

Budapest Festival Orchestra Foundation

Simplified Annual Report

and

independent Audit Report

31 December 2017

INDEPENDENT AUDIT REPORT

On the Simplified Public Benefit Annual Report submitted to the Board of Trustees of the Budapest Festival Orchestra Foundation

Opinion

We have audited the simplified public benefit annual report of Budapest Festival Orchestra Foundation for 2017, consisting of the public benefit balance sheet prepared for the cut-off date of 31 December 2017, in which the total assets and total liabilities are HUF 1,417,460 thousand, the net result after tax is HUF 51,022 thousand loss, the public benefit profit and loss account for the financial year ending on the same date and the notes to the financial statements describing the main components of the accounting policy and containing other explanatory information.

In our opinion, the attached simplified public benefit annual report reflects a true and fair view of the assets and liabilities and financial position of the Foundation as at 31 December 2017, as well as its income position at the end of the financial year ending on that date, and is in line with the provisions of Act C of 2000 on Accounting as well as Government Decree 479/2016 (28 December) on the specificities of reporting and bookkeeping of some other organisations referred to in the Accounting Act, effective in Hungary.

Basis of the opinion

We have completed our audit in compliance with the Hungarian National Audit Standards and laws and the other legal regulations pertaining to audit and effective in Hungary. Our responsibility arising from these standards is described in more detail in the section under the title of “*Responsibility of the auditor for the audit of the simplified public benefit annual report*”.

We are independent of the Foundation, pursuant to the specifications of the applicable legislation effective in Hungary and the “Rules on the (Ethical) Conduct of Auditors and Disciplinary Procedures” of the Chamber of Hungarian Auditors, as well as, for those issues not addressed in the above, according to the specifications of the “Accountants’ Codes of Ethics for Professional Accountants” (IESBA Code), issued by the International Ethics Standards Board, and comply with other ethical requirements contained in the same standards.

We are convinced that the obtained audit evidence provides a sufficient and adequate basis for our audit report.

Other information: Public Benefit Annex

The other information consists of the public benefit annex of the Budapest Festival Orchestra Foundation for 2017. The management is responsible for preparing the public benefit annex, in compliance with the Accounting Act and the applicable provisions of other legal regulations. Our

opinion on the simplified public benefit annual report expressed in the ‘*Opinion*’ section of our independent audit report does not relate to the public benefit annex.

In relation to the audit of the simplified public benefit annual report conducted by us, our responsibility is to read the public benefit annex and consider, in that process, whether the public benefit annex contains any material contradiction to the simplified public benefit annual report or to our knowledge obtained during the audit, or it otherwise appears to contain any materially erroneous statement.

Pursuant to the Accounting Act, it is also our responsibility to decide whether the public benefit annex was prepared in compliance with the provisions of the Accounting Act and other applicable legal regulations, and expressing our opinion on this, and also on the consistency of the public benefit annex and the simplified public benefit annual report.

In our opinion, the 2017 public benefit annex of the Foundation is in line with the 2017 simplified public benefit annual report of the Foundation and the applicable provisions of the Accounting Act in all essential aspects. As other legal regulations do not specify further requirements for the Foundation in relation to the public benefit annex, we do not formulate an opinion in that context.

In addition to the above, and based on our information obtained about the Foundation and its environment, we also must report whether or not we learned of any erroneous statement that may be deemed material (material erroneous statement) in the public benefit annex, and if so, the nature of the respective erroneous information (erroneous statement). We do not have anything to report in that regard.

Responsibility of the management and the persons in control for the simplified public benefit annual report

The management is responsible for preparing and presenting the simplified public benefit annual report in compliance with the Accounting Act and the Government Decree 479/2016 (28 December) on the specificities of reporting and bookkeeping of certain other organisations referred to in the Accounting Act and the requirement of true presentation, as well as for any internal control that is deemed necessary by the management for preparing a simplified public benefit annual report free from material erroneous statements whether arising from fraud or error.

In the course of preparing the simplified public benefit annual report, the management is responsible for assessing the Foundation’s ability to continue the business and for disclosing the information on the continuation of the business in line with the particular situation; furthermore, the management is responsible for the compilation of the simplified public benefit annual report based on the principle of going concern. The management should take the principle of going concern as a basis, unless the enforcement of this principle is hindered by any provision to the contrary, or if any factor or circumstance, which contradicts the continuation of entrepreneurial activities, prevails.

The persons appointed to take charge are responsible for monitoring the financial reporting process of the Foundation.

Responsibility of the auditor for the audit of the simplified public benefit annual report

During our audit, we aim to gain sufficient assurance that the simplified public benefit annual report does not contain any materially erroneous statement arising from fraud or error, and to issue an independent audit report containing our opinion based on our audit. Sufficient assurance is a high degree of certainty, but is not a guarantee that an audit conducted in compliance with the Hungarian National Audit Standards and the laws and other legal regulations on audit, effective in Hungary, always detects otherwise existing materially erroneous statements. Erroneous statements may arise from fraud or error and are deemed material when it may be reasonably expected that they, either on their own or together, may influence the economic decisions of the users made on the basis of the particular simplified public benefit annual report.

In accordance with the Hungarian National Audit Standards and the laws and other legal regulations on audit, effective in Hungary, we apply personal judgement and maintain some professional scepticism during the entire audit.

Moreover:

- We identify and estimate the risks of material erroneous statements in the simplified public benefit annual report arising either from fraud or error, develop and implement audit procedures suitable for managing those risks and obtain sufficient audit evidence for our opinion. The risk of non-detection of a material erroneous statement arising from fraud is greater than the same arising from an error, because fraud may include concerted action, counterfeiting, erroneous omissions, wrong declarations, or overruled internal controls.
- We study the internal controls, relevant in terms of the audit, in order to be able to design audit procedures that are adequate under the given conditions, but not in order to form an opinion on the effectiveness of the Foundation's internal control.
- We assess the adequacy of the accounting policies applied by the management and the practicality of the accounting estimates made by the management and the related disclosures.
- We draw a conclusion on whether or not the compilation of the simplified public benefit annual report by the management, based on the principle of going concern, is appropriate and, on the basis of the obtained audit evidence, on whether there is any significant uncertainty in relation to events or conditions that may raise serious doubt in terms of the ability of the Foundation to continue its business. If we conclude that there is a great deal of uncertainty, we must draw attention in our independent audit report to the related disclosures in the simplified public benefit annual report or, if the disclosures are not appropriate in that regard, we must qualify our opinion. Our conclusions are based on the audit evidence obtained by the date of our independent audit report. However, future events or conditions may prevent the Foundation from continuing its business.
- I assess the overall presentation, structure and content of the simplified annual report, including the disclosures in the Notes to the Financial Statements, and also assess whether or not the true and fair view of the underlying transactions and events is reflected in the simplified public benefit annual report.

In addition to other issues, we communicate, to the individuals in charge of control, the envisaged scope and schedule of the audit and the material findings of our audit, also including the material inadequacies of internal controls applied by the Foundation, identified by us during the audit, if applicable.

Budapest, 9 May 2018

[signature]

Gábor Gion

On behalf of Deloitte Könyvvizsgáló és Tanácsadó Kft.

and as the Auditor, member of the Hungarian Chamber of Auditors

Deloitte Könyvvizsgáló és Tanácsadó Kft.

1068 Budapest, Dózsa György út 84/C.

Registration number: 000083

Membership number of the Chamber member auditor: 005252

BUDAPEST FESTIVAL ORCHESTRA FOUNDATION
2017 SIMPLIFIED PUBLIC BENEFIT ANNUAL REPORT

Budapest, 27 May 2018

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Stefan Englert
Executive Director

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2. SIMPLIFIED PUBLIC BENEFIT ANNUAL REPORT

2.1 Balance Sheet of the Simplified Public Benefit Annual Report 2017

Tax number: 18005488-2-41

Figures in thousand HUF

Serial number	Item	Previous year	Corrections of the preceding years	Current year
a	B	c		e
1.	A. FIXED ASSETS	114,772	0	99,852
2.	I. Intangible assets	8,581	0	4,293
3.	II. Tangible assets	99,013	0	95,559
4.	III. Financial investments	7,178	0	0
5.	IV. Adjustment of financial investments	0	0	0
6.	B. CURRENT ASSETS	1,378,995	0	1,232,469
7.	I. Inventories	1,047	0	1,478
8.	II. Receivables	196,402	0	195,266
9.	III. Securities	969,366	0	819,849
10.	IV. Liquid assets	212,180	0	215,876
11.	C. PREPAYMENTS AND DEFERRED EXPENSES	38,245	0	85,139
12.	TOTAL ASSETS	1,532,012	0	1,417,460
13.	D. SHAREHOLDERS' EQUITY	1,235,468	0	1,184,446
14.	I. Initial capital	231,075	0	100
15.	II. Capital changes	1,132,414	0	1,235,368
16.	III. Allocated reserve	0	0	0
17.	IV. Valuation reserve	0	0	0
18.	V. Profit of ordinary operation in the current year	-142,657	0	-56,028
19.	VI. Profit of business activities in the current year	14,636	0	5,006
20.	E. PROVISIONS	0	0	0
21.	F. LIABILITIES	139,516	0	108,821
22.	I. Subordinated liabilities	0	0	0
23.	II. Long-term liabilities	0	0	0
24.	III. Short-term liabilities	139,516	0	108,821
25.	G. ACCRUALS AND DEFERRED INCOME	157,028	0	124,193
26.	TOTAL LIABILITIES	1,532,012	0	1,417,460

Budapest, 27 May 2018

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Stefan Englert
Executive Director

The supplementary notes form an inseparable part of the balance sheet of the simplified public benefit annual report.

