

**Financial Statement  
Jagiellonian University  
31-007 Krakow, 24 Golebia Street  
REGON 000001270  
PKD (EKD) 80.30.A**

**Introduction  
to the consolidated financial statement for 2016**

**1. *The Entity's name, registered office, main business and the number of current entry in the Register of Business Entities.***

The Jagiellonian University based in Krakow being 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 seat of the University authorities being at Gołębia Street 24, 31-007, Kraków, Poland.

The University's legal basis and operative status is based upon:

- 1) The act passed on 27 July 2005; the Act on Higher Education (Official Legal Gazette of 2012, item 572, with later amendments).
- 2) The statute of the Jagiellonian University passed by the Senate of the Jagiellonian University on 7 June 2006, with amendments.
- 3) The Jagiellonian University's organizational regulations.

The University is not subject to registration in a separate register.

The subject of the University's activities is:

- 1) 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,
- 2) an auxiliary function experimental, economic or service in nature,
- 3) administrative activities of the University subordinate to its fundamental activities.

**2. *The duration the activity of the unit, if limited in scope.***

Not applicable.

**3. *The period covered by the financial statement.***

The annual financial statement was prepared for the period 01 January 2016 to 31 December 2016.

**4. Indication as to whether the financial statement incorporates combined data, whether the university comprises internal organizational units which conduct independent accounts and financial statements.**

The financial statement incorporates combined data. The following independent subsidiary undertakings conducting independent accounts and financial statements operate within the framework of the Jagiellonian University:

- 1) The Jagiellonian University in Krakow
- 2) Collegium Medicum, the Jagiellonian University's medical college in Krakow
- 3) The Łazy Agricultural Research Institute in Rzeszawa

**5. Indication as to whether the accounts and financial statement have been prepared with a view to the continuation of economic activities on the part of the undertaking in the foreseeable future as well as indication as to whether there are any risks pertaining to the continuation of activities by the said.**

The financial statement was drawn up upon the assumption that activities would be continued within the foreseeable future. The financial situation of the Jagiellonian University is stable with no known circumstances that could endanger the said continuation of activities.

**6. In the case of a financial statement covering a period during which a merger took place indication should be made that the statement was drawn up following such a merger, as well as indication of the methods employed under which the merger was accounted (i.e., acquisition, merger shares).**

Not applicable.

**7. An overview of accounting method policies adopted, including valuation of assets and liabilities, (depreciation as well) determination of financial results and the means by which the financial statements were drawn up, in as far as the law enables the undertaking the right to choose.**

Methods of assets and liabilities valuation and the determination of financial results:

In the financial year 2016 assets and liabilities are valued according to the principles of the Act on Accounting, however:

- 7a. Fixed assets and intangible and legal assets - at cost of purchase, decreased by accumulated depreciation and remission as well as charge-offs related to the fixed loss of value.
- 7b. Fixed assets under construction: according to the purchase price and the remaining production costs remaining in direct relation to their acquisition or production, decreased by charge-offs resulting from a fixed loss of value.
- 7c. Purchases related to both taxable and tax exempt sales incorporated a 17% rate of VAT.

- the 13% pre-tax rate was applied to the taxable, exempt and non-taxable purposes, followed by the VAT structure index of 17% (deduction of 2.21%).
- the 13% pre-tax rate was applied to the taxable and non-taxable purposes.

7d. Shares and stocks according to the acquisition prices, decreased by charge-offs in fixed value.

7e. Product reserves according to the purchase prices (actual), material outgoings on the basis of the 'first in, first out' method.

7f. Production in progress to the amount of direct production costs as well as of valid indirect costs.

7g. End products according to production costs not exceeding the net sale price.

7h. Monies, capital (funds), other assets and liabilities based on nominal value.

7i. Determination of rates of depreciation:

- Buildings and structures in accordance with the Act on Higher Education are only amortized within the obligation of the primary fund,
- Fixed assets from groups 3-8:
  - Newly purchased and adopted from construction – straight-line depreciation
  - Used – individual method
  - The law on perpetual land use – individual method
  - Licences for computer programs and copy right – 24 months
- Fixed assets purchased for project realisation – individual method in accordance with the agreement duration, in as far as the agreement is not worded differently,
- Academic-research apparatus and equipment is included in fixed assets and amortized once which is charged in the month of purchase the costs of academic-research activities.

7j. The value of realised receivables creating a charge-off actualising impairment charges and interest rate risk.

7k. The value of liabilities is shown in the amount requiring payment.

7l. The Jagiellonian University has prepared a statement of profits and losses in a comparative form, and a statement of indirect monetary flow.

