

A LETTER FROM THE PRESIDENT OF THE FNP BOARD

DEAR READER,

For FNP, 2001 was the fourth consecutive year overshadowed by the dispute with the fiscal authorities, and arduous efforts to continue with our activities despite its devastating consequences. The future of the Foundation was anything but certain: it was therefore no wonder that the celebration of our tenth anniversary which fell that very year was surrounded with a gloomy aura.

In the programme for 2001 accepted by the Council of the Foundation during the autumn of the previous year, the assumption was made that any ruling of the Supreme Administrative Court would be partly favourable to FNP, and that a certain amount, however small, would be received in accordance with the Commercialisation and Privatisation Law of 29th March 2000. From the revenue estimates based on the above, it seemed that the Foundation would be able to offer during 2001 grants to a total of 29.5mil zlotys, with 23.2mil actually taken up by the beneficiaries.

However, as the judgement of the Supreme Administrative Court of 26th January 2001 proved completely negative, the financial abilities of the Foundation were reduced abruptly; a further hindrance to the already difficult situation brought about by the decision of the fiscal authorities in 1998.

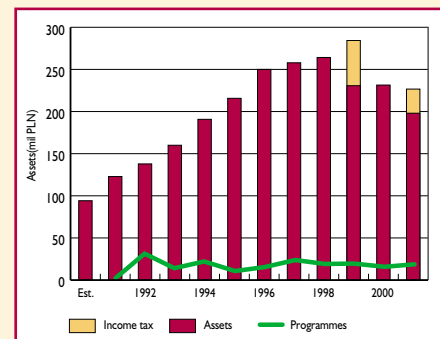
As the Foundation had to pay tax outstanding due for the years 1995-1998* totalling 81.4mil zlotys (see Chart 1) as ordered by the fiscal authorities, the value of its assets constituting the basis for its income was gradually depleting. That negative tendency was aggravated by the official decision of the tax authorities requiring that monies invested by foundations in equities and securities be subject to corporate income tax and making tax-deductible only the profits from bank deposits. As the latter had become less and less profitable, that decision had truly painful consequences: it resulted in severely reducing the Foundation's revenues, and therefore its capacity for funding its various programmes and schemes.

That situation was presented to the scientific community in Poland in an open letter of 16th February 2001, signed by both the FNP Council Chairman and the President of the Board. During a meeting held on 23rd March 2001, the Council and Board faced a dilemma whether decisions should be made to substantially reduce the allocations for various programmes scheduled for 2001 (23.2mil zlotys), or whether the grant-giving activity should be kept at the same level, inevitably leading to the Foundation's gradual self-liquidation over the next few years. The solution eventually adopted was a compromise between those two options: grant allocations for 2001 were reduced by 38% to 18.2mil zlotys, and allocations for statutory activities by 7% to 21.5mil zlotys. The resulting difference was brought about by the fact that funds had to be provided for grants awarded in previous years that had not been absorbed by the beneficiaries. Thus, the planned deficit for 2001 amounted to 4.4mil zlotys, taking into account the possibility of the Foundation's assets decreasing by approximately 2%. The Board expected that the deficit would be compensated throughout 2001 by the proceeds from the privatisation process - these expectations however proved to be unfulfilled. In the circumstances, allocations for the implementation of the MILAB, TECHNE, CERBERUS and SUBIN programmes had to be significantly reduced.

In the wake of those unfavourable developments, further aggravated by the impact on the financial markets of the events of 11th September, the revenue generated by the Foundation in 2001 fell short of estimates. Although the amounts actually used by grant beneficiaries were also below the expected level (mainly because of the complex tendering procedures applicable to beneficiaries due to which some contracts could not be implemented until the following year) - a total of 18.9mil zlotys was spent for the implementation of programmes - and with office costs reduced, the net financial loss totalled 4.9mil zlotys, i.e. 0.5mil above the initial budget estimates.

It should be stressed here that notwithstanding the hardships and limitations faced by the Foundation, no cut-backs were introduced targeted at grant programmes directly and indirectly supporting young scholars and researches. In fact, new facilities were made available under these schemes, in keeping with

Chart 1



the policy adopted several years ago that provided for a gradual increase of allocations in this area. In response to postulates put forward by the scientific community in Poland, during 2001 domestic grants for young scholars were extended by another twelve months, the foreign fellowship scheme was supplemented with an option for the beneficiaries to apply for supporting grants following their return to Poland, and a new programme was launched aimed at facilitating the participation of young research workers in conferences abroad. In addition, new grant programmes were developed to be introduced in 2002, namely domestic research grants, and grants for library and archive search abroad. The former are aimed at increasing the mobility of young researchers by providing funds for stays of up to three months duration at leading research centres throughout Poland; the latter are awarded without any limitations as to the age of potential recipients.

Although we were successful in implementing our targets and widened the scope of our activities, uncertainty in the financial aspects and unclear prospects for the future resulting thereof, all contributed to the year 2001 being one of the most difficult in the Foundation's history. As indicated in Chart 1, the nominal value of the Foundation's assets at the end of 2001 fell to the same level as in 1994. Taking into account the changes to the real value of money within that period, the figures demonstrate the actual damage sustained by the Foundation.

However, by the time this report was sent to the printers, the course of events unfavourable for the Foundation had been reversed. Following an extraordinary appeal against the final sentence of the Supreme Administrative Court, lodged by the Commissioner for Civil Rights Protection (the Ombudsman), in its ruling of 6th June 2002 the Supreme Court settled the dispute with the fiscal authorities in favour of the Foundation. Although the relevant legal procedures have not been completed to date, tax offices have already begun returning to the Foundation the monies incorrectly collected as tax, along with the interest due.

Although this event happened in 2002 and therefore lies outside the scope of the 2001 Annual Report, it is of primary relevance for the Foundation and as such cannot be ignored. It means that after a period of stagnation we shall be able to invest FNP funds in a way optimal for its stability; moreover, it has restored our faith in the good judgement of the law and has confirmed our conviction that fair actions do make sense. I would like to take this opportunity to express my gratitude to those whose wisdom, expertise and commitment have contributed to our ultimate success. Also, I would like to thank you for all the letters of congratulation sent to us after our case was decided by the Supreme Court. Just like the letters of support of the previous year, these congratulations are a tangible proof that the Foundation's activities have been well received, respected and supported by those to whom they are aimed. And this is an honour we feel obliged to return.

Maciej W. Grabski

** The amounts paid by the Foundation following the subsequent decisions of the fiscal authorities were: 1,896,276.90 zlotys in 1998, 51,979,108 zlotys in 1999, and 27,522,901.30 zlotys in 2001, after the unfavourable decision of the Supreme Administrative Court. Of these sums, the greater part was due as penalty interest.*

FNP PROGRAMMES IN 2001

The Foundation implemented sixteen long-term programmes: including competitions for individual contestants such as FNP Prizes and Scholar Grants; six grant-giving schemes two of which were targeted at foreign recipients; and a number of programmes with different objectives, for instance aimed at upgrading research facilities, partial funding of publications, and supporting the transfer of innovative technologies to industry. A new project launched in 2001 and financed by the Foundation was "Young Scientist": a research programme concerned with the evaluation of FNP grant schemes by the grantees, and the factors determining the course of their careers. Also during 2001, FNP contributed to the cost of editing and publication of the new issue of the Kosciuszko Foundation Polish-English and English-Polish Dictionary.