2.2 Profit/Loss Statement of the Simplified Public Benefit Annual Report

2017

Tax number: 18005488-2-41

Figures in thousand HUF

Definition	Ordinary operation			Business operation			Total		
	previous year	adjustments of the previous year	current year	previous year	adjustments of the previous year	current year	previous year	adjustments of the previous year	current year
1 Net sales revenues	1,078,548	0	1,153,789	6,739	0	5,128	1,085,287	0	1,158,917
2 Capitalised own performance	0	0	0	0	0	0	0	0	0
3 Other revenues	1,835,033	0	1,879,091	1,789	0	0	1,836,822	0	1,879,091
<i>support received from the founder</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<i>of which: donations</i>	<i>1,757,378</i>	<i>0</i>	<i>1,728,210</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>1,757,378</i>	<i>0</i>	<i>1,728,210</i>
	<i>72,324</i>	<i>0</i>	<i>147,759</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>72,324</i>	<i>0</i>	<i>147,759</i>
4 Revenues of financial transactions	5,715	0	56,766	31,213	0	0	36,928	0	56,766
A Total revenues (1+2+3+4+5)	2,919,296	0	3,089,646	39,741	0	5,128	2,959,037	0	3,094,774
of which: revenues from public benefit activity	2,919,296	0	3,089,646	39,741	0	5,128	2,919,296	0	3,094,774
5 Material expenditure	2,435,375	0	2,507,746	2,143	0	122	2,437,518	0	2,507,868
6 Staff costs	595,303	0	590,885	3,257	0	0	598,560	0	590,885
of which: executive officer	0	0	0	0	0	0	0	0	0
7 Depreciation write-off	13,305	0	16,404	118	0	0	13,423	0	16,404
8 Other expenses	1,011	0	5,077	11	0	0	1,022	0	5,077
9 Expenses of financial transactions	16,959	0	25,562	19,576	0	0	36,535	0	25,562
B Total costs, expenses (6+7+8+9+10+11)	3,061,953	0	3,145,674	25,105	0	122	3,087,058	0	3,145,796
of which: public benefit activity expenses	3,061,953	0	3,145,674	25,105	0	122	3,061,953	0	3,145,796
C Profit before taxation (A-B)	-142,657	0	-56,028	14,636	0	5,006	-128,021	0	- 51,022
10 Tax liability	0	0	0	0	0	0	0	0	0
D Profit or loss after tax (C-10)	-142,657	0	-56,028	14,636	0	5,006	-128,021	0	- 51,022

Budapest, 27 May 2018

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Stefan Englert
Executive Director

The supplementary notes form an inseparable part of the balance sheet of the simplified public benefit annual report.

2.3 Profit/Loss Statement of the Simplified Public Benefit Annual Report
General information
2017

Tax number: 18005488-2-41

Figures in thousand HUF

Definition	Ordinary operation			Business operation			Total		
	previous year	adjustments of the previous year	current year	previous year	adjustments of the previous year	current year	previous year	adjustments of the previous year	current year
A Transfers from the central budget	1,210,000	0	1,198,000	0	0	0	1,210,000	0	1,198,000
Of which: normative	0	0	0	0	0	0	0	0	0
B Transfers from the local government	60,000	0	120,000	0	0	0	60,000	0	120,000
Of which: normative	0	0	0	0	0	0	0	0	0
C Support provided from the Structural Funds of the European Union and the Cohesion Fund	0	0	0	0	0	0	0	0	0
D Funding provided from the EU budget or from other states, or international organizations,	33,209	0	125,942	0	0	0	33,209	0	125,942
E Sum transferred pursuant to Act CXXXVI of 1996 on the Use of a Specified Portion of Personal Income Tax According to the Taxpayer's Instruction;	1,872	0	1,228	0	0	0	1,872	0	1,228
F Public service revenues	0	0	0	0	0	0	0	0	0
G Donations	72,324	0	147,759	0	0	0	72,324	0	147,759

Budapest, 27 May 2018

[signature]
Stefan Englert
Executive Director

2.4 NOTES TO THE FINANCIAL STATEMENTS

Main data of the Foundation

Registration number of the foundation:	01-01-0002935
Name of the Foundation:	Budapest Festival Orchestra Foundation
Registered office of the Foundation:	1033 Budapest, Polgár utca 8-10.
Name of the foundation's representative:	Stefan Englert
Address of the foundation's representative:	2090 Remeteszőlős, Patak sétány 141.
Tax number of the foundation:	18005488-2-41

Purpose of the Foundation: To operate the Budapest Orchestra and put in place the conditions required for it in order to promote the Hungarian music culture, and especially the highest possible standard of music in the Capital city.

Classification of the foundation by purpose

Public benefit level of the foundation:	PUBLIC BENEFIT
Date of public benefit status:	1 January 1998
Public benefit activity:	Cultural activity
Number of the effective court decision:	Pk.67817/1991
Date of the effective court decision:	16 March 1992

General supplementary information

Accounting policy

The accounting policy of the Budapest Festival Orchestra Foundation (hereinafter: Foundation) is based on:

- Act C of 2000 on Accounting,
- Government Decree 479/2016 (28 December) on the specificities of reporting and bookkeeping obligations of certain other organisations in line with the requirements of the Accounting Act,
- Government Decree 350/2011 (30 December) on the financial management of foundations,
- Act CLXXV of 2011 on public benefit organisations and
- Act V of 2013 on the Civil Code of the Republic of Hungary.

General requirements of the Accounting policy:

– type of bookkeeping:	Double entry bookkeeping
The books must be kept by ensuring that the business revenues and expenses (costs) of the foundation are recorded separately from the public benefit revenues and expenses (costs) in order to reflect a true and fair view of the result of the business in the current year.	
form of the report:	Simplified Public Benefit Annual Report
Cut-off date of the report:	31 December 2017
balance sheet preparation date:	31 March of the year following the balance sheet cut-off date of the financial year

The Foundation discloses and publishes its reports on its website at www.bfz.hu and also makes them available at its registered office.

Audit is mandatory for the Foundation pursuant to Government Decree 479/2016 (28 December).

Depositing and disclosure

The Foundation must deposit and disclose its report, the public benefit annex and the audit report, approved by the body eligible for granting approval by the last day of the fifth month following the cut-off date of the balance sheet of the particular financial year. The depositing and disclosure obligation must be performed pursuant to Sections 39-40 of the Act on Court Procedures, i.e. the report must be submitted to the National Office for the Judiciary electronically.

The Foundation has its own website, thus the obligation of disclosure applies to having the financial report and the public-benefit status report posted on the website as well. It shall provide uninterrupted access to the data posted on its website until the publication of information relating to the second financial year following the date of publication.

Major error

When, in the year when discovered by any form of audit, the total of all errors (whether negative or positive) for a given financial year (separately for each year) and the impacts thereof – increasing or decreasing the profit or loss or the shareholders' equity – exceeds the value limit set out in the accounting policy. If, in the year when discovered by any form of audit, the total of all errors (whether negative or positive) for a given financial year (separately for each year) and the impacts thereof – increasing or decreasing the profit or loss or the shareholders' equity – exceeds 2 per cent of the balance sheet total of the year audited, or HUF 1 million, if such 2 per cent of the balance sheet total exceeds HUF 1 million.

Recognition of provisions

Provisions shall be set aside from the pre-tax profit – to the extent necessary – to cover payment liabilities towards third persons which originate from past and current transactions and contracts and which on the balance sheet date, are assumed or sure to be incurred, however, the amounts and the due dates of such liabilities are uncertain and the company has not provided the cover for such liabilities in any other form. In the process of setting aside the provisions, the liabilities that exist on the balance sheet date shall be taken into account even if they become known between the balance sheet date and the date of closing.

Distribution of costs and expenses

The Foundation assigns the costs and expenses to its public benefit business activities when they can be clearly assigned. When it is not absolutely clear to which activity a particular cost or expense relates, the costs and expenses are distributed on a pro rata basis reflecting the revenues.

There have been no major changes during the current year in the Accounting policy.

In the simplified annual report of the FOUNDATIONS all data are specified in thousand HUF.

Valuation procedures

Valuation of currency and foreign currency items

In the establishment of the HUF value of the currency stock, currency amounts kept in a currency account, receivables expressed in foreign currencies, financial investments, securities (hereinafter together assets denominated in foreign currencies) and liabilities we proceed as follows:

- Foreign exchange and currency must be converted into HUF at the average foreign exchange purchase and foreign exchange sales rate quoted by the Hungarian National Bank.
- The foreign exchange rate referred to above shall not be used for the conversion of any non-convertible currency, or of the value of assets and liabilities denominated in such currency, which are not listed or are non-convertible by credit institutions or the Hungarian National Bank. In this case, the currency is converted to HUF at the free market exchange rate of the currency.

Before the valuation of foreign currency holdings, whether in cash or on account, and receivables, financial investments, securities and liabilities denominated in foreign currencies, which pertains to the balance sheet date of the financial year, the difference between their book value and their forint value at the time of valuation:

- a) if the combined value of such differences is negative, the balance shall be accounted as an exchange loss under other expenses on financial transactions,
- b) if the combined value of such differences is positive, the balance shall be shown as other revenues from financial transactions.

