

Financial Statements
Jagiellonian University
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Introduction
to the consolidated financial statements

The Jagiellonian University based in Krakow, with its seat at 24 Gołębia Street, is a state school of higher education (foundation charter in 1364), subordinated to the edicts and legislation of the Ministry of Education and Science, as well as the Ministry of Health in that part of its undertakings that pertain to Collegium Medicum (The University's Medical College), is a legal entity.

The university's legal and operative status is based upon:

- The Act of the 27th of July, 2005 on Higher Education (-Legal Gazette No. 164, item 1365),
- The Statute of the University was brought into being on the power of the Rector's announcement of the 27th of June 2001

The subject of the University's activities is:

- a fundamental form of activity encompassing the conducting of academic research, student and academic staff instruction, education and tuition, the development and propagation of Polish culture, as well as the broadening of knowledge within society at large,
- administrative activities of the University subordinate to its fundamental activities,
- an auxiliary function experimental, economic or service in nature.

The organizational units conducting auxiliary functions are:

- a) The Łazy Agricultural Research Institute in Rzezawa
- b) The 'Pod Berłami' Conference Centre in Zakopane
- c) The Printing Department
- d) The Jagiellonian University Press

Other independent subsidiary undertakings conducting independent accounts and financial statements operating within the framework of the Jagiellonian University include:

- a) Collegium Medicum, the Jagiellonian University's medical college in Krakow,
- b) The Łazy Agricultural Research Institute in Rzezawa,
- c) The 'Pod Berłami' Conference Centre in Zakopane.

The above enumerated units are incorporated within the University's combined balance.

The combined financial statements herein contained prepared for the period from January 1st 2007 to December 31st 2007 consolidate the accounts of the University and its subsidiary undertakings.

The financial situation of the Jagiellonian University in its entirety is stable with no activities or events envisaged within the course of an immediate period of twelve months that could endanger the said.

In the course of the given fiscal year the Jagiellonian University did not enter into any forms of merger, consolidation or fusion with any legal entities of a similar or different operational profile. For the financial year 2007 the following conventions were employed for the assessments of assets and liabilities in accordance with both applicable accounting standards and statements of recommended accounting practice:

- a) Non-material and legal values according to acquisition prices together with VAT.
- b) Fixed assets were valued according to acquisition prices including VAT or on the basis of production costs reduced to incorporate depreciation, remission or permanent loss of value.
- c) Depreciation of fixed assets and non-material and legal values of an initial worth of:
 - 1) in excess of 3,500 zloty - straight-line depreciation from the month subsequent to rendering for exploitation at the rates applied resulting from taxation regulations.
 - 2) in excess of 1,000 zloty, yet less than 3,500 zloty - one-off payment to its initial value commencing from the moment of exploitation.
 - 3) under 1,000 zloty - expended on materials within the month of purchase.Hence fixed assets and non-material and legal values (depreciated) are stated net in the financial statement.
- d) Fixed assets under construction to the amount of the general costs remaining in direct relation to their acquisition or production, decreased by charge-offs resulting from a fixed loss of value.
- e) Shares and stocks according to the acquisition prices, decreased by charge-offs in value. Differences resulting from an estimated or obtained income influencing the financial result or have an impact on the financial results or primary fund of the University.
- f) Materials according to purchase prices.
- g) Material outgoings on the basis of 'first in, first out'.
- h) Production in progress to the amount of direct production costs - research activities. However, the accounting in relation to the University Press on the basis of direct costs as well as a justified part of indirect costs.
- i) End products according to production costs not exceeding the net sale price.
- j) Product reserves according to the purchase prices not exceeding the net sale price.
- k) Monies according to nominal value.
- l) Amounts due according to values of payment required with maintained security.
- ł) Liabilities according to the values of payment required.
- m) Monies held in foreign currency accounts are recorded at the average rate of exchange ruling on the day of the 31st of December 2007 according to the National Bank of Poland rate of exchange (see 252/A/NBP/2007).
- n) Monetary assets and liabilities denominated in foreign currencies on the day of accounting according to the average rate of exchange ruling on that day (resulting differences in the rates being placed under revenue or expenditure).
- o) Own capital (funds) as well as other assets and liabilities based on nominal value.