Deputy Bursar

Bursar

Rector

Krystyna Cabała-Kotlarz M.A

Teresa Kapcia M.A

Prof. Wojciech Nowak, MD, PhD

Kraków, 26 April 2017

| <b>Jagiellonian University<br/>Gołębia Street 24<br/>31-007 KRAKOW</b>                                      | <b>Consolidated Income and Expenditure<br/>Account of Entities<br/>For the year ended 31 December 2016</b><br>(All figures given in Polish Zloty (PLN) to two decimal points) |  |
|---|---|--|
| ASSETS  | Balance on the day of<br>31.12.2016 r.  | Balance on the day of<br>31.12.2015 r. |
| <b>A. Fixed assets</b>  | <b>3 325 507 170,18</b>   | <b>3 116 295 404,19</b>                |
| I. Intangible fixed assets and legal assets   | 1 704 785,33  | 3 228 367,81                           |
| 1. Research and development expenditure   | 0,00  | 0,00                                   |
| 2. Goodwill   | 0,00  | 0,00                                   |
| 3. Other intangible fixed assets  | 1 688 586,23  | 3 197 857,91                           |
| 4. Advances payments for intangible and legal assets  | 16 199,10   | 30 509,90                              |
| II. Tangible fixed assets   | 2 930 867 430,68  | 2 777 221 944,18                       |
| 1. Tangible fixed assets in use   | 2 387 574 240,20  | 2 452 276 369,24                       |
| a) land (including the right to perpetual usufruct)   | 1 000 842 375,16  | 1 023 890 230,05                       |
| b) buildings, premises, engineering objects water and land  | 1 145 658 819,32  | 1 134 375 730,14                       |
| c) technical equipment, machines  | 57 942 867,90   | 75 873 233,26                          |
| d) means of transportation  | 1 389 888,52  | 1 269 026,51                           |
| e) other fixed assets   | 181 740 289,30  | 216 868 149,28                         |
| 2. Fixed assets under construction  | 534 186 456,75  | 320 888 270,10                         |
| 3. Advance payments for fixed assets under construction   | 9 106 733,73  | 4 057 304,84                           |
| III. Long term accounts receivable  | 271 593 952,77  | 227 264 886,62                         |
| 1. From related entities  | 0,00  | 0,00                                   |
| 2. From other entities in which an entity owns capital commitment   | 0,00  | 0,00                                   |
| 3. From other entities  | 271 593 952,77  | 227 264 886,62                         |
| IV. Long term investments   | 20 717 295,36   | 32 729 212,54                          |
| 1. Real estate  | 1 214 233,22  | 1 372 893,80                           |
| 2. Intangible and legal assets  | 0,00  | 0,00                                   |
| 3. Long-term financial assets   | 19 503 062,14   | 31 356 318,74                          |
| a) in related entities  | 0,00  | 0,00                                   |
| – shares or stocks  | 0,00  | 0,00                                   |
| – 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 in which an entity owns capital commitment   | 0,00  | 0,00                                   |
| – shares or stocks  | 0,00  | 0,00                                   |
| – other securities  | 0,00  | 0,00                                   |
| – loans granted   | 0,00  | 0,00                                   |
| – other long term financial assets  | 0,00  | 0,00                                   |
| c) in other entities  | 19 503 062,14   | 31 356 318,74                          |
| – shares or stocks  | 403 062,14  | 12 256 318,74                          |
| – other securities  | 0,00  | 0,00                                   |
| – loans granted   | 19 100 000,00   | 19 100 000,00                          |