Valuation of assets

Invested assets and current assets shall be evaluated at a purchase cost less write-offs applied.

If on the cut-off date of the balance sheet for the business year the market value of the individual asset is lower than its book value, then the difference must be accounted for as unscheduled depreciation or impairment.

Extraordinary depreciation and impairment losses shall be reversed in the process of valuation made for the balance sheet date of the financial year.

Depreciation of Assets

The depreciation accounted annually must be established by taking into account the estimated useful life of the individual asset, its physical wear and tear as well as the circumstances typical of the operation, and shall be applied following the entry thereof in the accounting records from the date of putting into ordinary use or commissioning. Depreciation is calculated with the straight line method.

Rate of depreciation:

– Rights and titles:	12.5%
– Capital expenditure project conducted on the leased property	6%
– Other equipment	14.5%
– String instruments	0%
– IT equipment	33%
– Low value assets (below HUF 100 thousand)	100%

The Foundation does not apply any valuation adjustments.

Specific Supplementary Information

Notes to the balance sheet

Figures in thousand HUF

Description of items	Previous year	Current year	Variation
Fixed assets and intangible assets	107,594	99,852	-7,742

Definition	Gross value				Accumulated depreciation				Net value	
	Opening	Increase	Decrease	Closing	Opening	Increase	Decrease	Closing	Opening	Closing
Rights and titles	18,446	443	4,846	14,043	9,865	1,388	1,503	9,750	8,581	4,293
Total intangible assets	18,446	443	4,846	18,446	9,865	1,388	1,503	9,750	8,581	4,293
Capital investment on rented property	57,324	1,788	0	59,112	32,041	3,439	0	35,480	25,283	23,632
Instruments	199,234	3,253	1,064	201,423	137,701	5,738	1,064	142,375	61,533	59,048
IT equipment	15,716	5,230	0	20,946	13,371	2,763	0	16,134	2,345	4,812
Office machines	2,276	0	0	2,276	2,069	44	0	2,113	207	163
Furniture	6,491	799	0	7,290	5,621	755	0	6,376	870	914
Other office machines, equipment	26,674	491	0	27,165	17,898	2,277	0	20,175	8,776	6,990
Tangible assets	307,714	11,561	1,064	318,212	208,701	15,016	1,064	222,653	99,013	95,559
Intangible assets and fixed assets	326,160	12,004	5,910	332,255	218,566	16,404	2,567	232,403	107,594	99,852

Description of items	Previous year	Current year	Variation
Financial investments	7,178	0	-7,178

Description of items	Previous year	Current year	Variation
Inventories	1,047	1,478	431

Definition	Opening	Increase	Decrease	Closing
Channel Classics	368 pcs	355 pcs	221 pcs	502 pcs
Records CD	HUF 807 thousand	HUF 1,037 thousand	HUF 606 thousand	HUF 1,238 thousand
CD released for the 20th birthday of the BFO	697 pcs	0	1	696 pcs
	HUF 240 thousand	0	HUF 0 thousand	HUF 240 thousand
Total	1,065 pcs	355 pcs	222 pcs	1,198 pcs
Total	HUF 1,047 thousand	HUF 1,037 thousand	HUF 606 thousand	HUF 1,478 thousand

The Mahler, Rachmaninoff, Tchaikovsky and Strauss CDs purchased from Channel Classic Records and the CDs published for the 20th Birthday of the Foundation are recorded among the inventories.

Description of items	Previous year	Current year	Variation
Receivables	196,402	195,266	-1136
Receivables from the supply of goods and services	58,904	40,811	-18,093
Tax receivables	131,791	146,860	15,069
Other receivables	5,707	7,595	1,888

On the cut-off date of the balance sheet the Foundation's records contained HUF 17,386 thousand domestic and HUF 23,425 thousand international receivables.

The receivables from suppliers are receivables relating to the cancelled invoices received in the course of the self audit.

The tax credits relate to the VAT reclaimed for Q3 and Q4 2017.

Description of items	Previous year	Current year	Variation
Securities	969,366	819,849	-149,517

The Foundation keeps its securities accounts at Concorde Értékpapír Zártkörűen Működő Részvénytársaság. The securities are presented in the Financial Investments part.

Description of items	Previous year	Current year	Variation
Liquid assets	212,180	215,876	3,696
Treasury stock	404	98	-306
Bank deposits	211,776	215,778	4,002

Description of items	Previous year	Current year	Variation
Prepaid revenues	4,499	17,301	12,802
Interest on bonds	4,499	14,759	10,260
Support	0	1,623	1,623
Honorarium	0	919	919

Description of items	Previous year	Current year	Variation
Prepaid expenses	33,746	67,838	34,092
Travel expense for the following year	19,952	50,318	30,366
Travel expenses of guest artists	6,432	6,097	-335
Marketing	0	2,495	2,495
Insurance	1,294	2,492	30
Sheet-music	1,871	1,149	-722
Commission fee	2,223	0	-2,223
Office rent	967	0	-967
Room hire fee	0	340	340
Other	1,007	4,947	3,940
Prepayments and deferred expenses	38,245	85,139	46,894

Description of items	Previous year	Current year	Variation
Shareholders' equity	1,235,468	1,184,446	-51,022

Definition	Opening	Restate- ment of the profit/loss after tax	Profit/loss after tax for the current year	Closing
Initial capital	231,075	-230,975	0	100
Capital changes	1,132,414	102,954	0	1,235,368
Profit/loss for the current year from core activity	-142,657	142,657	-56,028	-56,028
Profit of business activities in the current year	14,636	-14,636	5,006	5,006
Shareholders' equity	1,235,468	0	-51,022	1,184,446

The equity changed in the current year due to the restatement of the profit of the public benefit and business activity of the previous year. The amount of supports/grants was restated from the initial capital to the profit base from operation row in the amount of HUF 290,975 thousand.

Description of items	Previous year	Current year	Variation
Short-term liabilities	139,516	108,821	-30,695
<i>Trade payables</i>	<i>112,026</i>	<i>81,409</i>	<i>-30,617</i>
<i>Tax and contribution liabilities</i>	<i>16,771</i>	<i>15,375</i>	<i>-1,396</i>
• <i>Social contribution</i>	<i>5,742</i>	<i>5,912</i>	<i>170</i>
• <i>Healthcare contribution</i>	<i>5,620</i>	<i>4,385</i>	<i>-1,235</i>
• <i>Health insurance and labour market contributions</i>	<i>2,081</i>	<i>1,993</i>	<i>-88</i>
• <i>PIT</i>	<i>1132</i>	<i>1,202</i>	<i>70</i>
• <i>Simplified public contribution</i>	<i>1,741</i>	<i>1,680</i>	<i>-61</i>
• <i>Pension insurance</i>	<i>455</i>	<i>203</i>	<i>-252</i>
<i>Wage obligations</i>	<i>9,825</i>	<i>11,832</i>	<i>2,007</i>
<i>Gift voucher, BFO Card</i>	<i>890</i>	<i>93</i>	<i>-797</i>
<i>Other</i>	<i>4</i>	<i>112</i>	<i>108</i>

Description of items	Previous year	Current year	Variation
Deferred income	109,328	82,988	-26,340
Revenues from ticket sales for the following year	97,777	81,374	-16,403
Other revenues for the following year	6,585	144	-6,441
Support for the following year	4,966	1,470	-3,496

Description of items	Previous year	Current year	Variation
Accrued costs and charges	47,700	41,205	-6,495
Honoraria	38,956	27,013	-11,943
Marketing expenses	631	4,861	4,230
Travel expenses of artists	2,086	4,802	2,716
Audit fee	1,900	1,600	-300
Technical costs of concerts	374	1,241	867
Overhead costs	1,701	0	-1,701
Legal expenses	944	0	-944
Sheet-music expenses	691	362	-329
Other	417	1,326	909
Accruals and deferred income	157,028	124,193	-32,835

Findings Related to the Profit/Loss Statement**Figures in thousand HUF**

Definition	Ordinary operation		Business operation		Total	
	previous year	current year	previous year	current year	previous year	current year
Net sales revenues	1,078,548	1,153,789	6,739	5,128	1,085,287	1,158,917
Tour	865,119	877,344	0	0	865,119	877,344
Ticket sales	158,193	222,304	0	0	158,193	222,304
Honorarium	45,595	30,150	0	0	45,595	30,150
Ticket sales revenues from other organisations	4,148	5,825	0	0	4,148	5,825
Royalties	3,248	7,778	0	0	3,248	7,778
Other cultural activity	2,245	10,388	0	0	2,245	10,388
Advertising	0	0	1,950	786	1,950	786
Auction	0	0	0	0	0	0
CD sales	0	0	43	13	43	13
Instrument hire fee	0	0	4,013	4,229	4,013	4,229
Company	0	0	732	100	732	100
Capitalised own performance	0	0	0	0	0	0
Other revenues	1,835,033	1,879,091	1,789	0	1,836,822	1,879,091
Support	1,757,378	1,728,210	0	0	1,757,378	1,728,210
– From the central budget	1,210,000	1,198,000	0	0	1,210,000	1,198,000
– National Tax and Customs Administration 1%	1,872	1,228	0	0	1,872	1,228
– Performing Arts TV	421,736	339,256	0	0	421,736	339,256
– Municipality	60,000	120,000	0	0	60,000	120,000
– Tender	63,770	69,726	0	0	63,770	69,726
Donations	72,324	147,759	0	0	72,324	147,759
– Other donations	29,537	20,369	0	0	29,537	20,369
– Sponsors	13,500	22,526	0	0	13,500	22,526
– Supporter club	24,828	39,442	0	0	24,828	39,442
– Assets received as support	3,000	3,000	0	0	3,000	3,000
– Support from abroad	1,459	62,422	0	0	1,459	62,422
Other	5,331	3,122	1,789	0	7,120	3,122
– Revenues from damages	2,910	200	0	0	2,910	200
– Proceeds from sold intangible and tangible assets	0	1,548	1,756	0	1,756	1,548
– Other	2,421	1,374	33	0	2,454	1,374
Revenues of financial transactions	5,715	56,766	31,213	0	36,928	56,766
– Interest income	0	46,784	31,135	0	31,135	46,784
– Banking interest	2	21	0	0	2	21
– Exchange rate gain on receivables and liabilities	4,796	9,944	65	0	4,861	9,944
– Exchange rate gain on the cut-off date	917	17	12	0	929	17
Total revenues (1+2+3+4+5)	2,919,296	3,089,646	39,741	5,128	2,959,037	3,094,774
Distribution of revenues (%)	98.66 %	99.83 %	1.34 %	0.17 %	100%	100%

The public benefit revenues include the received donations, revenues from artistic services, tour revenues and the revenues from sold tickets.