The Jagiellonian University prepares:

- a statement of profits and losses in a comparative form,
- a statement of indirect monetary flow.

Bursar
Dr. Maria Hulicka

Rector
Professor Karol Musioł

Krakow, 15 May 2008

Consolidated Income and Expenditure Account
For the year ended 31 December 2007
All figures given in Polish Zloty (PLN)

ASSETS	Beginning of working year	End of working year
1	2	3
A. Fixed assets	1 269 506 104.12	1 362 617 804.85
I. Legal and intangible assets	2 266 240.99	1 298 063.36
1. Research and development expenditure	0.00	0.00
2. Goodwill	0.00	0.00
3. Other intangible and legal assets	2 266 240.99	1 298 063.36
4. Advance payments for intangible and legal assets	0.00	0.00
II. Tangible fixed assets	1 264 143 926.13	1 357 971 084.89
1. Tangible fixed assets in use	1 220 720 765.56	1 225 334 104.87
a) land, (including the right to perpetual usufruct)	588 899 111.38	593 535 508.92
b) buildings, premises	569 587 797.18	573 082 020.93
c) technical equipment, machines	40 588 772.12	39 516 937.13
d) means of transportation	381 058.64	341 196.52
e) other fixed assets	21 264 026.24	18 858 441.37
2. Fixed assets under construction	37 617 751.68	132 636 980.02
3. Advance payments for fixed assets under construction	5 805 408.89	0.00
III. Long-term accounts receivable	0.00	0.00
1. From related entities	0.00	0.00
2. From other entities	0.00	0.00
IV. Long-term investments	3 095 937.00	3 348 656.60
1. Real estate	0.00	0.00
2. Intangible and legal assets	0.00	0.00
3. Long-term financial assets	3 095 937.00	3 348 656.60
a) in related entities	0.00	2 831 500.00
--shares or stocks	0.00	2 831 500.00
--other securities	0.00	0.00
--loans granted	0.00	0.00
--other long-term financial assets	0.00	0.00
b) in other entities	3 095 937.00	517 156.60
--shares or stocks	3 095 937.00	517 156.60
--other securities	0.00	0.00
--loans granted	0.00	0.00
--other long-term financial assets	0.00	0.00
4. Other long-term investments	0.00	0.00
V. Long-term settlements in the midterm	0.00	0.00
1. Assets from deferred income tax	0.00	0.00
2. Other midterm settlements	0.00	0.00
B. Current assets	254 933 030.58	314 904 733.56
I. Stocks held	3 218 137.37	3 176 266.11
1. Materials (supplies)	240 924.23	237 760.24
2. Semi-finished products and products under realisation	646 809.63	1 107 584.37
3. Finished products	1 783 806.29	1 594 786.91
4. Goods	1 468.11	1 689.59
5. Advances on delivery	545 129.11	234 445.00
II. Short-term accounts receivable	48 397 354.44	54 700 927.85
1. Accounts receivable from related entities	0.00	0.00
a) receivables for deliveries, services, terms of repayment:	0.00	0.00
--up to 12 months	0.00	0.00
--over 12 months	0.00	0.00
b) others	0.00	0.00
2. Receivables from other entities	48 397 354.44	54 700 927.85
a) receivables for deliveries, services, terms of repayment:	6 023 039.41	6 065 387.61
--up to 12 months	6 023 039.41	6 065 387.61
--over 12 months	0.00	0.00
b) receivables for taxes, donations, social security payments, health insurance and other benefits	15 035 145.20	2 861 680.47
c) others	27 339 169.83	45 773 859.77
d) court claims	0.00	0.00
III. Short-term investments	203 221 876.56	256 782 112.87
1. Short-term financial assets	203 221 876.56	256 782 112.87
a) in related entities	0.00	1 350 000.00
--shares or stocks	0.00	0.00
--other securities	0.00	0.00
--loans granted	0.00	1 350 000.00
--other short-term financial assets	0.00	0.00
b) in other entities	955 093.87	1 024 713.67
--shares or stocks	0.00	0.00
--other securities	0.00	0.00
--loans granted	0.00	0.00
-- other short-term financial assets	955 093.87	1 024 713.67
c) monies and other monetary assets	202 266 782.69	254 407 399.20
--pecuniary assets held in accounts	35 267 652.80	33 643 626.82
--other monies	166 999 129.89	220 763 772.38
--other monetary assets	0.00	0.00
2. Other short-term investments	0.00	0.00
IV. Short-term prepayments and accruals	95 662.21	245 426.73
Total assets	1 524 439 134.70	1 677 522 538.41