| – 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   | 100 623 706,04  | 75 850 993,04                          |
| 1. Assets from deferred income tax  | 0,00  | 0,00                                   |
| 2. Other midterm settlements  | 100 623 706,04  | 75 850 993,04                          |
| <b>B. Current assets</b>  | <b>876 050 461,60</b>   | <b>768 423 635,48</b>                  |
| I. Stocks held  | 5 021 651,52  | 11 096 976,51                          |
| 1. Materials (supplies)   | 271 793,54  | 240 726,97                             |
| 2. Semi-finished products and products under realisation  | 1 166 836,84  | 1 043 295,25                           |
| 3. Finished products  | 1 449 936,44  | 1 834 520,10                           |
| 4. Goods  | 0,00  | 0,00                                   |
| 5. Advances on deliveries and services  | 2 133 084,70  | 7 978 434,19                           |
| II. Short term accounts receivable  | 244 340 526,84  | 225 231 627,45                         |
| 1. Receivables 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 in which an entity owns capital commitment                               | 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                                   |
| 3. Receivables from other entities  | 244 340 526,84  | 225 231 627,45                         |
| a) receivables for deliveries, services, terms of repayment:  | 13 017 480,38   | 10 493 892,64                          |
| – up to 12 months   | 13 017 480,38   | 10 481 915,19                          |
| – over 12 months  | 0,00  | 11 977,45                              |
| b) receivables from taxes, donations, social security payments, health insurance and other social insurance | 208 966 824,92  | 192 261 750,51                         |
| c) others   | 22 356 221,54   | 22 475 984,30                          |
| d) court claims   | 0,00  | 0,00                                   |
| III. Short-term investments   | 620 680 856,74  | 528 937 131,85                         |
| 1. Short-term financial assets  | 620 680 856,74  | 528 937 131,85                         |
| a) in related entities  | 0,00  | 0,00                                   |
| – shares or stocks  | 0,00  | 0,00                                   |
| – other securities  | 0,00  | 0,00                                   |
| – loans granted   | 0,00  | 0,00                                   |
| – other short-term financial assets   | 0,00  | 0,00                                   |
| b) in other entities  | 62 012 348,76   | 166 879 289,96                         |
| – shares or stocks  | 0,00  | 0,00                                   |
| – other securities  | 0,00  | 0,00                                   |
| – loans granted   | 641 760,00  | 530 022,78                             |
| – other short-term financial assets   | 61 370 588,76   | 166 349 267,18                         |
| c) monies and other monetary assets   | 558 668 507,98  | 362 057 841,89                         |
| – pecuniary assets held in accounts   | 343 240 738,17  | 308 193 015,38                         |
| – other monies  | 215 427 769,81  | 53 864 826,51                          |
| – other monetary assets   | 0,00  | 0,00                                   |
| 2. Other short-term investments   | 0,00  | 0,00                                   |
| IV. Short-term prepayments and accruals   | 6 007 426,50  | 3 157 899,67                           |
| <b>C. Called up share capital</b>   | <b>0,00</b>   | <b>0,00</b>                            |
| <b>D. Own shares</b>  | <b>0,00</b>   | <b>0,00</b>                            |
| <b>Total assets</b>   | <b>4 201 557 631,78</b>   | <b>3 884 719 039,67</b>                |