The total amount of expenditure for FNP programmes in the financial year 2001 was 18.9mil zlotys (approx. 4.7mil USD).

PRIZES AND SCHOLAR GRANTS

FNP ANNUAL PRIZES

These individual prizes are granted to Polish scholars and scientists for remarkable achievements and discoveries in the four main fields of study indicated below. In 2001 the Prizes, regarded as the most prestigious by the scientific community in Poland, were awarded for the tenth time. The amount disbursed to each beneficiary was 60,000 zlotys (approx. 15,000 USD).



The 2001 FNP Annual Prizes were granted to:

- in the field of the humanities and social sciences, Professor **Stefan Swieżawski**, Professor Emeritus of the Catholic University of Lublin, for his work *A History of European Classical Philosophy*, being decisive in the research upon the changes in European philosophical thought in antiquity and the Middle Ages;
- in the field of the life sciences and medicine, Professor **Maciej Gliwicz**, Institute of Zoology, University of Warsaw, for revealing the role of predation in shaping animal demography, life histories and behaviour;
- in the field of the exact sciences, Professor **Ludomir Newelski**, Institute of Mathematics, University of Wrocław, for his work in the field of mathematical logic, being a breakthrough in model theory and algebra; and
- in the field of the technical sciences, Professor **Michał Kleiber**, Institute of Fundamental Technological Research, Polish Academy of Sciences, for describing new computational methods of analysis and optimisation in non-linear thermomechanics of deformed bodies.

SCHOLAR GRANTS PROGRAMME

Annual grants under this scheme, aimed at intensifying ongoing research or undertaking new fields of study, were awarded for the fourth time. As previously, they were granted to fifteen eminent representatives of a given field of study. Potential beneficiaries are chosen in a competition consisting of several stages using a short-list procedure. In 2001, the selected discipline was the technical sciences. The majority of grant recipients were scientists from Warsaw University of Technology and associates of Gdańsk research centres. The amount awarded to each, to be disbursed over three years, was 225,000 zlotys (approx 56,250 USD).



ALEXANDER VON HUMBOLDT POLISH HONORARY RESEARCH FELLOWSHIP

These fellowships for research in Poland are available to eminent German scholars entered for competition by Polish research institutions or individual scientists.

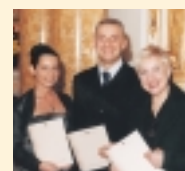
In 2001, grants under this scheme (of 2,000 USD per month) were awarded to the following beneficiaries:

- Professor **Horst Lange-Bertalot** of Goethe Universität, Frankfurt-on-Main, nominated by the Marine Studies Institute, Natural Sciences Faculty, University of Szczecin;
- Professor **Manfred Denker** of the University of Göttingen, nominated by the Faculty of Mathematics and Information Technology of the Nicolaus Copernicus University in Toruń and the PAS Institute of Mathematics in Warsaw;
- Professor **Peter Hänggi** of the University of Augsburg, nominated by the Institute of Physics of the University of Silesia;
- Professor **Robert Arthur Schwarzer** of Clausthal Technical University, nominated by the PAS Institute of Metallurgy and Materials Technology in Cracow; and
- Professor **Karl Gerd Rudolph** of the University of Leipzig, nominated by the PAS Centre of Theoretical Physics in Warsaw.

GRANTS AND FELLOWSHIPS

DOMESTIC GRANTS FOR YOUNG SCHOLARS

These twelve-month grants were awarded for the ninth time to the most promising young research workers whose achievements in their fields of study are documented by publications. They are given annually to approximately 100 beneficiaries. In 2001, 126 grants of 20,000 zlotys (5,000 USD) each were awarded, an unprecedented number of awards in FNP history. From this year onwards, all beneficiaries can apply for the grant to be extended for a further twelve months.



FOREIGN FELLOWSHIPS FOR YOUNG PH.D. RECIPIENTS

Grants under this scheme are available to young Polish scholars with a doctoral degree for six to twelve months visits to leading research centres world-wide. The amounts allocated to each individual are equivalent to postdoctoral grants available abroad.

From 2001 onwards, all beneficiaries can apply for a support grant of 40,000 zlotys (10,000 USD) upon their return to Poland.

In 2001, 13 such grants were awarded to the following beneficiaries:

- Dr Adam Barczyk of the Silesian Medical Academy, for a twelve-month research visit to the Imperial College School of Medicine in London;
- Dr Andrzej Betlej of the Jagiellonian University Art History Institute, for a nine-month research visit to the Zentralinstitut für Kunstgeschichte in Munich;
- Dr Rafał Dubaniowski of the University of Wrocław Institute of English Studies, for a twelve-month research visit to the University of California, Berkeley, USA;
- Dr Marcin Gruchała of the Gdańsk Medical Academy, for a twelve-month research visit to the University of Kuopio, Finland;
- Dr Joanna Heidtman of the Jagiellonian University Institute of Sociology, for a six-month research visit to Cornell University, Ithaca, USA;
- Dr Marcin Hoffman of the Adam Mickiewicz University Faculty of Chemistry, for a twelve-month research visit at Emory University, Atlanta, USA;
- Dr Sławomir Lasota of the Warsaw University Institute of Information Technology, for a twelve-month research visit to Ecole Normale Supérieure de Cachan near Paris;
- Dr Grzegorz Litwinienko of the Warsaw University Institute of Chemistry, for a twelve-month research visit to the National Research Council of Canada, Ottawa;
- Dr Piotr Matyjasik of the PAS Institute of Ecology, Dziekanów Leśny, for a twelve-month research visit to the Laboratoire d'Ecologie Université Pierre et Marie Curie, Paris;
- Dr Mariusz Sadzikowski of the Jagiellonian University Institute of Physics; for a twelve-month research visit at the Massachusetts Institute of Technology, Boston, Mass., USA;
- Dr Tomasz Siemiątkowski of the Warsaw School of Economics and Cardinal Stefan Wyszyński University, for a twelve-month research visit to the University of Minnesota, Minneapolis, USA;
- Dr Jarosław Sosnowski of the Academy of Agriculture, Poznań, for a twelve-month research visit to the Max Planck Institute of Immunobiology, Freiburg, Germany; and
- Dr Adriana Zaleska of the Faculty of Chemistry of the Technical University of Gdańsk, for a twelve-month research visit to the California Institute of Technology, Pasadena, USA.

POLISH FELLOWSHIP AT UNIVERSITY COLLEGE LONDON

Grants under this scheme are awarded for twelve-months postdoctoral research in the field of Polish Studies at the School of Slavonic and East European Studies, University College London. The project is co-financed by the British Foreign Office, the M. Grabowski Foundation, and FNP.

In 2001, this fellowship was awarded to Dr Tomasz Zarycki of the Warsaw University Interdepartmental Institute of Social Studies, specialising in local and regional government issues.

CONFERENCE GRANTS

During 2001, these grants were awarded for the first time, on three occasions throughout the year. They are a contribution towards the cost of participation of Polish research workers at conferences, seminars and congresses abroad.

A total of 166 grants were awarded; 49 to faculty members of universities and similar establishments, 33 to associates of PAS institutes, and the remaining 84 to research workers representing other bodies.