The other public benefit revenues include revenues from instrument insurance, i.e. revenues from claims (relating to instruments).

The Foundation classifies the revenues from companies for advertising activities and the revenues from the sale of its CDs and programme leaflets in its business activities.

Export sales broken down by geographic market (in thousand HUF)

Definition	2016	2017
European Union	641,311	814,046
North America	54,373	63,298
Far East	158,258	0
Italy	11,177	0
Grand total	865,119	877,344

Total costs (expenses)

Definition	Ordinary operation		Business operation		Total	
	previous year	current year	previous year	current year	previous year	current year
Material type expenses	2,435,375	2,507,746	2,143	122	2,437,518	2,507,868
of which raw material costs	6,704	8,102	88	0	6,792	8,102
Staff costs	595,303	590,885	3,257	0	598,560	590,885
Depreciation write-off	13,305	16,404	118	0	13,423	16,404
Other expenses	1,011	5,077	11	0	1,022	5,077
Expenses of financial transactions	16,959	25,562	19,576	0	36,535	25,562
Total costs (expenses)	3,061,953	3,145,674	25,105	122	3,087,058	3,145,796
Distribution of expenses (%)	99.19 %	100%	0.81 %	0.00 %	100%	100%

Description of items	previous year	current year	Variation
Material type expenses	2,437,518	2,507,868	70,350
Material costs	6,792	8,103	1,311
Purchase value of goods sold	2,644	6,599	3,955
Value of sold mediated services	0	0	0
Services used	2,407,505	2,472,685	65,180
• <i>Honoraria</i>	<i>1,240,098</i>	<i>1,389,409</i>	<i>149,311</i>
• <i>Travel expenses and expenses of business trips</i>	<i>562,090</i>	<i>481,950</i>	<i>-80,140</i>
• <i>Other function expenses</i>	<i>132,139</i>	<i>117,152</i>	<i>-14,987</i>
• <i>Rental fees</i>	<i>88,968</i>	<i>109,258</i>	<i>20,290</i>
• <i>Marketing</i>	<i>88,581</i>	<i>95,277</i>	<i>6,696</i>
• <i>External concert providers</i>	<i>67,007</i>	<i>81,668</i>	<i>14,661</i>
• <i>Transportation</i>	<i>108,328</i>	<i>73,574</i>	<i>-34,754</i>
• <i>Production costs of sheet-music, programmes and tickets</i>	<i>41,616</i>	<i>38,869</i>	<i>2,747</i>
• <i>Repair and maintenance</i>	<i>22,849</i>	<i>33,918</i>	<i>11,069</i>
• <i>Postal and telecommunications expenses</i>	<i>10,086</i>	<i>8,414</i>	<i>1,672</i>
• <i>Conference</i>	<i>2,092</i>	<i>5,942</i>	<i>3,850</i>
• <i>Technical literature and journal procurement</i>	<i>416</i>	<i>49</i>	<i>367</i>
• <i>Other services used</i>	<i>43,235</i>	<i>37,205</i>	<i>6,030</i>
Other services	20,577	20,481	-96

The **staff costs** include the wages paid to employees, the honoraria paid to artists and the related contributions.

Description of items	Previous year	Current year	Variation
Average statistical headcount	21 persons	23 persons	2
Staff costs	598,560	590,885	-7,009
Wage cost	179,321	194,738	15,417
Commission fee	327,768	299,130	-28,638
Other staff benefits	32,308	44,863	12,555
Wage contributions	59,163	52,154	7,009

Description of items	Previous year	Current year	Variation
Other expenses	1,022	5,077	4,055
Taxes, duties, contributions	743	1,658	915
Default interest, default penalty	93	45	-48
Various other expenses	186	3,374	3,188

Description of items	Previous year	Current year	Variation
Expenses of financial transactions	36,535	25,562	-10,973

The **expenses of financial transactions** contain the exchange rate losses of financial investment, receivables and liabilities.

The revenues and expenses of the Foundation broken down by activity

Definition	Ordinary operation		
	previous year	current year	variation
A. Total revenues	2,919,296	3,089,646	170,350
B. Total costs, expenses	3,061,953	3,145,674	83,721
C. Profit/loss before tax	-142,657	-56,028	86,629
I. Tax liability	0	0	0
D. Profit/loss after tax	-142,657	-56,028	86,629
II. Reclassification	14,636	5,006	-9,630
E. Capital changes	-128,021	-51,022	76,999

Definition	Business operation		
	previous year	current year	variation
A. Total revenues	39,741	5,128	-34,613
B. Total costs, expenses	25,105	122	-24,983
C. Profit/loss before tax	14,636	5,006	-9,630
I. Tax liability	0	0	0
D. Profit/loss after tax	14,636	5,006	-9,630
II. Reclassification	14,636	5,006	-9,630
E. Capital changes	0	0	0

Definition	Total		
	previous year	current year	variation
A. Total revenues	2,959,037	3,094,774	135,737
B. Total costs, expenses	3,087,058	3,145,796	58,738
C. Profit/loss before tax	-128,021	-51,022	76,999
I. Tax liability	0	0	0
D. Profit/loss after tax	-128,021	-51,022	76,999
II. Reclassification	0	0	0
E. Capital changes	-128,021	-51,022	76,999

The Foundation generated HUF 5,006 thousand profit from business activities in the current year. In 2017 the business activity is free of taxation (pursuant to the amendment of Section 196 of Act CLXXV of 2011 and, from 2012, pursuant to Section 9 (7) of the Corporate Tax Act) if the revenues earned from the business activities of the Foundation do not exceed 15% of the total revenues. As in the current year the Foundation did not exceed that limit, it did not have any corporate tax liability.

Statement Relating to the Utilisation of Assets

Description of items		previous year	current year	Variation
1.	A. FIXED ASSETS (rows 2-5)	114,772	99,852	-14,920
2.	I. INTANGIBLE ASSETS	8,581	4,293	-4,288
3.	H. TANGIBLE ASSETS	99,013	95,559	-3,454
4.	m. FINANCIAL INVESTMENTS	7,178	0	-7,178
5.	IV. ADJUSTMENT IN FINANCIAL INVESTMENTS	0	0	0
6.	B. CURRENT ASSETS (rows 7-10)	1,378,995	1,232,469	-146,526
7.	I. INVENTORIES	1,047	1,478	431
8.	II. RECEIVABLES	196,402	195,266	-1,136
9.	III. SECURITIES	969,366	819,849	-149,517
10.	IV. LIQUID ASSETS	212,180	215,876	3,696
11.	C. PREPAYMENTS AND DEFERRED EXPENSES	38,245	85,139	46,894
12.	TOTAL ASSETS	1,532,012	1,417,460	-114,552
13.	D. Shareholders' equity (rows 14-17)	1,235,468	1,184,446	-51,022
14.	I. INITIAL CAPITAL	231,075	100	-230,975
15.	II. CAPITAL CHANGES	1,132,414	1,235,368	102,954
16.	III. ALLOCATED RESERVE	0	0	0
17.	IV. VALUATION RESERVE	0	0	0
18.	V. CURRENT PROFIT FROM ORDINARY OPERATION	-142,657	-56,028	86,629
19.	VI. PROFIT OF BUSINESS ACTIVITIES IN THE CURRENT YEAR	14,636	5,006	-9,630
20.	E. PROVISIONS	0	0	0
21.	F. LIABILITIES	139,516	108,821	-30,695
22.	I. SUBORDINATED LIABILITIES	0	0	0
23.	n. LONG-TERM LIABILITIES	0	0	0
24.	III. SHORT-TERM LIABILITIES	139,516	108,821	-30,695
25.	G. ACCRUALS AND DEFERRED REVENUES	157,028	124,193	-32,835
26.	TOTAL (PASSIVE) LIABILITIES	1,532,012	1,417,460	-114,552
	Public benefit activity revenues	2,919,296	3,089,646	170,350
	Business operation revenues	39,741	5,128	-34,613
	Total revenues	2,959,037	3,094,774	135,737
	Profit/loss after tax	-128,021	-51,022	76,999
	Fixed assets coverage	1,148.27%	1,186.2%	-37.93%
	Fixed assets as a percentage of the total assets	7.02%	7.04%	0.2%
	Current assets as a percentage of the total assets	90.48%	86.94%	-3.53%
	Liquidity ratio	993.56%	8.829%	-984.73%
	Shareholders' equity and total liabilities ratio	80.64%	83.56%	2.92%
	Shareholders' equity growth ratio	-10.36%	-4.31%	6.05%
	Return on sales	-4.33%	-1.65%	2.68%
	Return on equity	-10.36%	-4.31%	6.05%

Presentation of Received Grants

A. Report on central subsidies

Description of items	Previous year	Current year	Variation
Subsidies received from the Budapest Municipality	60,000	120,000	60,000

According to the subject matter of the public service agreement concluded between Budapest Festival Orchestra Foundation and the Municipality of Budapest, Budapest Festival Orchestra Foundation must play at least 35 concerts in Budapest, with the following breakdown: 22 symphonic orchestra concerts, 5 chamber concerts and 8 youth concerts for educational purposes.