Consolidated Income and Expenditure Account
For the year ended 31 December 2007
 All figures given in Polish Zloty (PLN)

LIABILITIES	Beginning of working year	End of working year
1	2	3
A. Own capital (funds)	938 427 931.62	1 059 526 882.57
I. Primary (fundamental) funds	932 661 074.79	1 027 117 929.52
II. Called up share capital (negative value)	0.00	0.00
III. Own shares (negative value)	0.00	0.00
IV. Supplementary capital	0.00	0.00
V. Revaluation reserve	0.00	0.00
VI. Other reserve capitals (funds)	0.00	0.00
VII. Profit (loss) from previous years	0.00	0.00
VIII. Net profit (loss) (loss)	5 766 856.83	32 408 953.05
IX. Write-off on net profit during the financial year (negative value)	0.00	0.00
B. Liabilities and provisions for liabilities	586 011 203.08	617 995 655.84
I. Provisions for liabilities	30 085 148.20	33 138 745.25
1. Provision for deferred income tax	0.00	0.00
2. Provision set aside for retirement pensions and other benefits	19 776 179.83	22 829 776.88
--long-term	0.00	0.00
--short-term	19 776 179.83	22 829 776.88
3. Other provisions	10 308 968.37	10 308 968.37
--long-term	10 308 968.37	10 308 968.37
--short-term	0.00	0.00
II. Long-term liabilities	0.00	0.00
1. To related entities	0.00	0.00
2. Towards other entities	0.00	0.00
a) credits and loans	0.00	0.00
b) issue of indebted securities	0.00	0.00
c) other financial liabilities	0.00	0.00
d) others	0.00	0.00
III. Short-term liabilities	88 166 643.76	99 487 996.92
1. To related entities	0.00	0.00
a) for deliveries and services, in a due time of	0.00	0.00
--up to 12 months	0.00	0.00
--over 12 months	0.00	0.00
b) others	0.00	0.00
2. To other entities	43 806 553.94	51 726 922.67
a) credit and loans	0.00	0.00
b) issue of debt securities	0.00	0.00
c) other financial liabilities	0.00	0.00
d) for deliveries and services, in a due time of	23 267 003.33	34 281 517.10
--up to 12 months	23 267 003.33	34 281 517.10
--over 12 months	0.00	0.00
e) received advances on deliveries	0.00	13 200.00
f) promissory notes	0.00	0.00
g) from taxes, duty, insurance and other benefits	12 461 607.77	13 393 397.98
h) for remuneration (pay)	1 969 421.35	1 886 313.32
i) others	6 108 521.49	2 152 494.27
3. Special Funds	44 360 089.82	47 761 074.25
a) University welfare benefit fund	33 382 031.74	34 961 444.24
b) student financial assistance	10 437 196.97	11 725 377.31
c) The University's scholarship fund	419 018.87	970 232.52
d) The University's award fund	0.00	0.00
e) implementation fund	0.00	0.00
f) other special funds	121 842.24	104 020.18
IV. Prepayments and accruals	467 759 411.12	485 368 913.67
1. Negative goodwill	0.00	0.00
2. Other accruals	467 759 411.12	485 368 913.67
--long-term	0.00	1 566 696.30
--short-term	467 759 411.12	483 802 217.37
Total Liabilities	1 524 439 134.70	1 677 522 538.41

Consolidated Statement of Total Recognised Gains and Losses

for the period from 01 January to 31 December 2007

All figures given in Polish Zloty (PLN)

