, all necessary documents and data as well as detailed information and explanations were provided to the authorized entity and the key certified auditor, as confirmed e.g. in the written representation of the Management of the Foundation of 21 May 2013.

II. ECONOMIC AND FINANCIAL POSITION OF THE CAPITAL GROUP

Presented below are the main items from the consolidated statement of comprehensive income as well as financial ratios describing the financial performance of the Capital Group and its economic and financial position compared to the prior year.

Main items from the Consolidated Statement of Comprehensive Income (PLN)	2012	2011
Sales revenue	7,968,967	6,820,279
Operating expenses	(6,592,685)	(6,095,558)
Finance income	160,257	1,254,562
Finance costs	(626,517)	–
Income tax expense	(312,343)	(177,896)
Net profit/(loss)	597,679	1,801,387
Selected ratios		
– current ratio	5.05	3.85
– own funds to total assets ratio	0.81	0.70

An analysis of the above current ratio indicates an increase in the Foundation's liquidity in 2012 as compared to prior year. Own funds to total assets ratio increased in 2012 over the previous year.

III. DETAILED INFORMATION

1. Information about the audited consolidated financial statements

The audited consolidated financial statements were prepared as of 31 December 2012 and include:
- consolidated statement of comprehensive income for the period from 1 January 2012 to 31 December 2012, with a net profit and total comprehensive income of PLN 597,679,
- consolidated statement of financial position prepared as of 31 December 2012, with total assets and liabilities plus equity of PLN 10,042,303,
- consolidated statement of cash flows for the period from 1 January 2012 to 31 December 2012, showing a cash outflow of PLN 264,164,
- consolidated statement of changes in fund balances for the period from 1 January 2012 to 31 December 2012, disclosing an increase in fund balance of PLN 597,679,
- notes, comprising a summary of significant accounting policies and other explanatory information.

The structure of assets and liabilities plus equity as well as items affecting the financial profit or loss has been presented in the consolidated financial statements.

The audit covered the period from 1 January 2012 to 31 December 2012 and focused mainly on:
- verification of the correctness and fairness of the consolidated financial statements prepared by the Management of the Foundation,
- verification of the consolidation documentation,
- evaluation of the correctness of the consolidation methods and procedures applied during consolidation.

2. Consolidation documentation

The Foundation presented the consolidation documentation including:
1) financial statements of entities included in the consolidated financial statements,
2) all consolidation adjustments and eliminations necessary for preparation of the consolidated financial statements.

Basis for the preparation of the consolidated financial statements

The consolidated financial statements of the Foundation Capital Group for the 2012 financial year have been prepared in accordance with the International Financial Reporting Standards.

Entities in the Foundation Capital Group

The scope and method of consolidation as well as the relationship between entities in the capital group have been determined based on the criteria specified in the International Financial Reporting Standards.

Financial period

The consolidated financial statements have been prepared as of the same balance sheet date and for the same financial year as the financial statements of Fundacja „Microfinance Centre". Subsidiaries and associated companies included in consolidation prepared their financial statements as of the same balance sheet date as the Foundation. The financial year of all subsidiaries and associated companies included in consolidation ended on 31 December 2012.

Consolidation method

The financial statements of the subsidiaries were consolidated using the full method, i.e. full amounts of all relevant items of the financial statements of the Foundation and the subsidiaries included in consolidation were summed up.

Once the values had been summed up, consolidation adjustments and eliminations were applied to:
- the cost of shares held by the Foundation in subsidiaries and the part of net assets of subsidiaries corresponding to the interest of the Foundation in these companies,
- mutual receivables and liabilities of entities included in consolidation,
- material revenue and expenses related to transactions between entities included in consolidation.

3. Completeness and correctness of drawing up notes and explanations

The Foundation confirmed the validity of the going concern basis in preparation of the consolidated financial statements. The notes to the consolidated financial statements give a correct and complete description of measurement principles regarding assets, liabilities, profit or loss and principles of preparation of the consolidated financial statements.

The Foundation prepared notes in the form of tables to individual items of the consolidated balance sheet and statement of comprehensive income as well as narrative descriptions, in line with the requirement of IFRS.

Notes describing property, plant and equipment, intangible assets, investments, liabilities and provisions correctly present increases and decreases as well as their basis during the financial year.

Individual assets and liabilities as well as revenue and expenses have been correctly presented by the Foundation in the consolidated financial statements. The consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in fund balances as well as notes which constitute an integral part of the financial statements include all items required for disclosure in the consolidated financial statements under IFRS.

IV. CLOSING COMMENTS

Management's Representation

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) and the key certified auditor received a representation letter from the Foundation Management, in which the Management stated that the Foundation Capital Group complied with the laws in force.

Jacek Marczak
Key certified auditor
conducting the audit
No. 9750

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

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Warsaw, 21 May 2013