RESEARCH FELLOWSHIPS FOR SCIENTISTS FROM CEE COUNTRIES

This is the second of the two grant-giving FNP programmes targeted at scientists and research workers from abroad. Grants under this scheme are made available mainly but not exclusively to scholars from Central and Eastern Europe, for research in Poland over several months in the area of the natural and the exact sciences. The project is implemented by the Foundation in co-operation with the Józef Mianowski Fund. The former provides the finance, whereas the latter is in charge of the competition procedure.

In 2001, 26 fellowships were awarded (see the list on page 29).

OTHER LONG-TERM PROGRAMMES

TECHNE PROGRAMME

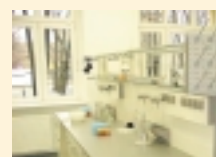
This initiative, a continuation of the INCOME and TECHNO programmes implemented by the Foundation in previous years, is aimed at supporting research in the practical applications of new technologies, products and services, prior to commercial exploitation.

In 2001, grants to a total of approximately 0.9mil zlotys (225,000 USD) were awarded to six successful applicants.



MILAB PROGRAMME

Launched in 2001, this long-term programme seeks to support the upgrading of laboratory facilities through contributions towards the costs of repair work in buildings, removals and the purchase of appliances and equipment for modernised premises. On the first occasion, an amount of approximately 4.4mil zlotys (1.1mil USD) was disbursed in grants awarded on a competitive basis to 16 research establishments.



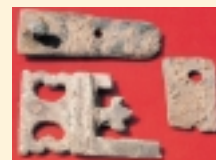
CERBERUS PROGRAMME

This programme, initiated in 2000, is aimed at assisting research institutions in Poland in the protection of valuable items in their collections by the installation of modern security systems. In the second competition under this scheme, 6 grants were awarded, to a total of over 0.6mil zlotys (approx. 150,000 USD).

SUBIN PROGRAMME

This programme seeks to provide funds to individual researchers and research establishments in emergency situations of various kinds, whenever rapid assistance is required in unusual circumstances.

In 2001, 25 grants were awarded to a total of approximately 0.7mil zlotys (175,000 USD). Of these, many were used to cover the cost of repairs of equipment and appliances, completing repair work to buildings damaged or destroyed by floods or other catastrophes.



MONOGRAPHS PROGRAMME

This is a regular competition for Polish authors of previously unpublished monographs in the areas of the humanities and the social sciences. The works chosen by the Editorial Board are published in the *FNP Monographs* series, which consists of nearly 60 titles to date. In 2001, six monographs were accepted for publication, including two re-issues.

PUBLICATIONS PROGRAMME

Due to FNP assistance under this programme, various multi-volume works documenting Poland's historical, cultural and technological heritage are published, edited by research institutes. The Foundation currently covers the publication costs of *Polski Słownik Biograficzny* (The Polish Biographical Dictionary), *Katalog zabytków sztuki w Polsce* (A Catalogue of Art Works in Poland), *Materiały do dziejów sztuki sakralnej na ziemiach wschodnich dawnej Rzeczypospolitej* (Sources for the History of Religious Art in the Eastern Territories of the Former Republic of Poland), and *Słownik Polszczyzny XVI w.* (A Dictionary of 16th Century Polish).



FNP DEBATES ON SCIENCE

These annual conferences with the participation of several dozen eminent scholars invited by the Foundation, are devoted to various issues of major relevance to the scientific community. The subject chosen for 2001 was *Scholars, Scientists and Advanced Educational Establishments in the Third Republic of Poland: New Challenges and Threats*. Contributions by participants and other materials were published in a brochure *Uczni i uczelnie w III Rzeczypospolitej* (available only in Polish).



THE EUROPEAN INTEGRATION EXPLORATORY

This programme seeks to build a repository of, and provide access to, various materials concerning European integration in the areas of science, technological progress and innovations, with the focus on the achievements of the Phare SCI-TECH programmes managed by the Foundation during the years 1993-2000. As part of this initiative, analyses and studies are prepared dealing with the European integration process.

Funds for this undertaking are provided by the Foundation for Polish Science; it is administered by the PAS Centre for Industrial Management in Warsaw.

COLLABORATION WITH SCIENTIFIC ASSOCIATIONS

For several years, the Foundation has been a supporting member of a number of leading scientific associations in Poland. As part of this co-operation, FNP provides funds for the annual Grzegorz Białkowski Award for the best doctoral dissertation in the field of the exact sciences, awarded by the Society for the Promotion and Support of Science. In 2001, this award was given to Agata Smoktunowicz of the PAS Institute of Mathematics, for her dissertation *Radicals of Polynomial Rings*.

OUR BENEFICIARIES: Accounts and Opinions

This section of the Annual Report gives profiles of some of the winners and beneficiaries of FNP prizes and grants, along with reflections by a number of young scientists - recipients of FNP post-doctoral fellowships - concerning their research abroad.

These are complemented by texts by journalists specialising in science. Krystyna Hanyga writes about scientists from CEE countries carrying out research in various locations throughout Poland who were awarded FNP grants given jointly with the Józef Mianowski Fund; and Marian Nowy writes about the new premises of the Jagiellonian University Institute of Molecular Biology and Biotechnology in Cracow (FNP contributed to the costs of removal and equipment instalation). Also discussed are the findings of research into the professional careers of young research workers exemplified by the results of one of the FNP grant schemes, presented by Tomasz Perkowski.

FNP ANNUAL PRIZES 2001

– HITTING TEN

Profiles of the winners of FNP Annual Prizes 2001 with information on their research projects were published by the largest Polish daily, *Gazeta Wyborcza*. Excerpts from this article are presented below.

“The Annual Prizes of the Foundation for Polish Science were awarded for the tenth time yesterday. The prize winners were a mathematician, a philosopher, a biologist and a specialist in information technology, each of whom were presented with a cheque for 60,000 zlotys.

Professor Stefan Swieżawski

Born on 10th February 1907 in Hołub, south of Hrubieszów. During the 1920's he was a student at the John Casimir University in Lvov, under the supervision of the most eminent Polish analytical philosophers,



Kazimierz Twardowski and Kazimierz Ajdukiewicz (the latter supervised his doctoral thesis, defended in 1932). He continued his education in Paris where he was a student, and for many years also a friend, of Etienne Gilson, an outstanding historian of Medieval philosophy.

Professor Swieżawski was appointed lay auditor of the Second Vatican Council; a great honour. From 1946 onwards for over thirty years he was an associate of the Catholic University of Lublin. His main work, preceded by a major study *The Issue of the History of Philosophy* (1966), has been the eight-volume *History of European Philosophy in the 15th Century*. AL

Professor Maciej Gliwicz

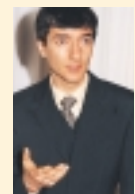
Born in 1939, he completed his secondary education and began studies at the Faculty of Ship Construction at the Gdańsk University of Technology. After a year, however, he realised that marine life was of more interest to him than machinery, and moved to Warsaw to study biology at Warsaw University. His M.Biol. dissertation dealt with the zooplankton of the lakes of the Tatra Mountains, and his Ph.D. thesis with that of the Mazurian Lakes. For over 30 years he has been an associate of the Hydrology Department of Warsaw University; he has been in charge of this unit since 1984. He has conducted research in the Panama Canal area; has been awarded grants and fellowships to the USA; and worked as a FAO expert in Mozambique and Angola. His wife Joanna is a professor at the Faculty of Forestry of the Warsaw Agriculture University.