Inventory	Previous year	Current year
1	2	3
A. Net revenues from sales of products, goods and materials, including:	517 002 886.45	579 580 968.74
--from related entities	0.00	0.00
I. Net revenues from sales of products	525 322 002.65	589 797 579.81
II. Change in product state (increase-positive value, decrease-negative value)	-10 550 353.99	-13 137 542.82
III. Product production cost for an entity's own requirements	2 186 455.04	2 882 585.11
IV. Net revenue from product and material sales	44 782.75	38 346.64
B. Operational activity costs	539 866 686.79	591 077 770.52
I. Depreciation	27 745 004.51	38 333 760.18
II. Material and energy usage	43 050 266.39	44 531 131.91
III. External services	37 393 209.90	42 614 988.89
IV. Taxes and payments, including:	6 468 959.48	7 745 403.17
--excise (duty) tax	0.00	0.00
V. Remuneration	308 144 308.67	326 770 789.75
VI. Social security payments and other benefits	71 193 272.79	70 788 111.13
VII. Other costs	45 826 882.30	60 255 238.85
VIII. The value of sold products and materials	44 782.75	38 346.64
C. Gross profit (loss) on sales (A-B)	-22 863 800.34	-11 496 801.78
D. Other operating revenues	29 148 269.94	43 147 450.06
I. Profit on non-financial fixed asset disposal	6 410 481.55	5 252 216.09
II. Subsidies	13 018 694.83	24 806 899.42
III. Other operating revenues	9 719 093.56	13 088 334.55
E. Other operational expenses	4 439 890.74	6 219 568.86
I. Loss on non-financial fixed asset disposal	0.00	0.00
II. Updating of fixed asset values	857 503.35	509 713.85
III. Other operational expenses	3 582 387.39	5 709 855.01
F. Profit (loss) from operational activity (C+D-E)	1 844 578.86	25 431 079.42
G. Financial revenues	5 471 264.59	8 307 592.77
I. Dividends and shares in profits, including:	316 000.00	893 488.63
--from related entities	0.00	0.00
II. Interest , including:	4 241 450.99	6 867 047.37
-- from related entities	0.00	0.00
III. Profit from investment sales	796 580.63	547 056.77
IV. Updating investments' value	0.00	0.00
V. Others	117 232.97	0.00
H. Financial costs	1 503 690.49	1 292 593.28
I. Interest, including:	33 401.45	7 100.52
-- from related entities	0.00	0.00
II. Losses from investment sales	0.00	0.00
III. Updating investment values	0.00	0.00
IV. Others	1 470 289.04	1 285 492.76
I. Profit (loss) on business activities (F+G+H)	5 812 152.96	32 446 078.91
J. Result of extraordinary events (J.I-J.II)	0.00	0.00
I. Extraordinary profits	0.00	0.00
II. Extraordinary losses	0.00	0.00
K. Gross profit (loss) (I + J)	5 812 152.96	32 446 078.91
L. Income Tax	45 296.13	37 125.86
M. Other statutory reductions in profit (increases in loss)	0.00	0.00
N. Net gain (loss) (K-L-M)	5 766 856.83	32 408 953.05

Jagiellonian University
Consolidated Statement of Changes in Equity (funds)

for the period 01 January to 31 December 2007

All figures given in Polish Zloty (PLN)