| <b>Jagiellonian University<br/>Gołębia Street 24<br/>31-007 KRAKOW</b>                       | <b>Consolidated Income and Expenditure Account of Entities<br/>For the year ended 31 December 2016</b><br>(All figures given in Polish Zloty (PLN) to two decimal points) |  |
|--|---|--|
| LIABILITIES  | Balance on the day<br>of 31.12.2016 r.  | Balance on the day<br>of 31.12.2015 r. |
| <b>A. Own capital (fund)</b>   | <b>2 141 608 426,05</b>   | <b>2 149 194 435,39</b>                |
| I. Primary capital (fund)  | 2 115 175 840,95  | 2 158 982 153,99                       |
| II. Called up share capital (negative value) including:                                      | 0,00  | 0,00                                   |
| – The surplus of sales value (issue value) over nominal value of shares                      | 0,00  | 0,00                                   |
| III. Own shares (negative value) including:  | 0,00  | 0,00                                   |
| – From change in fair value  | 0,00  | 0,00                                   |
| IV. Supplementary capital including:   | 0,00  | 0,00                                   |
| – Drafted in compliance with the Statutes  | 0,00  | 0,00                                   |
| – For own shares   | 0,00  | 0,00                                   |
| V. Profit (loss) from previous years   | 0,00  | -38 304 905,51                         |
| VI. Net profit (loss)  | 26 432 585,10   | 28 517 186,91                          |
| VII. Write-off on net profit during the financial year (negative value)                      | 0,00  | 0,00                                   |
| <b>B. Liabilities and provisions for liabilities</b>   | <b>2 059 949 205,73</b>   | <b>1 735 524 604,28</b>                |
| I. Provisions for liabilities  | 314 030 495,51  | 310 809 300,00                         |
| 1. Provision for deferred income tax   | 0,00  | 0,00                                   |
| 2. Provision set aside for retirement pensions and similar benefits                          | 139 514 844,69  | 140 711 087,08                         |
| – long-term  | 63 981 768,88   | 65 723 595,05                          |
| – short-term   | 75 533 075,81   | 74 987 492,03                          |
| 3. Other provisions  | 174 515 650,82  | 170 098 212,92                         |
| – long-term  | 69 687 573,59   | 73 262 934,00                          |
| – short-term   | 104 828 077,23  | 96 835 278,92                          |
| II. Long-term liabilities  | 55 195 444,65   | 4 117 061,61                           |
| 1. To related entities   | 0,00  | 0,00                                   |
| 2. Towards other entities in which an entity owns capital commitment                         | 0,00  | 0,00                                   |
| 3. Towards other entities  | 55 195 444,65   | 4 117 061,61                           |
| 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) promissory notes  | 0,00  | 0,00                                   |
| e) others  | 55 195 444,65   | 4 117 061,61                           |
| III. Short-term liabilities  | 173 171 231,21  | 161 726 500,53                         |
| 1. Liabilities towards 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. Liabilities towards other entities in which an entity owns capital commitment             | 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                                   |
| 3. Liabilities towards other entities  | 122 886 022,59  | 114 525 931,24                         |
| 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:  | 28 181 241,79   | 30 263 725,19                          |
| – up to 12 months  | 28 181 241,79   | 30 263 725,19                          |
| – over 12 months   | 0,00  | 0,00                                   |
| e) received advances on deliveries and services  | 0,00  | 0,00                                   |
| f) promissory notes  | 0,00  | 0,00                                   |
| g) from taxes, duties, social security payments, health insurance and other social insurance | 38 106 852,18   | 37 635 070,96                          |
| h) for remuneration (pay)  | 30 580 335,52   | 28 105 576,62                          |
| i) others  | 26 017 593,10   | 18 521 558,47                          |
| 4. Special Funds   | 50 285 208,62   | 47 200 569,29                          |
| a) University welfare benefit fund   | 33 153 810,29   | 34 258 504,73                          |
| b) Material assistance fund  | 15 158 155,28   | 11 611 734,12                          |
| c) The University's scholarship fund   | 1 973 243,05  | 1 330 330,44                           |
| d) The University development fund   | 0,00  | 0,00                                   |
| e) other special funds   | 0,00  | 0,00                                   |
| IV. Prepayments and accruals   | 1 517 552 034,36  | 1 258 871 742,14                       |
| 1. Negative goodwill   | 0,00  | 0,00                                   |
| 2. Other accruals  | 1 517 552 034,36  | 1 258 871 742,14                       |
| – long-term  | 813 418 829,04  | 670 885 917,46                         |
| – short-term   | 704 133 205,32  | 587 985 824,68                         |
| <b>Total Liabilities</b>   | <b>4 201 557 631,78</b>   | <b>3 884 719 039,67</b>                |