In line with that obligation, Budapest Festival Orchestra played 61 large orchestra concerts, 51 youth concerts, 8 chamber concerts and 12 community concerts in Budapest in 2017.

The grants received were used towards the concerts of the Budapest Festival Orchestra Foundation.

Description of items	Previous year	Current year	Variation
Grant received from the Ministry of Human Capacities	1,150,000	1,150,000	0

The Ministry of Human Capacities provides financial support to the concerts of Budapest Festival Orchestra in Hungary and abroad under the terms and conditions specified in the Support Contract.

Pursuant to the Support Contract the received support was used to organise concerts and tours in Hungary and abroad.

Description of items	Previous year	Current year	Variation
Grant received from the Ministry of Foreign Affairs and Trade	60,000	0	-60,000

The Ministry of Foreign Affairs and Trade provided financial support to the concerts of Budapest Festival Orchestra played during its Baltic tour in 2016 under the terms and conditions specified in the Support Contract.

Description of items	Previous year	Current year	Variation
Grant received from the National Tax and Customs Administration from 1% of the PIT	1,872	1,228	-644

Of the 1% Personal Income Tax offered in 2017, in total HUF 1,228 thousand was credited on the bank account of the Foundation.

In 2017 that amount was used for the organisation of a Cocoa Concert for an autistic audience.

B. Other grants

Description of items	Previous year	Current year	Variation
Grant received based on the Performing Arts Act	421,736	339,256	-82,480

Total amount of support, ancillary support and donation in 2016, acceptable according to the Corporate Tax Act: HUF 400,837,830, of which: – 2016 support received by bank transfer: HUF 283,837,830
 Support received by bank transfer in 2017: HUF 117,000,000
 Total amount of support, ancillary support and donation in 2017, acceptable according to the Corporate Tax Act: HUF 392,044,238, of which: – 2017 support received by bank transfer: HUF 222,255,500
 Support received by bank transfer in 2018: HUF 169,788,738

The received support was used for the organisation of concerts and tours in Hungary in compliance with the provisions of the Support Contract.

Description of items	Previous year	Current year	Variation
Amounts received from tenders	63,770	69,726	5,956
National Cultural Fund – Community weeks support	0	8,000	8,000
NMI Nonprofit Kft.		40,000	40,000
Subsidies received from the Supporters' Club	24,828	39,441	14,613
Subsidies received from companies	13,500	22,526	9,026
Grants from foreign Friends of the Orchestra	1,459	62,422	60,963
Other donations	30,547	23,369	-7,178

The received support was used for the purposes expressed in the Deed of Foundation.

Presentation of grants from abroad

Indicate current year: 2017

II. Grant from abroad

Total grant amount from abroad: HUF 109,914,576

A) Total of the support originating from abroad, below the financial limit as per Section 2 (3): HUF 1,111,786

1. financial benefits in total: HUF 1,111,786

2. other benefits of a financial nature: 0 HUF

3. total number of grants under point A): 16

B) Total of the support originating from abroad, reaching or exceeding the limit as per Section 2 (3): HUF 125,942,446

ART MENTOR FOUNDATION CHF 60,000.00 17,139,655.50

CH 6003 Lucerne, Murbacherstrasse 3

Freunde des Budapest Festival Orchestra e.V. EUR 100,000.00 17,385,200.00

DE 80335 Munich, Karlsplatz 1 c/o Bain & Company, Inc., z. H.

FRIENDS OF THE BFO GB GBP 30,000.00 10,380,000.00

GB EC2Y 8ND London Fiat 174, Defoe House, Barbican,

FRIENDS OF THE BFO, USA USD 9,206.00 2,657,588.08

USA NY 1050 New York FDR Station P.O. box 1642

FRIENDS OF THE BFO, USA USD 19,965.00 5,862,522.60

USA NY 1050 New York FDR Station P.O. box 1642

FRIENDS OF THE BFO, USA USD 99,889.75 26,137,151.99

USA NY 1050 New York FDR Station P.O. box 1642

FRIENDS OF THE BFO, USA USD 3,090.95 799,999.99

USA NY 1050 New York FDR Station P.O. box 1642

STIFTUNG AUXILIUM, EUR 50,000.00 15,553,950.50

AT 1020 Vienna, Olimpiplatz 2/4 OG/tg 18 Stadioncenter

STIFTUNG AUXILIUM, EUR 100,000.00 30,026,377.00

AT 1020 Vienna, Olimpiplatz 2/4 OG/tg 18 Stadioncenter

INVESTED CASH AND CASH EQUIVALENTS TRENDS (in thousand HUF)**Securities**

Inventory cut-off date	31/12/2017	HUF	Purchase cost			
Definition	ISIN code	PIECES	Opening	Increase	Decrease	Closing
MÁK 2017/1	HU0000402912	thousand HUF	48,990	0	48,990	0
		PIECES	48,990	0	48,990	0
MÁK 2020/1	HU0000403043	thousand HUF	49,905	0	0	49,905
		PIECES	49,905	0	0	49,905
MÁK 2020/K	HU0000403290	thousand HUF	0	121,700	0	121,700
		PIECES	0	121,700	0	121,700
MÁK 2021/1	HU0000403217	thousand HUF	0	200,000	0	200,000
		PIECES	0	200,000	0	200,000
F170208	HU0000509286	thousand HUF	23,140	0	23,140	0
		PIECES	2,314	0	2,314	0
F170011	HU0000509450	thousand HUF	19,240	0	19,240	0
		PIECES	1,924	0	1,924	0
K171206	HU0000509625	thousand HUF	533,000	0	533,000	0
		PIECES	53,300	0	53,300	0
MFB 6.25%	XS0954674312	thousand HUF	105,156	0	0	92,858
		PIECES	331	0	0	331
MÓL 6.25%	XS0834435702	thousand HUF	63,615	0	63,615	0
		PIECES	200	0	200	0
ERSTE BANK 7.125%	XS08400062979	thousand HUF	58,012	0	58,012	0
		PIECES	150	0	150	0
COMMERZBANK	DE000CB83CF0	thousand HUF	38,556	0	38,556	0
		PIECES	1	0	1	0
GROUPAMA 6.375%	FR0011896513	thousand HUF	29,752	0	29,752	0
		PIECES	1	0	1	0
OTP FLOAT	XS0274147296	thousand HUF	0	180,232	0	181,681
		PIECES	0	600	0	600
VOLKSWAGEN	XS1048428442	thousand HUF	0	45,632	0	46,525
		PIECES	0	139	0	139
K180912	HU0000550454	thousand HUF	0	57,850	0	57,850
		PIECES	0	5,785	0	5,785
K181128	HU0000550611	thousand HUF	0	20,050	0	20,050
		PIECES	0	2,005	0	2,005
k181205	HU0000550629	thousand HUF	0	49,280	0	49,280
		PIECES	0	4,928	0	4,928
Total		thousand HUF	969,366	674,744	814,304	819,849

The Foundation keeps its securities accounts at Concorde Értékpapír Zártkörűen Működő Részvénytársaság. The Company records securities among current assets.

Term deposits

Year	Capital	Deposit	Interest/ exchange rate	Withdrawal	Closing
2016	4,552,280	0	0	0	4,552,280
2017	EUR 14,000	0	0	0	EUR 14,000

Supplementary information

Off-balance sheet item: bank guarantee for real estate, Collateral

Definition	Amount	entry into force	maturity
Budapesti Ingatlan Hasznosítási és Fejlesztési Nyrt.	EUR 14,000	29/03/2017	31/03/2018
Budapest Főváros Vagyonkezelő Központ Zrt.	7,206,996 HUF	15/08/2016	31/12/2018

At the Foundation, the bookkeeping service is provided by employee Györgyné Maglódi (licence number: 113695).

Auditor of the Foundation:

Deloitte Könyvvizsgáló és Tanácsadó Kft.	
1068 Budapest, Dózsa György út 84/C.	
Company registration number:	01-09-071057
Chamber registration number:	000083
Registered auditor:	Gábor Gion
Chamber of Hungarian Auditors registration number:	005252
Audit fee for 2017:	HUF 3,500,000 + VAT

3. PUBLIC BENEFIT ANNEX

1) Activities pursued in the current year according to the general objective of the Foundation and public benefit activities:

With its 132 concerts in Budapest, 80 concerts in the countryside/Hungary, 32 performances abroad, almost 80 youth productions, Budapest Festival Orchestra is the Country's leading and busiest orchestra. Apart from the classic concerts played in concert halls, it also often stages community concerts in schools, nursing homes, orphanages, hospitals and other special venues, bringing the joy of classical music to a large number of people. The Dancing on the Square project launched in 2015 offers regular exercise for hundreds of disadvantaged children living in the countryside for 8 months. The project uses the music and dance as an instrument to convey community building objectives and is also based on the concept of tolerance. In 2017 in total 500 disadvantaged young people took part in the programme.