MIKO

**Professor Ludomir Newelski**

A mathematician who originates from Wrocław, is 41. He is a faculty member of the University of Wrocław, and an associate of the PAS Institute of Mathematics. He has been interested in mathematics since his early years. He studied in Wrocław, and was awarded professorial rank in 1998. In the same year he was the only mathematician from Poland to give a paper in Berlin at an International Congress of Mathematicians, an extremely prestigious event held every four years presenting the latest developments in the field. Professor Newelski is the author of over 30 works published in leading specialised periodicals all over the world, concerning set theory and algebra; of major significance are his works in the area of logic (model theory).

PIOC

**Professor Michał Kleiber**

Aged 55, he studied civil engineering at Warsaw University of Technology and at the same time mathematics at Warsaw University. At some stage of his career, he became an associate of the PAS Institute of Fundamental Technical Research: for the last six years he has been director of this institution, regarded as one of the best research centres in Poland.

He is a professor, a corresponding member of the Polish Academy of Sciences, and chairman of the board of directors of PAS research institutions. In October 2001, he was appointed Minister of Science.

He has lived and worked abroad for many years. He is editor-in-chief of a scientific periodical with worldwide readership, *Archives of Computational Methods in Engineering*.

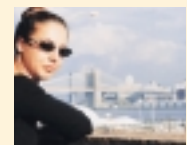
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(Excerpts from an article published in „Gazeta Wyborcza” of 7th December 2001 have been reprinted with the kind permission of the editors.)

OUR GRANTEES ABROAD

Dr **Joanna Heidtman** of the Jagiellonian University Institute of Sociology received an FNP grant for a six-month visit to Cornell University, Ithaca, USA. While at Cornell, she carried out experimental research on the phenomenon of power and the perception of risk in conflict situations.



Below are some of her observations concerning her research visit.

“As a visiting fellow, I was a faculty member at Cornell University. Therefore, I enjoyed equal rights to other ‘visiting’ academics there.

(...) Owing to my tutorials and seminars at the Department of Sociology, I had really good contact with professors and post-graduate students alike. This facilitated the exchange of information and mutual presentation of our new work; in the end, it made socialising a lot easier too. A wonderful opportunity was for me to get to know Ralph Turner - a sociologist and the originator of modern interactionist role theory. A real joy were for me the wonderful seminars of Professor Michael Macy; also, I could watch the simulations and analyses of negotiation situations carried out by Professor Seeber and Professor Lipsky at the School of Industrial and Labor Relations. (...) I worked hard on my article submitted to the editors of *Sociological Focus*, and on my paper accepted for the ASA Meetings conference. Altogether, during my stay at Cornell I completed two publications.

I made the best use possible of my stay at Cornell in the circumstances. I have accomplished all my aims; and the fact that the university is so beautifully located was a bonus. (...)

Dr **Andrzej Betlej** of the Jagiellonian University Institute of Art History has gone for nine-month research at the Zentralinstitut für Kunstgeschichte in Munich, to investigate the influence of Italian architecture on the architecture of Central Europe during the 17th century.

Here is an excerpt from his account sent from Munich:



“Very quickly I became a member of the group of ‘fellows’ here; there are quite a number of them at the Institute. Right from the start I was able to establish contacts not only with German art historians, but also with people from all over Europe. The atmosphere here is great: one can work in peace and quiet, and concentrate only on research. (...) To work here is wonderful.

The sources are abundant - this is the only expression that can be used while describing a five-storey library. As far as my research is concerned, an art historian on a grant is preoccupied mainly with browsing through books, reading and looking at artifacts. My main task here is collecting literary sources concerned with the impact of Italian architectural design from the end of the 16th century on Polish architecture. Therefore, I keep searching for and comparing, for instance, architectural details. I am also interested in the influence of treatises on architecture, and the issue of Mannerism in architecture at the end of the 16th and beginning of the 17th century. (...)”

Dr **Rafał Dubaniowski** of the University of Wrocław Institute of English Studies has received an FNP grant for twelve-month research at the University of California in Berkeley, USA, focusing on a monograph of ethical criticism as a tendency in contemporary theory of literature.

“Talking about the research aspect of my stay here, I have to admit that despite initial problems with accommodation, I read and wrote more in seven months here than I would in three years in Poland. First of all, in Poland there is no library like the one I can use here - I think it may be a long time before we have anything comparable. Secondly, my essays have never been read with such insight and critical attention as they are read here by my tutor, Professor Charles Altieri. It really is a great benefit and a unique opportunity for me, to be able to discuss my work with someone so respected, and with such an impressive track record in literary theory. Last but not least, while I am here, I can attend lectures by such eminent authorities as Noam Chomsky, Charles Taylor and Robert Hass: it is an unsurpassed opportunity I could only dream about in Poland.

I am absolutely sure that elsewhere I would never be able to work on my project concerning ethical criticism on the scale and to such an extent as I have here. (...) If somehow I manage to stay longer at the University of California, I will consider it a great joy: for a specialist in English studies, Berkeley is undoubtedly one of the best places in the world.”



Dr **Piotr Matyjasik** of the PAS Institute of Ecology in Dziekanów Leśny was awarded a grant for twelve-months research at Laboratoire d'Ecologie Université Pierre et Marie Curie in Paris, to continue his studies on sex signals and sexual preferences in various sub-species of swallows.

Below are excerpts from e-mail messages sent to us by the grantee.

21st February 2002

“We have got acclimatised in Badajoz without the slightest problem. People here are very friendly and helpful. My boss bought a car for me so that I could move around easily, and I have already been able to visit nearly all the locations where we will catch swallows for research purposes. I am going to work with two local post-graduates, and am busy establishing contacts with other colleagues: this will allow me to widen the scope of my studies, and to learn new things. We have begun installation of the equipment we need for our experiments: these will commence in the first half of March and will probably last until the end of April - the hatching season for swallows starts here later than for our swallows. (...)”

4th March 2002

“It was not until last weekend that I had time to go for a trip with my University colleague as a guide. We went to the mountains, to the San Pedro range near Cáceres. We were lucky and could watch numerous griffon vultures there. The Spaniards have succeeded in effectively restoring the population of this magnificent species, already threatened with extinction. Their diet is disgusting and they move a bit clumsily when grounded, but they look superb on the wing.”

10th May 2002

“I am just in the middle of field research at its most intensive stage. Just as last year, spring was late here again. Because of this, the birds postponed hatching, mainly because of lack of food: initially, many of the swallows I caught were in very poor condition. At the beginning of April, after a long period of bad weather, I would find dead swallows in the colony. Most probably, there will be only one hatching this year instead of the usual two. Because of that, I have a lot of work to do, and there isn't much time left (at the beginning of June we are going to Paris, where no field research is possible; in any case, I have already extended my stay in Spain by a whole month). Much to my regret I have had to give up one very interesting experiment that would enable me to add physiological analyses of birds to my research tools (collaboration with good laboratories in France is guaranteed here). (...)”