\*Only the funds should be included which fulfill the provisions in compliance with Article 101 section 1 point 2 of the Act of Higher Education dated 27th July 2005 (uniform text published in the Journal of Laws of 2012, Item 572 with subsequent amendments)

Deputy Bursar

Bursar

Rector

Krystyna Cabała-Kotlarz M.A

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| <b>Jagiellonian University<br/>Gołębia Street 24<br/>31-007 KRAKOW</b>         | <b>Consolidated Statement of Total Recognised Gains and<br/>Losses<br/>for the period from 01 January to 31 December 2016<br/>(All figures given in Polish Zloty (PLN) to two decimal points)</b> |                         |
|--|---|-------------------------|
| <b>Inventory</b>   | <b>31.12.2016 r.</b>  | <b>31.12.2015 r.</b>    |
| <b>A. Net revenues from sales of products, goods and materials, including:</b> | <b>1 092 070 656,09</b>   | <b>1 086 794 214,51</b> |
| – from related entities  | 0,00  | 0,00                    |
| I. Net revenues from sales of products   | 1 087 478 300,05  | 1 100 655 176,11        |
| II. Change in product state (increase-positive value, decrease-negative value) | 3 737 925,68  | -14 778 284,29          |
| III. Product production cost for an entity's own requirements                  | 851 689,27  | 916 911,10              |
| IV. Net revenue from product and material sales                                | 2 741,09  | 411,59                  |
| <b>B. Operational activity costs</b>   | <b>1 057 039 136,29</b>   | <b>1 044 206 886,90</b> |
| I. Depreciation  | 110 193 802,87  | 100 631 277,09          |
| II. Material and energy usage  | 77 505 256,25   | 80 616 216,51           |
| III. External services   | 87 444 230,91   | 89 591 405,73           |
| IV. Taxes and payments, including:   | 1 476 684,27  | 1 047 641,03            |
| – excise (duty) tax  | 7 135,00  | 6 326,88                |
| V. Remuneration  | 566 264 371,33  | 558 227 457,64          |
| VI. Social security payments and other benefits including:                     | 150 094 583,14  | 148 363 844,74          |
| – pension  | 47 805 108,84   | 46 577 322,16           |
| VII. Other costs   | 64 058 921,78   | 65 728 251,48           |
| VIII. The value of sold products and materials                                 | 1 285,74  | 792,68                  |
| <b>C. Gross profit (loss) on sales (A-B)</b>                                   | <b>35 031 519,80</b>  | <b>42 587 327,61</b>    |
| <b>D. Other operating revenues</b>   | <b>25 442 305,40</b>  | <b>21 315 986,17</b>    |
| I. Profit on non-financial fixed assets disposal                               | 503 947,79  | 2 150 397,45            |
| II. Subsidies  | 8 265,22  | 8 199,04                |
| III. Updating of fixed assets values   | 1 808 181,39  | 2 271 741,98            |
| IV. Other operating revenues   | 23 121 911,00   | 16 885 647,70           |
| <b>E. Other operational expenses</b>   | <b>29 101 245,92</b>  | <b>42 029 232,00</b>    |
| I. Loss on non-financial fixed assets disposal                                 | 0,00  | 0,00                    |
| II. Updating of fixed assets values  | 3 809 234,13  | 2 044 557,85            |
| III. Other operational expenses  | 25 292 011,79   | 39 984 674,15           |
| <b>F. Profit (loss) from operational activity (C+D-E)</b>                      | <b>31 372 579,28</b>  | <b>21 874 081,78</b>    |
| <b>G. Financial revenue</b>  | <b>10 150 349,50</b>  | <b>7 772 321,94</b>     |
| I. Dividends and shares in profits, including:                                 | 0,00  | 0,00                    |
| a) From related entities including:  | 0,00  | 0,00                    |
| – In which an entity owns capital commitment                                   | 0,00  | 0,00                    |
| b) From other entities including:  | 0,00  | 0,00                    |
| – In which an entity owns capital commitment                                   | 0,00  | 0,00                    |
| II. Interest, including:   | 7 452 401,24  | 7 616 159,15            |
| – from related units   | 0,00  | 0,00                    |
| III. Profit from investment sales  | 0,00  | 0,00                    |
| – In related entities  | 0,00  | 0,00                    |
| IV. Updating investments' value  | 1 607,45  | 156 162,79              |
| V. Others  | 2 696 340,81  | 0,00                    |
| <b>H. Financial costs</b>  | <b>14 916 761,68</b>  | <b>934 683,81</b>       |
| I. Interest, including:  | 481 214,76  | 399 138,22              |
| – from related entities  | 0,00  | 0,00                    |
| II. Loss from investment sales including:                                      | 0,00  | 1 155,79                |
| – In related entities  | 0,00  | 0,00                    |
| III. Updating investment values  | 11 855 518,19   | 2 464,91                |
| IV. Others   | 2 580 028,73  | 531 924,89              |
| <b>I. Gross profit (loss)</b>  | <b>26 606 167,10</b>  | <b>28 711 719,91</b>    |
| <b>J. Income Tax</b>   | <b>173 582,00</b>   | <b>194 533,00</b>       |
| <b>K. Other statutory reductions in profit (increases in loss)</b>             | <b>0,00</b>   | <b>0,00</b>             |
| <b>L. Net gain (loss)</b>  | <b>26 432 585,10</b>  | <b>28 517 186,91</b>    |