2) Presentation of public benefit activities:

The purpose of the Foundation is to disseminate and nourish the Hungarian music culture, with special regard to the promotion of the highest possible standard of music life in Hungary and, as the envoy of Hungarian culture, the representation of Budapest and Hungary abroad through the operation of Budapest Festival Orchestra and by putting in place the conditions required for its objectives.

- **Title of the public benefit activity: Cultural activity**

- **Legal provisions on the public tasks relating to the public benefit activities:**

Act XCIX of 2008 on the Support and Special Employment Rules of Performing Art Organisations:
Section 3 (1)

Act XX of 1991 on the Tasks and Competences of Local Governments and Their Bodies, Republic Commissioners and Certain Other Centrally Subordinated Agencies:
Section 121 a)-b)

Act CLXXXIX of 2011 on the local governments of Hungary: Section 13(1) item 7.

- **Target group of the public benefit activity:**

1. Core audience of the BFO
2. Residents living in Hungary: metropolitan, culture seeking individuals, families, young people.
3. rural residents
4. Foreigners living in Budapest (expats)
5. Tourists
6. Disadvantaged young people living in rural areas

- **Number of beneficiaries of public benefit activities:**

Hungarian audience numbers in 2017: 88,137 persons

Audience numbers during international tours: 54,169 persons

- **Main achievements of the public benefit activity:**

The main purpose of the BFO is to make music more accessible to people. This applies equally whether the concerts take place on the world's grandest stages or in Hungary's abandoned synagogues and provincial churches, schools and nursing homes, or concerts provided in Bódvaszilas and Ózd. Our

objective is to rely on the support of the Ministry and invest it into our activities to bring a lifelong experience to more music lovers and people in need. The Festival Orchestra performed a total of 245 times in 2017 and reached 142,306 people around the world.

I. Hungary's leading symphonic orchestra:

132 concerts in Budapest, 80 rural appearances, 88,137 attendees

At the ceremonial opening of the year, on 22 January 2017, the cream of Hungarian music gathered to present a large number of exciting music pieces, focusing on the art of Brahms, at the traditional **Marathon**. Symphonic orchestras, iconic soloists and chamber orchestras who were all speaking the same language, the language of Johannes Brahms. This was the tenth music marathon jointly put on by the Festival Orchestra and Müpa Budapest which, following Tchaikovsky, Bach, Beethoven, Bartók, Mozart, Schubert, Dvorak, Stravinsky, and a Mendelssohn-Schubert duo, celebrated Brahms.

For this occasion, Kristóf Baráti, Katalin Kokas, Barnabás Kelemen and Dénes Várjon joined the Hungarian National Philharmonic Orchestra, the Pannon Philharmonic Orchestra, the MÁV Symphony Orchestra and the Budapest Strings Chamber Orchestra, among others. As has become traditional, the Budapest Festival Orchestra, conducted by Iván Fischer, played the concluding concert with a special audience choice programme. At the one day festival, more than 10,000 people listened to the genius works of the German composer.

Brilliant, modern and sexy – Iván Fischer's **Don Giovanni in Budapest**, New York and Edinburgh was preceded by high expectations, and the conductor and the Budapest Festival Orchestra did not fail to deliver. *"When Don Giovanni looks around, he doesn't see tables or chairs. He sees hips, shoulders, bosoms, arms and legs"*, says conductor Iván Fischer whose aim in directing the opera was to show what the world would look like through the eyes of Don Juan. He first directed the opera in 2011, which was described even back then by The New York Times as *"more involved, imaginative and theatrically daring"* than many full opera-house performances. In 2017, Mozart's grand opera made a comeback with a brand new cast featuring one of the world's most popular Don Giovannis, Christopher Maltman, in the now-familiar staged concert format. The production premiered at the Edinburgh International Festival and the Mostly Mozart Festival in New York. Both venues hosted three sold-out runs of the opera. On 21, 23 and 24 September, the production was brought to Müpa Budapest. The article of The New York Times calls Fisher's production refreshingly unique among Don Giovanni stagings, as well as a *"Gesamtkunstwerk,"* particularly since his conducting harmonizes so closely with his visual presentation. *"This Don Giovanni is entirely about the music, and what the production does is set aside needless things. The ensuing empty space was filled with musicians and singers who expressed Mozart's drama to the final degree. Nothing could be more operatic"*, said a review from the New York Classical Review, calling the performance brilliant and rewarding, noting that *"the orchestra, one of the world's finest, played with vitality and lyrical tenderness"*, and describing the singing as *"flawless ... the performers uniformly embodied their characters in a way that went beyond just acting"*. Together with Maltman, the main roles were played by José Fardilha (Leporelló), Laura Aikin (Donna Anna), Lucy Crowe (Donna Elvira), Jeremy Ovenden (Don Ottavio), Kristinn Sigmundsson (Commendatore), Sylvia Schwartz (Zerlina) and Matteo Peirone (Masetto).

Conversation, connection, openness, curiosity and getting to know each other. This is what the **Bridging Europe** festival, co-organised by the Budapest Festival Orchestra (BFO) and Müpa Budapest, is all about. Thanks to the festival, in autumn 2017 – on the 40th anniversary of the resumption of diplomatic relations between Spain and Hungary – Spain and Spanish culture was in the spotlight. Between 17 and 30 September, audiences were able to discover the exceptional richness and stunning diversity of Spanish culture through concerts performed by international stars, as well as through theatrical and dance performances, unique literary and film programs, discussions and exhibitions. *“At the Bridging Europe festival, we endeavour to discover what lies behind loveable stereotypes, how modernity and tradition go hand in hand in the works of Spanish artists, and what Spain thinks about the world today”* said Csaba Káel, CEO of Müpa Budapest. Stefan Englert, Executive Director of the BFO, said: *“Europe is such an exceptional unit, wherein different cultures feed and enrich each other through new experiences, while preserving their own traditions at the same time. Our festival, ‘Bridging Europe’, serves the objective of presenting this diversity by putting a different country in the spotlight each year. In this year’s programme we bring the culture of Spain closer to the audience. A country that gave a taste of passion and cultural richness to this continent.”* This autumn, the Budapest Festival Orchestra showed its extreme faces at the festival. On 28 September, the Baroque ensemble of the BFO performed in the atmosphere of Spain at the Müpa Budapest Festival Theatre, under the baton of Jonathan Cohen, the British conductor endowed with an exceptional musical intelligence. For this evening, you could laugh together with Don Quixote and feel the rays of the Mediterranean sun kiss your skin through the notes of music. On 29 September, you could listen to contemporary Spanish works in the interpretation of Pascal Rophé. Passionate and innovative, he is just as much at home with the symphonies of the 18th and 19th centuries as he is with more contemporary works – as evidenced at the Bridging Europe Festival.

During the 2016-17 season, Iván Fischer gave three conductors already closely connected to the BFO the opportunity of making their Hungarian debuts by leading the Festival Orchestra. In April France’s Victor Aviat and the Australian Vladimir Fanshil were welcomed onto the stage of the Liszt Academy. Iván Fischer, BFO Music Director, spoke about the point of the concert series: *“I vividly remember what it was like when I was similarly thrown in at the deep end a few decades ago. It was so helpful to see so many pairs of friendly, supportive eyes in the concert hall. Please give these new youngsters a smile.”*

In 2017 the Festival Orchestra played at **countryside venues** on 80 occasions, of which 7 concerts were organised by Philharmonia Hungary. In addition to playing in international standard concert halls (e.g. Pécs), the Orchestra also performed in smaller towns, theatres, schools and community houses as in Szeged, Jánoshalma, Baja, Tarnabod, Jászapáti and Komló.

The majority of the concerts in Budapest and the performances of the tours abroad were conducted by the music director and art manager of the orchestra, Iván Fischer. However, other world famous conductors and solo artists also performed with the orchestra in 2017 too, including: Dmitri Kitayenko, Robin Ticciati, Midori Seiler, Gábor Takács-Nagy (first guest conductor), etc. This year, for the first time, the orchestra collaborated with a female conductor, namely Marin Alsop.

Hungary’s cultural ambassador:

33 international concerts, 54,169 attendees

The Budapest Festival Orchestra, led by Iván Fischer and featuring Richard Goode as soloist, “gave two of the freshest, least conventional Beethoven performances of the 2016/17 season” at New York’s

Lincoln Center. The performances led The New York Times to call the ensemble “one of the most admired, and unusual, orchestras of the day”. In New York, the beginning of the last movement of Beethoven’s Fifth saw students from the Juilliard School and Bard College Conservatory of Music rush on stage; for his Ninth Symphony, members of the Concert Chorale of New York arose out of the audience to sing in the style of a flash mob; and the way timpanist Roland Dénes took over as instrumental soloist at these concerts brought another unique acoustic solution.

The several thousand-strong New York audience erupted in a breathtaking, almost ear-splitting ovation in response to these ideas, which brought tears to the eyes of some. Listening to the “paean to brotherhood”, Ode to Joy, many considered the BFO concerts to be a refined and powerful “declaration”, a soothing antidote to the world’s current conflicts. Away from New York, audiences in Newark NJ, Chicago, Ann Arbor and Boston got the chance to meet the Hungarian orchestra when they gave six concerts in eight days.