RESEARCH FELLOWSHIPS FOR SCIENTISTS FROM CEE COUNTRIES

750 grantees from Central and East European countries have received fellowships under this scheme awarded since 1994 by the Józef Mianowski Fund and the Foundation for Polish Science, and come to Poland for several months research. This project is co-financed by the Stefan Batory Foundation and FNP: the Foundation for Polish Science was the first organisation to support the Józef Mianowski Fund; in addition, it is also involved in the selection of candidates. (...)

150 grants funded by FNP have been awarded to date; of this number, 26 were in 2001. Grant recipients were representatives of various disciplines, from physics and chemistry to genetics and paleobotany, carrying out a wide range of research projects. The majority were young people, just beginning promising careers, but some were older, with professorial ranks, significant achievements and reputations.

As far as the countries of origin are concerned, since the programme's inception the largest group of grantees - 50% - have always been Ukrainians. Belarussians, Russians and Lithuanians also have a significant share; Uzbekistan, Moldova, Armenia and China have been represented only by individual grantees.

Those applying for grants under this scheme usually have established some contacts with Polish institutions specialising in their field of interest. Whilst in Poland, they can participate in their research projects, and keep in touch with them after returning to their home countries, often carrying on with the research projects initiated in Poland.

(...) Igor Machishin, 25, a post-graduate student at the Lviv-based Institute of Applied Mathematics and Mechanics of the Ukrainian National Academy of Sciences, received a four-month grant for research at the Department of Construction and Geodesy of the Warsaw Agricultural University. (...) He says that research visits to Warsaw and the exchange of experiences between his institute and various establishments of advanced education here - Warsaw University, Warsaw University of Technology and now the Agricultural University - are becoming a tradition at his Institute. In fact, this co-operation already takes place at the level of specific universities or schools. Although grants are awarded to individuals, each of them represents a certain educational establishment with approaches and methods specific to them. According to Machishin, being part of a different team is extremely important, and stimulates the professional development of the grantee as a research worker.

In the opinion of our grantees from the East, of primary relevance is access to Polish scientific libraries and laboratories, with better facilities and more modern resources than in their countries of origin. They stress that owing to the grants they have been awarded they have been given a most favourable environment for their research. (...)

And what is the benefit of this grant scheme aimed at foreigners to Polish science? Along with the research findings that stay in Poland, the grantees contribute their knowledge and experience, and different approaches. “A monolithic culture” in science is not good; various important things may escape notice. Putting in one research team people who have been shaped in different centres and different countries always enhances creativity, and inspires further exploration.

This co-operation is important in one more respect. After having completed their research in Poland, the



grantees usually seek to maintain the professional relationships and friendships established in Poland, thus becoming advocates of mutual understanding, overcoming stereotypes and prejudice. And this is of the utmost significance in our relationships with the East.

(Based on an article by Krystyna Hanyga "What Is the Use of It to Polish Science?")

NEW PREMISES OF THE JAGIELLONIAN UNIVERSITY INSTITUTE OF MOLECULAR BIOLOGY AND BIOTECHNOLOGY

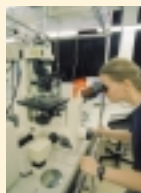
The Institute of Molecular Biology and Biotechnology of the Jagiellonian University, established in 1970, for many years did not have premises adequate to its prestige gained due to its eminent associates and outstanding achievements. Initially, the laboratories and workrooms were located in historic Gothic houses, then in a



building previously occupied by the Silesian Seminar, ill-fitted for the purpose. It was only after the new campus had been built at Gronostajowa Street that the Institute could move to a new location in the autumn of 2001, very modern and spacious.

The removal, taking into account the fact that the Institute was equipped with many specialised appliances and precision instruments, was a venture that required a lot of effort, and was extremely expensive.

"Some appliances had to be dismantled, transported in appropriate conditions, and then reassembled and installed again", explains Dr Przemysław Płonka, secretary of the Institute in charge of research projects. "For that, we had to hire professional service companies. For instance, one of them we had to call from Britain. They dismantled, transported and reinstalled in the new location a confocal microscope along with the system of lasers co-working with it. We had specialists from Poznań supervising the removal of our ERP spectrometer:



special care was required in particular when transporting a one-tonne electromagnet: even a minor knock could destroy it completely. In addition, the effort taken by the removal company to transport all those precision instruments, computers, glass vessels and chemical reagents deserves high praise here."

Substantial financial support for covering the costs of removal and equipment installation was provided to the Institute by the Foundation for Polish Science.

Only a week after the Institute had moved to its new location an international conference was held there, organised by Professor Tadeusz Sarna and devoted to the applications of ERP spectroscopy. This event was co-financed by the European Commission under the framework of programmes supporting Centres of Excellence. The co-ordinator of the programme in the area of integration of education and research in the field of molecular biology at the Institute is Professor Aleksander Koj, the winner of the 1996 FNP Annual Prize.

(Based on an article by Marian Nowy, "A Good Location")

YOUNG SCIENTIST: A SURVEY PROJECT

As the Foundation has been gradually intensifying its efforts aimed at supporting the professional careers of research workers at various levels, it has always sought to assess its programmes targeted at individual beneficiaries. The first one chosen for evaluation was the scheme of domestic grants for young scholars, launched nine years ago, under which over 900 grants have been awarded to successful applicants from all over Poland. The aim of the survey was to answer the question whether and how the FNP grants had influenced the course of the grantees' careers, to check the effectiveness of the solutions adopted, and to verify the reliability of the candidate selection process.

It was one of the first survey projects in Poland that did not serve marketing purposes, in which the questions were asked and answers received from respondents using electronic mail. In addition, an interactive version of the survey was made available on the FNP website.

The survey findings were for us an inspiration to modify the regulations of this grant scheme. In order to make equal the chances of female research workers on maternity leave, we extended the age limit for this group of applicants to 32 years of age. The project confirmed that receiving an FNP grant does influence the careers of young researchers. On the one hand, it temporarily frees them from financial worries, and on the other, being a recommendation of sorts, it adds to their prestige among their fellow researchers.

(Based on an article by Tomasz Perkowski)

SPRAWOZDANIE FINANSOWE
I OPINIA BIEGŁEGO REWIDENTA
THE FINANCIAL STATEMENTS
AND THE AUDITOR'S OPINION

Sprawozdanie finansowe Fundacji
za rok 2001 opublikowane jest także
w Monitorze Polskim „B” nr 85 z dn. 11.07.2002 r.

Pełne sprawozdanie z działalności Fundacji w roku 2001, opracowane zgodnie z rozporządzeniem Ministra Sprawiedliwości z dnia 8 maja 2001 r. w sprawie ramowego zakresu sprawozdania z działalności fundacji (Dz.U. Nr 50 z 2001 r., poz.529), przedstawione zostało Ministrowi Nauki, przewodniczącemu Komitetu Badań Naukowych, prof. Michałowi Kleiberowi, który pismem z dnia 9 lipca 2002 r. zawiadomił zarząd Fundacji o przyjęciu tego sprawozdania.

OPINIA BIEGŁEGO REWIDENTA
Z BADANIA SPRAWOZDANIA FINANSOWEGO
FUNDACJI NA RZECZ NAUKI POLSKIEJ



KPMG Polska Audyt Sp. z o.o.