Deputy Bursar

Bursar

Rector

Krystyna Cabała-Kotlarz M.A

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Kraków, 26 April 2017

The Jagiellonian University, The Jagiellonian University's medical college 'Collegium Medicum',  
the Łazy Agricultural Research Institute

| Jagiellonian University<br>Golebia Street 24<br>31-007 KRAKOW  | Consolidated Cash Flow Statement<br>for the period from 01 January to 31 December 2016 |                         |
|--|--|-------------------------|
| Inventory  | 31.12.2016 r.  | 31.12.2015 r.           |
| <b>A. Cash flows from operating activities</b>   |  |                         |
| <b>I. Net gain/net loss</b>  | <b>26 432 585,10</b>   | <b>28 517 186,91</b>    |
| <b>II. Total adjustments</b>   | <b>332 900 635,00</b>  | <b>337 652 370,78</b>   |
| 1. Depreciation  | 110 203 328,98   | 100 639 029,52          |
| 2. Currency exchange gains (losses)  | -2 537 427,70  | 381 298,69              |
| 3. Interest and profit sharing (dividends)   | -1 673 511,17  | -529 984,93             |
| 4. Profit (loss) on investment activities  | 12 137 728,61  | -1 700 464,90           |
| 5. Changes in provisions   | 3 221 195,51   | 115 437 626,96          |
| 6. Changes in stock  | 6 075 324,99   | -3 495 213,13           |
| 7. Changes in receivables  | -63 437 965,54   | 82 187 753,04           |
| 8. Change in short-term liabilities excluding credits and loans                                      | 33 295 060,38  | 51 102 819,54           |
| 9. Change in prepayments and accruals  | 234 646 709,01   | 18 571 418,15           |
| 10. Other adjustments  | 970 191,93   | -24 941 912,16          |
| <b>III. Net cash flows from operating activities (I +/- II)</b>                                      | <b>359 333 220,10</b>  | <b>366 169 557,69</b>   |
| <b>B. Cash flows from investment activities</b>  |  |                         |
| <b>I. Inflows</b>  | <b>170 765 078,12</b>  | <b>5 536 376,41</b>     |
| 1. Disposal of intangible and tangible fixed assets  | 2 854 036,99   | 5 127 885,07            |
| 2. Disposal of investments in real estate and in intangible and legal assets                         | 0,00   | 0,00                    |
| 3. From financial assets, including:   | 167 911 041,13   | 408 491,34              |
| a) in related parties  | 0,00   | 0,00                    |
| – sale 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   | 167 911 041,13   | 408 491,34              |
| – sale of financial assets   | 0,00   | 148 844,21              |
| – dividend and profit sharing  | 0,00   | 0,00                    |
| – repayment of granted long-term loans   | 0,00   | 0,00                    |
| – interest   | 1 531 167,33   | 259 647,13              |
| – other inflows from financial assets  | 166 379 873,80   | 0,00                    |
| 4. Other inflows from investment activities  | 0,00   | 0,00                    |
| <b>II. Outflows</b>  | <b>336 025 059,83</b>  | <b>504 492 212,95</b>   |
| 1. Purchase of intangible assets and tangible fixed assets   | 274 024 711,85   | 326 985 139,76          |
| 2. Investments in real estate and intangible and legal assets  | 0,00   | 0,00                    |
| 3. For financial assets, including:  | 61 370 888,76  | 177 049 267,18          |
| 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   | 61 370 888,76  | 177 049 267,18          |
| – purchase of financial assets   | 0,00   | 0,00                    |
| – long-term loans granted  | 0,00   | 10 700 000,00           |
| – deposits with repurchase date between 3 and 12 months  | 61 370 588,76  | 166 349 267,18          |
| 4. Other outflows from investment activities   | 629 459,22   | 457 806,01              |
| <b>III. Net cash flows from investment activities (I-II)</b>   | <b>- 165 259 981,71</b>  | <b>- 498 955 836,54</b> |
| <b>C. Cash flows from financial activities</b>   |  |                         |
| <b>I. Inflows</b>  | <b>0,00</b>  | <b>0,00</b>             |
| 1. Net inflows from the issue of shares and other capital instruments and from capital contributions | 0,00   | 0,00                    |
| 2. Credits and loans   | 0,00   | 0,00                    |
| 3. Issue of debt securities  | 0,00   | 0,00                    |
| 4. Other inflows from financial activities   | 0,00   | 0,00                    |
| <b>II. Outflows</b>  | <b>0,00</b>  | <b>0,00</b>             |
| 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   | 0,00                    |
| 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  | 0,00   | 0,00                    |
| 9. Other outflows from financial activities  | 0,00   | 0,00                    |
| <b>III. Net cash flows from financial activities (I-II)</b>  | <b>0,00</b>  | <b>0,00</b>             |
| <b>D. Total net cash flows (A.III. +/- B.III +/- C.III)</b>  | <b>194 073 238,39</b>  | <b>-132 786 278,85</b>  |
| <b>E. Balance sheet change in cash, including:</b>   | <b>196 610 666,09</b>  | <b>-133 167 577,54</b>  |
| – change in cash due to currency exchange rate differences   | 2 537 427,70   | -381 298,69             |
| <b>F. Opening cash balance</b>   | <b>362 057 841,89</b>  | <b>495 225 419,43</b>   |
| <b>G. Closing cash balance (F+/-D), including:</b>   | <b>556 131 080,28</b>  | <b>362 439 140,58</b>   |
| – of limited disposability   | 216 148 971,64   | 150 615 596,84          |

Deputy Bursar

Bursar

Rector

Krystyna Cabała-Kotlarz M.A

Teresa Kaptcia M.A

Prof. Wojciech Nowak, MD, PhD

Kraków, 26 April 2017

**Consolidated Statement of Changes in Equity (funds)  
for the period 01 January to 31 December 2016**

The Jagiellonian University, The Jagiellonian University's medical college 'Collegium Medicum',  
the Łazy Agricultural Research Institute