Bern, Zürich, Genoa, Paris, Cologne and Lugano have warmly welcomed the Budapest Festival Orchestra in March, and, according to the reviews, the ensemble has more than delivered on high expectations. The concert in Zurich earned them a five-star review from the author of Bachtrack, who wrote of Mendelssohn’s Italian Symphony: “*quintessentially perfect work*”, praising the performance as “*rousing and infinitely jolly and uplifting*” and remarked that it “showed the conductor working with bracing enthusiasm and precision that delighted even the stodgiest audience member”. Referring to the second half of the concert, the author observed: “*That Leonard Bernstein called Das Lied Mahler’s ‘greatest symphony’ made every bit of sense, for the BFO’s concert was an absolute triumph.*”

In May The Miraculous Mandarin and The Wooden Prince productions by Bartók, joined by the Krisztián Gergye Company, were on a week-and-a-half long tour in Katowice, Brugge, Dortmund and London. In addition to the pieces above, the tour programme also featured the opera Bluebeard’s Castle by Bartók with solo performances by Ildikó Komlósi (mezzo-soprano) and Krisztián Cser (bass). Kossuth Prize-winning folk singer Márta Sebestyén, joined by the orchestra’s folk ensemble (István Kádár, András Szabó and Zsolt Fejérvári), wowed the audience with her performance. “*BFO does not merely perform Bartók – they breathe him. Only very rarely does one encounter an understanding of music of this level anywhere in the world*” a Polish review asserted. It was also following the concert in Katowice that we read how “*Iván Fischer is one of the most prominent conductors of the 21st century,*” and that one “*could not imagine an ensemble better-suited for interpreting the renewing nature of European music.*”

“*The Festival Orchestra maintains the cultural renown of the nation at the high level it has fittingly held for centuries. No turn of political events could change that. The Iván Fischers, the Márta Sebestyéns, the Ildikó Komlósis and the Krisztián Csers make being Hungarian in a concert hall akin to being Meryl Streep at the Academy Awards or the Golden Globe gala – one simply gets used to it. “Doors open, and the audience rises for a standing ovation” – wrote a member of the Festival Orchestra’s audience, Gergő Sáfár, who has resided in London for many years, clearly reflecting on the international critical acclaim the orchestra’s European tour has received.*

Don Giovanni, directed by Iván Fischer, premiered at the Edinburgh International Festival and the Mostly Mozart Festival in New York in August. The latest article of The New York Times calls Fisher’s production refreshingly unique among Don Giovanni stagings, as well as a “Gesamtkunstwerk,” particularly since his conducting harmonizes so closely with his visual presentation.

In October the orchestra earned resounding ovations at concert halls in Amsterdam, Stuttgart, Antwerp, Dortmund, Eindhoven and Paris. These concerts saw the debut of the orchestra's Baroque ensemble – a truly unique group – on the international stage. The musicians performed the first piece, by Bach, using period instruments and while standing, with Iván Fischer conducting from next to the organ. A Dutch review also highlighted this novelty: “*Few orchestras are capable of playing Bach on authentic instruments, a popular Mozart piano concerto and a romantic Italian symphony all in the same concert.*” “*There are musicians who devote their lives to one musical genre, and then there is Iván Fischer, who deals basically with every musical period. What energy!*” – added the author. Listening to Dvorak's Symphony No. 8, it became clear that the BFO is one of the best orchestras in the world – according to critics of the ensemble's concert in Stuttgart. Following their performance in Paris, one review highlighted the “memorable” and “fantastic” rendition of Tchaikovsky's Symphony No. 4.

II. The orchestra of the community:

57 chamber concerts, 4,709 attendees

Through its community and musical education programmes, the Budapest Festival Orchestra continuously strive to bring the beauty of classical music to every age group and stratum of society. As such, the orchestra connects people, helping to build and strengthen communities with the power and beauty of music. The BFO organised three Community Weeks in 2017 also. The aim of the Community Weeks is to bring classical music to people who cannot afford to make it to a concert hall in Budapest. These include the elderly, for whom the sound of a violin is often the best medicine, as well as disadvantaged young people from rural areas, children with physical disabilities, church communities, and inhabitants of small towns and villages. In May, June and September the orchestra continued its community building work with other free concerts. The reception of the Synagogue concert series received has exceeded all expectations. The locals are highly enthusiastic; everywhere, they fill the pews of the synagogues and revive memories of the Jewish community which once lived there, before they were wiped out. News of the Synagogue concerts has spread across the world, and many people have returned to visit Hungary and their former communities. The chamber formations of BFO visited Orosháza, Tokaj and Esztergom with music performances.

The managers of the Cegléd Social Services and Child Welfare Centre once wrote to the Festival Orchestra that “*words cannot describe the cheering and healing effect that these exquisitely performed musical works had on our elderly and ill patients, and how uplifting and energising the concert was for us and our staff*”.

III. The orchestra of children and young people:

79 performances, 7,198 attendees

The Festival Orchestra puts great emphasis on the music education of young people, within the framework of which it launched its **partner school programme** in 2012. The cooperation is open and free for any school. At the moment BFO works with and offer programmes like Choose Your Instrument, Test Visit, a youth opera performed at schools or a master course to more than 50 partner schools. Owing to the activity of music and other teachers and the tireless work of the musicians of BFO, thousands of school children visit the rehearsal room of BFO in Óbuda and the orchestra visits its partner institutions on more than 60 occasions each year. The Teachers' Café launched in 2014 provides opportunities for music meeting of active teachers.

The orchestra developed a special form of concert for autistic children and young people with the involvement of Nemzetközi Cseperedő Alapítvány (an international foundation to support children and their families living with autism).

500 young dancers, 6000 kilometres travelled, 6000 spectators –2017 also saw a huge turnout for the Festival Orchestra's (BFO) **Dancing on the Square project** in Heroes' Square. The children, a majority of whom come from disadvantaged backgrounds, became real heroes for the day; they demonstrated their talent, perseverance and the overwhelming power of communal creation. The disadvantaged children worked for a common goal and shared the uplifting feeling triggered by tolerance and respect for each other. BFO and its professional DIA jointly organised a summer camp for the young people attending the project in Hollókő. The website of the Dancing on the Square project can be accessed here: www.tertanc.hu

- **2017 concerts of the Budapest Festival Orchestra Foundation**

BUDAPEST CONCERTS

12 January 2017	Budapest, MÜPA
13 January 2017	Budapest, MÜPA
14 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
22 January 2017	Budapest, MÜPA
27 January 2017	Budapest, MÜPA
28 January 2017	Budapest, MÜPA
29 January 2017	Budapest, MÜPA
24 February 2017	Budapest, MÜPA
25 February 2017	Budapest, MÜPA
27 February 2017	Budapest, MÜPA
17 March 2017	Budapest, MÜPA
16 March 2017	Budapest, MÜPA
19 March 2017	Budapest, MÜPA
29 March 2017	Budapest, MÜPA
30 March 2017	Budapest, MÜPA
1 April 2017	Budapest, MÜPA
14 April 2017	Budapest, Liszt Academy
15 April 2017	Budapest, Liszt Academy
26 April 2017	Budapest, Liszt Academy
28 April 2017	Budapest, Liszt Academy
8 May 2017	Budapest, MÜPA
12 May 2017	Budapest, MÜPA
13 May 2017	Budapest, MÜPA
14 May 2017	Budapest, MÜPA
2 June 2017	Budapest, Liszt Academy

3 June 2017	Budapest, Liszt Academy
10 June 2017	Budapest, Heroes' Square
21 September 2017	Budapest, MÜPA
23 September 2017	Budapest, MÜPA
24 September 2017	Budapest, MÜPA
28 September 2017	Budapest, MÜPA
29 September 2017	Budapest, MÜPA
4 October 2017	Budapest, MÜPA
5 October 2017	Budapest, MÜPA
19 October 2017	Budapest, MÜPA
20 October 2017	Budapest, MÜPA
21 October 2017	Budapest, MÜPA
28 October 2017	Budapest, Liszt Academy
29 October 2017	Budapest, Liszt Academy
9 November 2017	Budapest, Liszt Academy
10 November 2017	Budapest, Liszt Academy
2 December 2017	Budapest, MÜPA
3 December 2017	Budapest, MÜPA
4 December 2017	Budapest, MÜPA
26 December 2017	Budapest Congress Centre

MIDNIGHT MUSIC: CLASSICAL MUSIC FOR THOSE WHO LIVE AT NIGHT!