DLA FUNDATORÓW

Przeprowadziliśmy badanie załączonego sprawozdania finansowego Fundacji na Rzeczn Nauki Polskiej z siedzibą w Warszawie, ul. Grażyny 11, na które składa się bilans sporządzony na dzień 31 grudnia 2001 r., który po stronie aktywów i pasywów wykazuje sumę 198.310.927,43 zł, rachunek zysków i strat za rok obrotowy kończący się tego dnia wykazujący stratę netto w kwocie 4.895.547,35 zł, sprawozdanie z przepływu środków pieniężnych za rok obrotowy kończący się tego dnia wykazujące zmniejszenie stanu środków pieniężnych netto o kwotę 1.722.859,13 zł.

Za sporządzenie sprawozdania finansowego odpowiedzialny jest Zarząd Fundacji. Naszym zadaniem było zbadanie sprawozdania finansowego i wydanie na jego temat opinii.

Badanie sprawozdania finansowego przeprowadziliśmy stosownie do Międzynarodowych Standardów Rewizji Sprawozdań Finansowych wydanych przez Międzynarodową Federację Księgowych, rozdziału 7 ustawy z dnia 29 września 1994 r. o rachunkowości (Dz. U. nr 121, poz. 591 wraz z późniejszymi zmianami) oraz norm wykonywania zawodu biegłego rewidenta, wydanych przez Krajową Radę Biegłych Rewidentów. Przepisy te wymagają, aby badanie zostało zaplanowane i przeprowadzone w sposób dający wystarczającą pewność, że sprawozdanie finansowe nie zawiera istotnych błędów. Badanie obejmuje sprawdzenie w oparciu o metodę wrywkową dowodów i zapisów księgowych, z których wynikają kwoty i informacje zawarte w sprawozdaniu finansowym. Badanie obejmuje również ocenę stosowanych zasad rachunkowości, znaczących szacunków dokonanych przez Zarząd Fundacji oraz ocenę ogólnej prezentacji sprawozdania finansowego. Wyrażamy przekonanie, że przeprowadzone przez nas badanie stanowi wystarczającą podstawę do wydania opinii.

Naszym zdaniem załączone sprawozdanie finansowe Fundacji na Rzeczn Nauki Polskiej zostało sporządzone na podstawie prawidłowo prowadzonych ksiąg rachunkowych i przedstawia w sposób rzetelny, we wszystkich istotnych aspektach, sytuację finansową Fundacji na dzień 31 grudnia 2001 r., wynik finansowy oraz przepływy środków pieniężnych za rok obrotowy kończący się tego dnia zgodnie z zasadami rachunkowości stosowanymi w Polsce, określonymi w ustawie z dnia 29 września 1994 r. o rachunkowości oraz w rozporządzeniu Ministra Finansów z dnia 18 sierpnia 1998 r. w sprawie szczegółowych zasad rachunkowości dla niektórych jednostek nie prowadzących działalności gospodarczej (Dz. U. nr 115, poz. 748), stosowanymi w sposób ciągły.

Biegły rewident nr 796/1670
Bogdan Dębicki, Członek Zarządu

Za KPMG Polska Audyt Sp. z o.o.
Biegły rewident nr 796/1670
Bogdan Dębicki, Członek Zarządu

Warszawa, 15 lutego 2002 r.

BILANS
na dzień 31.12.2001

AKTYWA	Stan na 31.12.2000 w złotych	Stan na 31.12.2001 w złotych
A. MAJĄTEK TRWAŁY	84.238.325,16	76.085.758,30
I. Wartości niematerialne i prawne	101.639,09	39.171,12
1. Koszty organizacji poniesione przy założeniu lub późniejszym rozszerzeniu spółki akcyjnej	0,00	0,00
2. Koszty prac rozwojowych	0,00	0,00
3. Wartość firmy	0,00	0,00
4. Inne wartości niematerialne i prawne	101.639,09	39.171,12
5. Zaliczki na poczet inwestycji	0,00	0,00
II. Rzeczowy majątek trwały	2.427.426,00	2.199.041,40
1. Grunty własne	0,00	0,00
2. Budynki i budowle	2.023.166,34	1.891.579,76
3. Urządzenia techniczne i budowle	217.826,81	237.752,37
4. Środki transportu	88.306,89	1.119,57
5. Pozostałe środki trwałe	98.125,96	68.589,70
6. Inwestycje rozpoczęte	0,00	0,00
7. Zaliczki na poczet inwestycji	0,00	0,00
III. Finansowy majątek trwały	80.714.014,33	73.018.174,33
1. Udziały i akcje	71.145.574,33	70.843.924,33
2. Papiery wartościowe	9.568.440,00	2.174.250,00
3. Udzielone pożyczki długoterminowe	0,00	0,00
4. Inne składniki majątku trwałego	0,00	0,00
IV. Należności długoterminowe	995.245,74	829.371,45
1. Należności z tytułu papierów wartościowych	995.245,74	829.371,45
B. MAJĄTEK OBROTOWY	146.193.795,34	122.202.757,91
I. Zapasy	0,00	0,00
1. Materiały	0,00	0,00
2. Półprodukty i produkty w toku	0,00	0,00
3. Produkty gotowe	0,00	0,00
4. Towary	0,00	0,00
5. Zaliczki na poczet dostaw	0,00	0,00
II. Należności i roszczenia	259.981,48	1.323.236,05
1. Należności z tytułu dostaw i usług	200,00	200,00
2. Należności z tytułu podatków, dotacji i ubezpieczenia społecznego	45.313,04	184,36
3. Należności wewnątrzzakładowe	0,00	0,00
4. Pozostałe należności	214.468,44	1.322.851,69
5. Należności dochodzone na drodze sądowej	0,00	0,00
6. Należności z tytułu udzielonych pożyczek	0,00	0,00
III. Papiery wartościowe przeznaczone do obrotu	39.235.897,67	15.904.464,80
1. Udziały lub akcje własne do zbycia	0,00	0,00
2. Inne papiery wartościowe	39.235.897,67	15.904.464,80
IV. Środki pieniężne	106.697.916,19	104.975.057,06
1. Środki pieniężne w kasie	1.716,77	1.190,80
2. Środki pieniężne w banku	106.696.199,42	104.973.866,26
3. Inne środki pieniężne (weksle, czeki obce)	0,00	0,00
C. ROZLICZENIA MIĘDZYOKRESOWE	579.028,38	22.411,22
1. Czynne rozliczenia międzyokresowe kosztów	15.104,82	22.411,22
2. Inne rozliczenia międzyokresowe	563.923,56	0,00
SUMA AKTYWÓW	231.011.148,88	198.310.927,43