| Inventory   | Current year            | Previous year           |
|---|-------------------------|-------------------------|
| <b>I. Opening balance of equity</b>   | <b>2 149 194 435,39</b> | <b>2 114 820 602,80</b> |
| – Changes of accounting methods (policy) adopted  | -                       | -                       |
| – adjustments of fundamental errors   | -                       | -38 304 905,51          |
| I.a Opening balance of equity after adjustments   | 2 149 194 435,39        | 2 076 515 697,29        |
| 1. Opening balance of equity  | 2 158 982 153,99        | 2 109 217 311,97        |
| 1.1. Changes in share capital (funds)   | -43 806 313,04          | 49 764 842,02           |
| a) increase (due to)  | 32 184 437,85           | 100 801 265,56          |
| – additional fixed assets construction funding (non-depreciatory)   | 3 595 251,01            | 68 531 414,45           |
| – change from the right to perpetual usufruct to land ownership   | -                       | -                       |
| – capital adopted from liquidation of the internal entity (The 'Pod Berłami' Conference Centre in Zakopane) | -                       | -                       |
| – net profit from the previous year   | 28 589 186,84           | 20 166 734,16           |
| – donation of fixed assets from group II, I   | -                       | 191 673,00              |
| – disclosure /fixed assets/   | -                       | 11 911 443,95           |
| b) decrease (due to)  | 75 990 750,89           | 51 036 423,54           |
| – amortization of fixed assets  | 37 613 845,45           | 36 472 980,21           |
| – covering the loss of the previous year  | 38 376 905,44           | 14 563 443,33           |
| – others  | -                       | -                       |
| 1.2. Closing balance of share capital (fund)  | 2 115 175 840,95        | 2 158 982 153,99        |
| 2. Opening balance of called up share capital   | -                       | -                       |
| 2.1. Changes in called up share capital   | -                       | -                       |
| a) increases  | -                       | -                       |
| b) decreases  | -                       | -                       |
| 2.2. Closing balance of called up share capital   | -                       | -                       |
| 3. Opening balance of revaluation reserve - changes of accounting methods (policy) adopted                  | -                       | -                       |
| 3.1. Changes in revaluation reserve   | -                       | -                       |
| a) increase (due to)  | -                       | -                       |
| b) decreases (due to)   | -                       | -                       |
| – disposal of fixed assets  | -                       | -                       |
| 3.2. Closing balance of revaluation reserve   | -                       | -                       |
| 4. Opening balance of other reserve capitals  | -                       | -                       |
| 4.1. Changes in other reserve capitals  | -                       | -                       |
| a) increase (due to)  | -                       | -                       |
| b) decrease (due to)  | -                       | -                       |
| 4.2. Closing balance of other reserve capitals  | -                       | -                       |
| 5. Opening balance of profit (loss) from previous years   | - 9 787 718,60          | 5 603 290,83            |
| 5.1. Opening balance of profit from previous years  | 28 517 186,91           | 20 166 734,16           |
| – changes of accounting methods (policy) adopted  | -                       | -                       |
| – adjustments of fundamental errors   | -                       | -                       |
| 5.2. Opening balance of previous years' profit, after adjustments   | 28 517 186,91           | 20 166 734,16           |
| a) increase (due to)  | -                       | -                       |
| b) decrease (due to)  | 28 517 186,91           | 20 166 734,16           |
| – distribution of previous years' profit (transfer to primary fund)   | 28 517 186,91           | 20 166 734,16           |
| 5.3. Closing balance of previous years' profit  | -                       | -                       |
| 5.4. Opening balance of previous years' loss  | 38 304 905,51           | 14 563 443,33           |
| – changes of accounting methods (policy) adopted  | -                       | -                       |
| – adjustments of fundamental errors   | -                       | 38 304 905,51           |
| 5.5. Opening balance of previous years' loss, after adjustments   | 38 304 905,51           | 52 868 348,84           |
| a) increase (due to)  | -                       | -                       |
| b) decrease (due to)  | 38 304 905,51           | 14 563 443,33           |
| – transfer of loss from previous years to cover   | 38 304 905,51           | 14 563 443,33           |
| 5.6. Closing balance of previous years' loss  | -                       | 38 304 905,51           |
| 5.7. Closing balance of previous years' profit (loss)   | -                       | -38 304 905,51          |
| 6 Net result  | 26 432 585,10           | 28 517 186,91           |
| a) net profit   | 26 432 585,10           | 28 517 186,91           |
| b) net loss   | -                       | -                       |
| c) write-offs on profit   | -                       | -                       |
| <b>II. Closing balance of equity</b>  | <b>2 141 608 426,05</b> | <b>2 149 194 435,39</b> |
| <b>III. Equity including proposed profit distribution (loss coverage)</b>                                   | <b>2 141 608 426,05</b> | <b>2 149 194 435,39</b> |

Deputy Bursar

Bursar

Rector

Krystyna Cabała-Kotlarz M.A

Teresa Kapcia M.A

Prof. Wojciech Nowak, MD, PhD

Kraków, 26 April 2017



## **Independent auditors' report to the Senate of the Jagiellonian University in Krakow**

We have audited the attached, consolidated financial statement of the Jagiellonian University entity, with its seat at Gołbia Street 24 in Kraków, which consists of:

- an introduction to the financial statement,
- the balance sheet on the day of 31.12.2016, closing on the side of assets and liabilities in the amount of: **4 201 557 631,78** Polish Złoty (PLN)
- the total account for profits and losses for the fiscal year from 01.01.2016 to 31.12.2016 displaying a net profit in the amount of **26 432 585,10** Polish Złoty (PLN),
- the statement of changes in total fund for the fiscal year from 01.01.2016 to 31.12.2016 displaying a decrease in fund in the amount of **7 586 009,34** Polish Złoty (PLN),
- the cash flow statement for the fiscal year from 01.01.2016 to 31.12.2016 displaying an increase in cash consistent with the balance sheet in the amount of **196 610 666,09** Polish Złoty (PLN)
- additional information and explanations.