Inventory	Previous year	Current year
1	2	3
I. Opening balance of equity	651 327 912.79	938 427 931.62
-- adjustments of fundamental errors	0.00	0.00
I.a. Opening balance of equity after adjustments	651 327 912.79	938 427 931.62
1. Opening balance of equity	641 721 459.52	932 661 074.79
- adjustments of fundamental accounting errors	0.00	0.00
1.a Opening balance of equity after adjustments	641 721 459.52	932 661 074.79
1.1 Changes in share capital (funds)	290 939 615.27	94 456 854.73
a) increase (due to)	307 544 648.38	113 509 851.43
--additional fixed assets construction funding (non-depreciatory)	31 369 643.31	3 296 539.36
--re. JU - saplings, fixed assets	69 414.12	43 308.10
--Net profit from previous year	10 464 453.34	7 585 149.24
--profit transfer to statutory aims of the University	0.00	0.00
-- donations of fixed wealth from group II, I	0.00	129 965.76
--disclosure (of (fixed wealth)	39 992 516.79	0.00
--depreciation write-offs	0.00	0.00
--funds from the Ministry of Health from centralised accounts for building refurbishing	292 800.00	0.00
--acceptance of buildings and constructions	25 994 279.82	2 055 578.97
-- others	1 646.00	92 156 480.00
--acceptance of building lots (valuation adjustments)	199 359 895.00	8 242 830.00
b) decrease (due to)	16 605 033.11	19 052 996.70
-- amortization of shares	0.00	0.00
-- amortization of fixed assets	15 566 726.52	17 164 942.51
-- covering the costs of previous year's losses	858 000.07	1 818 292.41
Sale of building lots	110 892.40	0.00
-- funding of interdependent entities	69 414.12	69 761.78
1.2 Closing balance of share capital(fund)	932 661 074.79	1 027 117 929.52
2. Opening balance of called up share capital	0.00	0.00
2.1 Changes in called up share capital	0.00	0.00
a) increases (due to)	0.00	0.00
b) decreases (due to)	0.00	0.00
2.2 Closing balance of called up share capital	0.00	0.00
3. Opening balance of own shares	0.00	0.00
a) increases	0.00	0.00
b) decreases	0.00	0.00
3.1 Closing balance of own shares	0.00	0.00
4. Opening balance of supplementary capital	0.00	0.00
4.1 Changes in supplementary capital	0.00	0.00
a) increases (due to)	0.00	0.00
-- share issue above nominal value	0.00	0.00
-- from profit distribution (statutory)	0.00	0.00
-- from profit distribution (over the statutory minimum value)	0.00	0.00
b) decreases (due to)	0.00	0.00
-- loss coverage	0.00	0.00
4.2 Closing balance of supplementary capital	0.00	0.00
5. Opening balance of revaluation reserve	0.00	0.00
5.1 Changes in revaluation reserve	0.00	0.00
a) increase (due to)	0.00	0.00
b) decrease (due to)	0.00	0.00
-- sales of tangible fixed assets	0.00	0.00
5.2 Closing balance of revaluation reserve	0.00	0.00
6. Opening balance of other reserve capitals	0.00	0.00
6.1 Changes in other reserve capitals	0.00	0.00
a) increase due to	0.00	0.00
b) decrease due to	0.00	0.00
6.2 Closing balance of other reserve capitals	0.00	0.00
7. Opening balance of profit (loss) from previous years	0.00	0.00
7.1 Opening balance of profit from previous years	0.00	0.00
- adjustments of fundamental accounting errors	0.00	0.00
7.2 Opening balance of previous years' profit after adjustments	0.00	0.00
a) increase due to	0.00	0.00
-- distribution of previous years' profit	0.00	0.00
b) decreases (due to)	0.00	0.00
7.3 Closing balance of previous years' profit	0.00	0.00
7.4 Opening balance of previous years' loss	0.00	0.00
-- adjustments of fundamental accounting errors	0.00	0.00
7.5 Opening balance of previous years' loss after adjustments	0.00	0.00
a) increase (due to)	0.00	0.00
-- previous years' loss brought forward	0.00	0.00
b) decrease (due to)	0.00	0.00
7.6 Closing balance of previous years' loss	0.00	0.00
7.7 Closing balance of previous years' profit (loss)	0.00	0.00
8. Net result	5 766 856.83	32 408 953.05
a) Net profit	7 585 149.24	32 892 096.46
b) Net loss	-1 818 292.41	-483 143.41
c) write-offs on profit	0.00	0.00
II. Closing balance of equity	938 427 931.62	1 059 526 882.57
III. Equity including proposed profit distribution (loss coverage)	938 420 134.84	1 059 526 882.57

Consolidated Cash Flow Statement
for the period from 01 January to 31 December 2007
All figures given in Polish Zloty (PLN)