PASywa	Stan na 1.12.2000 w złotych	Stan na 31.12.2001 w złotych
A. FUNDUSZE WŁASNE	201.686.973,49	196.791.426,14
I. Fundusz zasadniczy	95.000.000,00	95.000.000,00
II. Fundusz rezerwy	27.606.056,25	27.612.579,77
III. Fundusz na działalność statutową	153.833.757,79	153.833.757,79
IV. Fundusz przeceny środków trwałych	8.788,08	2.264,56
V. Niepodzielony wynik finansowy z lat ubiegłych	-72.083.747,90	-72.083.747,90
VI. Niepodzielony wynik finansowy netto roku ubiegłego	0,00	-2.677.880,73
VII. Wynik finansowy netto za rok obrotowy	-2.677.880,73	-4.895.547,35
B. REZERWY	0,00	0,00
1. Rezerwy na podatek dochodowy od osób prawnych	0,00	0,00
2. Pozostałe rezerwy	0,00	0,00
C. ZOBOWIĄZANIA DŁUGOTERMINOWE	0,00	19.018,70
1. Długoterminowe pożyczki, obligacje i inne papiery wartościowe	0,00	0,00
2. Długoterminowe kredyty bankowe	0,00	0,00
3. Pozostałe zobowiązania długoterminowe	0,00	19.018,70
D. ZOBOWIĄZANIA KRÓTKOTERMINOWE I FUNDUSZE SPECJALNE	28.163.055,36	463.768,28
I. Zobowiązania krótkoterminowe	28.159.953,07	461.576,09
1. Pożyczki, obligacje i papiery wartościowe	0,00	0,00
2. Kredyty bankowe	0,00	0,00
3. Zaliczki otrzymane na poczet dostaw	0,00	0,00
4. Zobowiązania z tytułu dostaw i usług	33.698,91	159.736,45
5. Zobowiązania wekslowe	0,00	0,00
6. Zobowiązania z tytułu podatków, cel i ubezpieczeń społecznych	27.313.844,37	72.621,71
7. Zobowiązania z tytułu wynagrodzeń	0,00	0,00
8. Zobowiązania wewnątrzzakładowe	0,00	0,00
9. Pozostałe zobowiązania krótkoterminowe	812.409,79	229.217,93
II. Fundusze specjalne	3.102,29	2.192,19
E. ROZLICZENIA MIĘDZYOKRESOWE I PRZYCHODY PRZYSZŁYCH OKRESÓW	1.161.120,03	1.036.714,31
1. Bierne rozliczenia międzyokresowe kosztów	0,00	0,00
2. Przychody przyszłych okresów	1.161.120,03	1.036.714,31
RAZEM PASywa	231.011.148,88	198.310.927,43

RACHUNEK ZYSKÓW I STRAT
za okres 1.01-31.12.2001

	Stan na 31.12.2000 w złotych	Stan na 31.12.2001 w złotych
A. Przychody z działalności statutowej		
B. Koszt realizacji zadań statutowych	16.583.535,95	18.887.031,47
C. Zysk (+), strata (-) na działalności statutowej	(-) 16.583.535,95	(-) 18.887.031,47
D. Koszty administracyjne	4.750.038,50	6.020.938,62
1. Zużycie materiałów i energii	90.965,36	124.611,30
2. Usługi obce	1.562.545,09	2.827.631,98
3. Podatki i opłaty	6.498,70	6.694,70
4. Wynagrodzenia	2.207.311,13	2.201.917,36
5. Świadczenia na rzecz pracowników	422.499,54	426.197,20
6. Amortyzacja	360.630,37	366.959,69
7. Pozostałe	99.588,31	66.926,39
E. Pozostałe przychody operacyjne	806.372,62	108.203,85
F. Pozostałe koszty operacyjne	3.600,00	83.024,86
F. 1. Zmiana stanu rozliczeń międzyokresowych		
G. Przychody finansowe	27.295.810,75	22.766.300,26
– odsetki	19.662.424,78	9.154.923,42
– dywidendy	2.398.661,00	3.351.844,21
– pozostałe	5.234.724,97	10.259.532,63
H. Koszty finansowe	9.420.261,65	2.776.583,51
I. Zysk (strata) brutto na całokształcie działalności	-2.655.252,73	-4.893.074,35
J. I. Zyski nadzwyczajne		
II. Straty nadzwyczajne		
K. Obowiązkowe obciążenia wyniku finansowego	22.628,00	2.473,00
L. Zysk netto	(-) 2.677.880,73	(-) 4.895.547,35

SPRAWOZDANIE Z PRZEPIYU ŚRODKÓW PIENIĘŻNYCH (zł)

	2000	2001
A. Przepływy środków pieniężnych z działalności operacyjnej		
I. Wynik finansowy netto (zysk/strata)	-2.677.880,73	-4.895.547,35
II. Korekty o pozycje:	-14.967.283,78	-39.531.538,04
1. Amortyzacja	360.630,37	366.959,69
2. Zyski/Straty z tytułu różnic kursowych	-	-
3. Odsetki i dywidendy otrzymane i zapłacone	-21.497.141,22	-12.646.641,11
4. Rezerwy na należności	-	-
5. Inne rezerwy (na przewidywane straty + denominacja)	648.034,00	315.850,00
6. Podatek dochodowy od zysku brutto	22.628,00	2.473,00
7. Podatek dochodowy zapłacony	- 22.628,00	-2.473,00
8. Wynik na sprzedaży i likwidacji składników działalności inwestycyjnej	-	804,86
9. Zmiana stanu zapasów	-	-
10. Zmiana stanu należności i roszczeń	- 11.640,55	-897.380,28
11. Zmiana stanu zobowiązań krótkoterminowych (z wyjątkiem pożyczek i kredytów) oraz funduszy specjalnych	3.071.224,65	-27.680.268,38
12. Zmiana stanu rozliczeń międzyokresowych	- 560.136,22	556.617,16
13. Zmiana stanu przychodów przyszłych okresów	- 38.879,97	-124.405,72
14. Pozostałe pozycje	3.060.625,16	576.925,74
III. Środki pieniężne netto z działalności operacyjnej	- 17.645.164,51	-44.427.085,39
B. Przepływy środków pieniężnych z działalności inwestycyjnej		
I. Nabycie/Sprzedaż wartości niematerialnych i prawnych	- 3.473,46	-55.269,54
II. Nabycie/Sprzedaż składników rzeczowych majątku trwałego	- 268.583,43	-21.642,44
III. Nabycie/Sprzedaż akcji i udziałów w jednostkach zależnych	-	-
IV. Nabycie/Sprzedaż akcji i udziałów w jednostkach stowarzyszonych	-	-
V. Nabycie/Sprzedaż innych akcji, udziałów i papierów wartościowych (w tym również przeznaczonych do obrotu)	11.140.750,86	30.134.497,13
VI. Udzielone/Zwrócone pożyczki	-	-
VII. Otrzymane/Zwrócone dywidendy	2.398.661,00	3.351.844,21
VIII. Otrzymane/Zwrócone odsetki	19.098.501,22	9.632.577,84
IX. Pozostałe pozycje	-	-
X. Środki pieniężne netto z działalności inwestycyjnej	32.365.856,19	43.042.007,20
C. Przepływy środków pieniężnych z działalności finansowej		
I. Zaciągnięcie/Splata długoterminowych kredytów bankowych	-	-
II. Zaciągnięcie/Splata długoterminowych pożyczek, emisja/wykup obligacji lub innych papierów wartościowych	-	-
III. Zaciągnięcie/Splata krótkoterminowych kredytów bankowych	-	-
IV. Zaciągnięcie/Splata krótkoterminowych pożyczek, emisja/wykup obligacji lub innych papierów wartościowych	-	-
V. Płatności dywidend i innych wypłat na rzecz właścicieli	-	-
VI. Płatności zobowiązań z tytułu umów leasingu finansowego	-	-
VII. Wpływy z emisji akcji i udziałów własnych oraz dopłat do kapitału	-	-
VIII. Zapłacone/Zwrócone odsetki	-21,00	-337.780,94
IX. Pozostałe pozycje	-	-
X. Środki pieniężne netto z działalności finansowej	-21,00	-337.780,94
D. Zmiana stanu środków pieniężnych netto	14.720.670,68	-1.722.859,13
E. Środki pieniężne na początek roku obrotowego	91.977.245,51	106.697.916,19
F. Środki pieniężne na koniec roku obrotowego	106.697.916,19	104.975.057,06

AUDITORS' OPINION
ON THE AUDIT OF FINANCIAL STATEMENTS
OF FUNDACJA NA RZECZ NAUKI POLSKIEJ



KPMG Polska Audyt Sp. z o.o.