The Entity's Board of Directors is responsible for the accuracy of the accounting, preparation and fair presentation of the financial statement in accordance with the Accounting Act dated 29th September 1994 (uniform text published in the Journal of Laws of 2016, Item 1047 with subsequent amendments, hereinafter referred to as 'the Accounting Act'), regulations issued on the basis of the Accounting Act and other applicable regulations. The Entity's Board of Directors is also responsible for internal control, which is considered necessary to enable the financial statement be free from misstatements, whether due to deliberate actions or errors.

According to the Accounting Act, the Entity's Board of Directors is required to ensure that the financial statement complies with the Accounting Act.

Our responsibility is to express an opinion whether the financial statement truly and fairly presents the material and financial position of the entity, in accordance with the Accounting Act and the relevant accounting principles (policy).

We audited the financial statements in accordance with the following legal and statutory provisions:

- 1) Chapter 7 of the Accounting Act,

- 2) standards resulting from the auditor's profession, issued by the National Chamber of Statutory Auditors in Poland.

Standards require that we comply with ethical principles and plan and perform the audit so as to obtain reasonable assurance that the financial statement and the accounting records are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements in the financial statement, whether due to deliberate actions or errors. In evaluating those risk assessments, we consider internal control relevant to the preparation and fair presentation of the financial statement in order to design appropriate audit procedures, 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 principles (policy) used and the reasonableness of estimates made by the Entity's Board of Directors as well as evaluating the overall financial statement presentation.

We believe the audit provided reasonable basis to express a reliable opinion.

In our opinion, the audited financial statement:

- a) truly and fairly presents all information relevant to assess the property status and financial position of the audited entity as at 31.12.2016, as well as its financial result for the year from 01.01.2016 to 31.12.2016, in accordance with the Accounting Act and the relevant accounting principles (policy);
- b) was drafted in compliance with the relevant accounting principles (policy) and on the basis of correctly kept accounting books;
- c) complies with legal provisions influencing the contents of the entity and with the provisions of the Company Articles of Association.

**Zbigniew Frączek, 898**

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Name and surname of the Key Statutory Auditor performing the audit, Reg. No., signature

Key Statutory Auditor performing the audit on behalf of:

**Kancelaria Biegłych Rewidentów AUDYTOR, 459**

Name and number of the entity authorized to perform audits of financial statements, Reg. No.

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**30-019 Kraków, ul. Mazowiecka 44/2**

Seat of the entity authorized to perform audits of financial statements

**Resolution No. 82/V/2017**  
**of the Jagiellonian University Senate**  
**31 May 2017**

*On the matter of: the approval of the consolidated financial statement for the year 2016 at the Jagiellonian University and division of the combined financial result of the Jagiellonian University for the year 2016..*

Acting pursuant to § 133 of the Statutes of the Jagiellonian University, the Senate:

**§ 1**

Adopted and approved the combined financial statement of the Jagiellonian University for the year 2016, submitted by the Bursar of JU, consisting of:

- 1) Introduction to the consolidated financial statement,
- 2) The consolidated balance sheet on the day of 31.12.2016 closing on the assets and liabilities in the amount of **4 201 557 631,78 PLN**,
- 3) The consolidated income statement for the fiscal year 01.01.2016 - 31.12.2016, showing a net profit in the amount of **26 432 585,10 PLN**,
- 4) The consolidated statement of changes in equity for the fiscal year 01.01.2016 - 31.12.2016, showing a decrease in equity in the amount of **7 586 009,34 PLN**,
- 5) The consolidated cash flow statement for the fiscal year 01.01.2016 - 31.12.2016, showing an increase in cash consistent with the balance sheet in the amount of **196 610 666,09 PLN**
- 6) The additional information and explanations.

Total net profit in the amount of **26 432 585,10 PLN** consists of:

- |  |                   |
|--|-------------------|
| 1) Net profit of the Jagiellonian University   | 27 426 687,79 PLN |
| 2) Net profit of the Jagiellonian University <i>Łazy Agricultural Research Institute</i> | 36 030,26 PLN     |
| 3) Net loss of the Jagiellonian University - Medical College                             | 1 030 132,95 PLN  |

**§ 2**

Approved the division of the financial results for the year 2016 proposed by the Bursar of the Jagiellonian University:

- 1) Profit of the Jagiellonian University is allocated to increase the Primary Fund of the University.
- 2) Profit of the Jagiellonian University *Łazy Agricultural Research Institute* is allocated to increase the Primary Fund the Jagiellonian University *Łazy Agricultural Research Institute*.
- 3) Loss of the Jagiellonian University - Medical College is covered from the Primary Fund the Jagiellonian University - Medical College .

**§ 3**

This Resolution shall come into effect upon its adoption.