Inventory 1	Previous Year 2	Current year 3
A. Cash flows from operating activities	-266 415 004.79	77 432 814.18
I. Net gain/net loss	5 766 856.83	32 408 953.05
II. Total adjustments	-272 181 861.62	45 023 861.13
1. Amortization and depreciation	27 745 004.51	38 333 760.18
2. Currency exchange gains (losses)	822 042.29	962 811.83
3. Interest and profit sharing (dividends)	-318 349.77	-896 501.99
4. Profit (loss) on investment activities	-5 036 801.71	-286 090.23
5. Changes in provisions	7 743 464.78	3 053 597.05
6. Changes in stock	-321 092.76	41 871.26
7. Changes in receivables	-15 391 780.41	-6 303 573.41
8. Change in short-term liabilities excluding credits and loans	-611 134.02	9 529 707.08
9. Change in prepayments and accruals	-45 667 837.82	619 733.04
10. Other adjustments	-241 145 376.71	-31 453.68
III. Net cash flows from operating activities (I +/- II)	-266 415 004.79	77 432 814.18
B. Cash flows from investment activities	-45 433 247.14	-118 665 051.98
I. Inflows	151 829 395.09	15 493 359.13
1. Disposal of intangible and tangible fixed assets	8 717 820.30	5 996 502.87
2. Disposal of investments in real estate and intangible and legal assets	0.00	0.00
3. From financial assets, including:	130 960 107.85	893 488.63
a) in related entities	0.00	0.00
--sales of financial assets	0.00	0.00
--dividend and profit sharing	0.00	0.00
--repayment of granted long-term loans	0.00	0.00
--interest	0.00	0.00
--other inflows from financial assets	0.00	0.00
b) in other entities	130 960 107.85	893 488.63
--sales of financial assets	130 644 107.85	0.00
--dividend and profit sharing	316 000.00	893 488.63
--repayment of granted long-term loans	0.00	0.00
--interest	0.00	0.00
--other inflows from financial assets	0.00	0.00
4. Other inflows from investment activities	12 151 466.94	8 603 367.63
II. Outflows	197 262 642.23	134 158 411.11
1. Purchase of intangible assets and tangible fixed assets	58 782 925.78	131 530 977.84
2. Investments in real estate and intangible and legal assets	0.00	0.00
3. For financial assets, including:	132 679 027.22	252 719.60
a) in related entities	0.00	0.00
--purchase of financial assets	0.00	0.00
--long-term loans granted	0.00	0.00
b) in other entities	132 679 027.22	252 719.60
--purchase of financial assets	132 679 027.22	252 719.60
--long-term loans granted	0.00	0.00
4. Other outflows from investment activities	5 800 689.23	2 374 713.67
III. Net cash flows from investment activities (I-II)	-45 433 247.14	-118 665 051.98
C. Cash flows from financial activities	331 386 691.11	94 335 666.14
I. Inflows	332 341 786.72	94 343 463.88
1. Net inflows from the issue of shares and other capital instruments and from capital contributions	0.00	5 000.00
2. Credits and loans	0.00	0.00
3. Issue of debt securities	0.00	0.00
4. Other inflows from financial activities	332 341 786.72	94 338 463.88
II. Outflows	955 095.61	7 797.74
1. Purchase of own shares	0.00	0.00
2. Dividend and other payments to shareholders	0.00	0.00
3. Profit distribution liabilities other than profit distribution payments to shareholders	0.00	7 796.78
4. Repayment of credits and loans	0.00	0.00
5. Redemption of debt securities	0.00	0.00
6. Payment of other financial liabilities	0.00	0.00
7. Payment of liabilities arising from financial leases	0.00	0.00
8. Interest	1.74	0.96
9. Other outflows from financial activities	955 093.87	0.00
III. Net cash flows from financial activities (I-II)	331 386 691.11	94 335 666.14
D. Total net cash flows (A.III. +/- B.III +/- C.III)	19 538 439.18	53 103 428.34
E. Balance sheet change in cash, including:	19 538 439.18	52 140 616.51
--change in cash due to currency exchange rate differences	0.00	962 811.83
F. Opening cash balance	182 728 343.51	202 266 782.69
G. Closing cash balance (F+/-D), including:	202 266 782.69	255 370 211.03
--of limited disposability	12 907 155.61	16 721 898.25

Independent auditors' report

I. To the Senate of the Jagiellonian University in Krakow

II. We have audited the attached financial statements of the Jagiellonian University in Krakow, with its seat at Gołębia Street 24, which consists of:

1. An introduction to the financial statements.
2. A balance sheet prepared on 31 December 2007, which on the side of assets and liabilities is summed at 1,677,522,538.41 Polish Zloty (PLN).
3. Statements of income and losses for the fiscal year from 01 January to 31 December in 2007 showing a net profit of 32,408,953.05 Polish Zloty (PLN).
4. Specification of changes in JU's fund for the fiscal year 01 January to 31 December 2007 showing an increase of 121,098,950.95 Polish Zloty (PLN) in the fund.
5. Cash flows for the fiscal year of 2007, from 01 January to 31 December 2007 showing a growth in finances to the amount of 52,140,616.51 Polish Zloty (PLN).
6. Additional information and explanations.