FOR FOUNDERS,

We have audited the accompanying financial statements of Fundacja na Rzecz Nauki Polskiej seated in Warsaw, ul. Grażyny 11 consisting of: the balance sheet as at 31 December 2001 with total assets and total liabilities and equity of PLN 198,310,927.43; the profit and loss account for the year then ended with a net loss of PLN 4,895,547.35 and the cash flow statement for the year then ended with a decrease in cash amounting to PLN 1,722,859.13.

These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the audit in accordance with International Standards on Auditing as issued by the International Federation of Accountants, section 7 of the Polish Accounting Act dated 29 September 1994 (Official Journal no.121, item 591 with subsequent amendments) and the professional norms established by the Polish National Council of the Certified Auditors. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements of Fundacja na Rzecz Nauki Polskiej have been prepared from properly maintained accounting records and present fairly, in all material respects, the financial position of Fundacja as at 31 December 2001, the results of its operations and its cash flows for the year then ended in accordance with the accounting standards applied in Poland as set out in the Polish Accounting Act dated 29 September 1994 (Official Journal no.121, item 591 with subsequent amendments) and in the Resolution of the Minister of Finance dated 18 August 1998 related to detailed accounting rules for non-profit entities (Official Journal no. 115, item 748) which have been applied on a consistent basis.

signed on the Polish original
.....

Certified Auditor No. 796/1670
Bogdan Dębicki,
Member of the Board of Directors

signed on the Polish original
.....

For KPMG Polska Audyt Sp. z o.o.
Certified Auditor No. 796/1670
Bogdan Dębicki,
Member of the Board of Directors

Warsaw, 15 February 2002

BALANCE SHEET
as at 31 December 2001

ASSETS	31.12.2000	31.12.2001
	ths PLN	ths PLN
A. FIXED ASSETS	84,238.0	76,085.8
I. Intangible fixed assets	101.6	39.2
II. Tangible fixed assets	2,427.4	2,199.0
III. Financial assets	80,714.0	73,018.2
IV. Long term receivables	995.2	829.4
B. CURRENT ASSETS	146,193.8	122,202.7
I. Inventories	0.0	0.0
II. Receivables and claims	260.0	1,323.2
III. Short term securities	39,235.9	15,904.5
IV. Cash	106,697.9	104,975.0
C. Inter-period settlements	579.0	22.4
TOTAL ASSETS	231,011.1	198,310.9

EQUITY AND LIABILITIES	31.12.2000	31.12.2001
	ths PLN	ths PLN
A. EQUITY	201,687.0	196,791.4
I. Capital fund	95,000.0	95,000.0
II. Reserve fund	27,606.0	27,612.6
III. Statutory fund	153,833.8	153,833.8
IV. Revaluation fund	8.8	2.2
V. Undistributed financial result	-72,083.7	-74,761.7
VI. Undistributed financial result from the previous year	0.0	-2,677.9
VII. Net financial result for the accounting year	-2,677.9	- 4,895.5
B. PROVISIONS	0.0	0.0
C. LONG TERM LIABILITIES	0.0	19.0
D. SHORT TERM LIABILITIES AND SPECIAL FUND	28,163.0	463.8
I. Liabilities	28,159.9	461.6
II. Special fund	3.1	2.2
E. ACCRUALS AND DEFERRED INCOME	1,161.1	1,036.7
TOTAL EQUITY AND LIABILITIES	231,011.1	198,310.9

PROFIT AND LOSS ACCOUNT
for the year ended as of 31 December 2001

	2000 ths PLN	2001 ths PLN
A. Income on statutory activity	-	-
B. Costs of statutory activity	16,583.6	18,887.0
C. Profit/loss on statutory activity	-16,583.5	- 18,887.0
D. Administration costs	4,750.0	6,020.9
E. Other revenues	806.4	108.2
F. Other costs	3.6	83.0
F. 1. Change in stock	0.0	0.0
G. Financial revenues	27,295.8	22,766.3
H. Financial cost	9,420.3	2,776.6
I. Profit/loss on activity	-2,655.3	- 4,893.0
J. 1. Extraordinary profit	0.0	0.0
2. Extraordinary loss	0.0	0.0
K. Income tax	22.6	2.5
L. Net profit	-2,677.9	- 4,895.5

CASH FLOW STATEMENT

	2000 ths PLN	2001 ths PLN
A. Cash flow from operations		
I. Net financial result (profit/loss)	-2,677.9	-4,895.5
II. Adjusted for:	-14,967.3	-39,531.6
1. Depreciation	360.6	366.9
2. Foreign exchange gains/losses	-	-
3. Interest and dividends received and paid	-21,497.2	-12,646.6
4. Provision for receivables	-	-
5. Other provisions	648.0	315.8
6. Income tax on gross profit	22.6	2.5
7. Income tax paid	-22.6	-2.5
8. Profit or loss on sale and liquidation of components of investment activity	-	0.8
9. Change in stock	-	-
10. Change in receivables and claims	-11.7	-897.3
11. Change in short term liabilities (except for loans and bank credits) and special funds	3,071.2	-27,680.3
12. Change in deferred charges and accruals	-560.1	556.6
13. Change in deferred income	-38.9	-124.4
14. Other items	3,060.8	576.9
III. Net cash from operations	-17,645.2	-44,427.1
B. Cash flow from investment activity		
I. Purchase/sale of intangible fixed assets	-3.4	-55.3
II. Purchase/sale of tangible fixed assets	-268.6	-21.6
III. Purchase/sale of shares in affiliated companies	-	-
IV. Purchase/sale of shares in associated companies	-	-
V. Purchase/sale of other shares and securities (included those intended for resale)	11,140.7	30,134.5
VI. Granted/repaid loans	-	-
VII. Received/paid dividends	2,398.7	3,351.8
VIII. Received/paid interest	19,098.5	9,632.6
IX. Other items	-	-
X. Net cash from investment activity	32,365.9	43,042.0
C. Cash flow from financial activity		
I. Contracted/repaid long term bank credits	-	-
II. Contracted/repaid long term loans, issuance/redemption of bonds and other securities	-	-
III. Contracted/repaid short term bank credits	-	-
IV. Contracted/repaid short term loans, issuance/redemption of bonds and other securities	-	-
V. Paid dividends and other payments to owners	-	-
VI. Paid financial leasing instalments	-	-
VII. Income from issuance of shares and additional payments to capital	-	-
VIII. Paid/received interest	-	-337.8
IX. Other items	-	-
X. Net cash from financing activity	-	-337.8
D. Change of net cash position	14,720.7	-1,722.9
E. Cash at the beginning of the accounting year	91,977.2	106,697.9
F. Cash at the end of the accounting year	106,697.9	104,975.0

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