These financial statements are the responsibility of the Rector of the Jagiellonian University. Our audit work has been undertaken so that we might state to the Senate's members those matters we are required to state to it in an auditors' report and for no other purpose. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements.

III. The auditing of these financial statements was conducted in accordance with generally accepted auditing standards:

- 1) Chapter 7 of the Act of 29 September 1994 on Accounting (Official Legal Gazette of 2002, No. 76, item 694 with subsequent changes.
- 2) The norms of good practice pertaining to the profession of a licensed auditor, as stated by the National Association of Licensed Auditors in Poland.
- 3) The Act on Higher Education of 27 July 2005 (Official Legal Gazette of 2005 No. 164, item 1365).

IV. The auditing of the financial statements was planned and carried out in such a way as to obtain reasonable assurance, which enabled the expression of an opinion as to these financial statements. In particular, the audit includes an assessment of the accounting principles employed by the University as well as significant estimates and judgements made by the University, supporting the amounts and disclosures which have resulted in the figures and information included in these financial statements. The audit also contains an evaluation of the overall financial statement presentation. We believe that the audit provides a reasonable basis for our opinion.

In our opinion, the audited financial statements, including figures and explanations :

- a. give a true and fair view of the state of affairs of the University allowing for an assessment of the financial position of the audited University as at 31 December 2007, as well as the financial result for the year 2007 then ended.
- b. were properly prepared in all important aspects in accordance with the above mentioned accounting principles, these being applied successively and on the basis of properly conducted accounting books.
- c. are in accordance with the relevant accounting laws as well as being applied in accordance with the University's statute, rules and regulations.

By the standards expressed in article 49 on accounting principles, the statements pertaining to the University's operations are complete and the information included is in accordance with the audited financial statements.

This audit was prepared by

Ryszard Bobrowski
Statutory Auditor
Reg. No. 252/3745

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President
Statutory auditor
Jozefa Sasulska MA
Reg. No. 3552/1414

Krakow, 15 May 2008

Resolution No. 38/VI/2008
of the Senate of the Jagiellonian University

25 June 2008

On the approval of the consolidated financial statements of JU for 2007
and the division of profit
-accepted unanimously, in an open vote:

Acting pursuant to § 133 of the Statute of the Jagiellonian University, the Senate adopted in an open vote and approved the consolidated financial statements for the year 2007 submitted by the Bursar of the Jagiellonian University, these consisting of:

- 1) The aggregate balance sheet at 31 December 2007, closing on assets and liabilities to the amount of: 1,677,522,538.41 Polish Zloty (PLN).
- 2) The aggregate account of total recognised gains and losses for the period 1 January 2007 - to 31 December 2007 showing a net profit to the amount of 32,408,953.05 Polish Zloty (PLN).
- 3) The consolidated statement of changes in equity at 31 December 2007, showing an increase of capital in the amount of 121,098,950.95 Polish Zloty (PLN).
- 4) Cumulative cash flow in the period between 1 January 2007 and 31 December 2007 showing an increase in cash flow to the amount of 52,140,616.51 Polish Zloty (PLN).

The net profit to the amount of 32,408,953.05 Polish Zloty (PLN), consists of:

- 1) Net profit JU : 32,892,096.46 Polish Zloty (PLN).
- 2) Net loss of the Łazy Agricultural Research Institute: -49,570.12 Polish Zloty (PLN).
- 3) Net loss of the "Pod Berłami" Conference Centre -3,942,82 Polish Zloty (PLN).
- 4) Net loss of the Medical College: -429,630.47 Polish Zloty (PLN).

Simultaneously the Senate of the Jagiellonian University approved the division of the financial results for the year 2007 proposed by the Bursar of the JU.

- 1) The Jagiellonian University's profit is allocated to the University's Primary Fund.
- 2) The Łazy Agricultural Research Institute's loss will be covered by the Agricultural Research Institute's Primary Fund.
- 3) The Conference Centre's loss will be covered by the Centre's Primary Fund.
- 4) The Medical College's loss will be covered by the Medical College's Primary Fund.