27 February 2017	Midnight Music
13 May 2017	Midnight Music
3 June 2017	Midnight Music
5 October 2017	Midnight Music
12 November 2017	Midnight Music

RURAL CONCERTS

16 April 2017	Békéscsaba
27 April 2017	Pécs
29 April 2017	Veszprém
06 October 2017	Pécs
30 October 2017	Székesfehérvár
31 October 2017	Békéscsaba
11 November 2017	Pécs

BFO AROUND THE WORLD

4 February 2017	Newark
5 February 2017	New York
6 February 2017	New York
8 February 2018	Chicago
10 February 2018	Ann Arbor
12 February 2018	Boston
7 March 2017	Bern
08 March 2017	Zurich
9 March 2017	Geneva
10 March 2017	Paris
12 March 2017	Cologne

14 March 2017	Lugano
2 April 2017	Ljubljana
3 April 2017	Udine
5 April 2017	Utrecht
15 May 2017	Katowice
16 May 2017	Katowice
20 May 2017	Bruges
21 May 2017	Dortmund
23 May 2017	London
2017. August 09-12	Edinburgh
17 August 2017	New York
19 August 2017	New York
20 August 2017	New York
12 October 2017	Amsterdam
13 October 2017	Stuttgart
14 October 2017	Antwerp
15 October 2017	Dortmund
16 October 2017	Eindhoven
17 October 2017	Paris
05-11 December 2017	Wroclaw
05-11 December 2017	Udine
05-11 December 2017	Zagreb

BFO IN THE COMMUNITY

BFO for the community – Retirement Home concert

2 May 2017	Biatorbágy
2 May 2017	Budapest
2 May 2017	Budapest
2 May 2017	Patalom
3 May 2017	Dabas
3 May 2017	Nagymágocs
3 May 2017	Kiskunfélegyháza
3 May 2017	Diósd
3 May 2017	Sződliget
4 May 2017	Pécel
4 May 2017	Budapest
4 May 2017	Dunakeszi
12 September 2017	Pilismarót-Basaharc
12 September 2017	Bácsborsód
12 September 2017	Polgárdi
12 September 2017	Leányfalu
12 September 2017	Tab
13 September 2017	Sárosd
13 September 2017	Acsád
14 September 2017	Vác
14 September 2017	Csány
14 September 2017	Budapest
14 September 2017	Nagyszénás

15 September 2017	Cegléd
19 June 2017	Kazár
20 June 2017	Budapest
20 June 2017	Külsővat
20 June 2017	Érd
21 June 2017	Kiskunhalas
21 June 2017	Balassagyarmat
21 June 2017	Pápakovácsi
21 June 2017	Verőce
21 June 2017	Lajosmizse
21 June 2017	Budapest
22 June 2017	Budapest
22 June 2017	Budapest
11 September 2017	Budapest
13 September 2017	Budapest
13 September 2017	Budapest

BFO for the community – church concert

3 May 2017	Kiskőrös
4 May 2017	Balassagyarmat
5 May 2017	Debrecen
19 June 2017	Perbál
20 June 2017	Karcag
21 June 2017	Bag
9 September 2017	Szeged
10 September 2017	Balatonboglár
11 September 2017	Budapest
3 May 2017	Orosháza
4 May 2017	Tokaj
7 May 2017	Esztergom
19 June 2017	Mezőtúr
20 June 2017	Várpalota
21 June 2017	Pannonhalma
10 September 2017	Albertirsa
11 September 2017	Baja
13 September 2017	Jánoshalma

CHAMBER MUSIC

Chamber music on historically accurate instruments

19 January 2017	BFO Rehearsal Room
18 February 2017	BFO Rehearsal Room
18 November 2017	BFO Rehearsal Room
19 February 2017	
9 April 2017	BFO Rehearsal Room
28 May 2017	BFO Rehearsal Room
17 December 2017	BFO Rehearsal Room
19 November 2017	BFO Rehearsal Room

YOUTH

BFO for the community – Music Castle

2 May 2017	Zsámbék
3 May 2017	Kisújszállás
4 May 2017	Ózd
15 June 2017	Apátfalva
16 June 2017	Fót
21 June 2017	Salgótarján
13 September 2017	Komló
14 September 2017	Tarnabod
15 September 2017	Jászapáti

BFO reaches out!

27 April 2017	Székesfehérvár
6 January 2017	Budapest
17 January 2017	Szentendre
18 January 2017	Budapest
17 February 2017	Budapest
23 March 2017	Budapest
24 March 2017	Budapest
7 April 2017	Budapest
26 May 2017	Piliscsaba
29 May 2017	Budapest
6 June 2017	Budapest
7 June 2017	Budapest
6 September 2017	Budapest
22 September 2017	Budapest
24 October 2017	Halásztelek
14 November 2017	Budapest
15 November 2017	Budapest
16 November 2017	Budapest
17 November 2017	Budapest
20 November 2017	Pilisszentlászló
21 November 2017	Budapest
22 November 2017	Pilisszentlászló
23 November 2017	Gödöllő
12 December 2017	Budapest
13 December 2017	Budapest
14 December 2017	Budapest
15 December 2017	Piliscsaba
15 January 2017	BFO Rehearsal Room
15 January 2017	BFO Rehearsal Room
18 March 2017	BFO Rehearsal Room
18 March 2017	BFO Rehearsal Room
7 May 2017	BFO Rehearsal Room
7 May 2017	BFO Rehearsal Room
17 September 2017	BFO Rehearsal Room
17 September 2017	BFO Rehearsal Room
22 October 2017	BFO Rehearsal Room
22 October 2017	BFO Rehearsal Room

12 December 2017	BFO Rehearsal Room
16 December 2017	BFO Rehearsal Room
16 December 2017	BFO Rehearsal Room
17 September 2017	BFO Rehearsal Room

Cocoa concert – autism-friendly performance

18 March 2017	BFO Rehearsal Room
22 October 2017	BFO Rehearsal Room

13 May 2017	See what you hear – Film Gala
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3) Statement of assets used for public benefit activities

part of the decrease in the current year of the shareholders' equity reported in the accounting report, used for public benefit activities.

Title of the used asset	Value of the asset	Purpose of use
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In 2017 the shareholders' equity of the Foundation was reduced by the profit for the current year.

4) Statement of earmarked grants

According to the Budget Act an earmarked benefit could be financial and non-financial support which is primarily related to the objectives specified and accepted in the Deed of Foundation of a public benefit organisation as a public benefit activity. The statement presents the earmarked benefits of the previous year and the current year and the differences between them.

Title of earmarked support	Previous year	Current year
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There was no earmarked benefit at the Foundation in 2016 or 2017.

5) Benefits for executive officers

Pursuant to the Budget Act the executive officer of a public benefit organisation: is the president and member of the foundation's supervisory body. The statement contains the financial benefits and in kind benefits paid to the parties listed (wages, honorary fee, cost reimbursement, assignment fee, disbursed loan), indicating their respective figures for the previous year and the current year.

Position	Previous year	Current year
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The executive officers and curators of the Foundations did not receive any remuneration for their work.

6) Indicators required for establishing the public benefit status

Figures in thousand HUF

Basic data	previous year (1)	current year (2)
A. Grants for executive officers	0	0
B. Annual total revenue	2,959,037	3,094,774
Of which:		
C. Sum received pursuant to Act CXXVI of 1996 on the Use of a Specified Portion of Personal Income Tax According to the Taxpayer's Instruction; amount	1,872	1,228
D. Public service revenue	0	0
E. Normative support	0	0
F. Aid provided from the Structural Funds of the European Union and the Cohesion Fund	0	0
G. Adjusted revenues (B-(C+D+E+F))	2,957,165	3,093,546
H. Total expenses (costs)	3,087,058	3,0145,796
I. Of which: Personnel type expenses	598,560	590,885
J. Public benefit activity expenses	3,061,953	3,145,796
K. Profit/loss after tax	-128,021	-51,022
Number of individuals performing public benefit voluntary activities and contributing to the work of the organisation (as a number of people, in compliance with Act LXXXVIII of 2005 on Voluntary Public Benefit Activities)	0	0
Resource availability indicator	Performance relative to the indicator	
The organization is considered to have sufficient resources if either one of the following requirements is satisfied with respect to the previous two completed financial years. Section 32 (4) a) of Act CLXXV. of 2011 on the right of association, non-profit status, and the operation and funding of civil society organisations (hereinafter: Civil Act)		
a. its average annual revenue exceeds HUF one million Section 32 (4) a) of the Civil Act $(B1+B2)/2 > 1,000,000$	<u>YES</u>	NO
b. the financial result after tax is not a negative figure for the previous two years on the aggregate Section 32 (4) b) of the Civil Act; $(K1+K2) \geq 0$	YES	NO
c. the personnel costs (expenses) amount to one quarter of all costs (expenses), exclusive of the sums paid to executive officers Section 32 (4) c) of the Civil Act; $((I1+I2-A1-A2)/(H1+H2) \geq 0.25)$	YES	NO
Social backing indicators		
The organization shall be considered to have demonstrable social backing if either one of the following requirements is satisfied with respect to the previous two completed financial years. Section 32 (5) of the Civil Act		
a. the sums donated to the organization from the personal income tax in accordance with the taxpayer's instruction cover at least 2% of the total revenue, exclusive of the income referred to in Section 54. Section 32 (5) a) of the Civil Act; $(C1 + C2)/(G1 + G2) \geq 0.02$	YES	NO
b. the costs and expenses on public benefit activities amount to at least half of all expenditures on average of two years Section 32 (5) b) of the Civil Act; $((J1+J2)/(H1+H2) \geq 0.5)$	<u>YES</u>	NO
c. public benefit activities are carried out in the long term (on average of two years) by at least ten volunteers in accordance with Act LXXXVIII of 2005 on Voluntary Activities of Public Concern. Section 32 (5) c) of the Civil Act; $((L1+L2) \geq 10)$ persons	YES	NO

5. **AUDIT STATEMENT ON THE ACCEPTANCE OF THE PUBLIC BENEFIT
ACTIVITY REPORT**

the Board of Trustees of Budapest Festival Orchestra Foundation, as the highest body of Budapest Festival Orchestra Foundation approved the 2017 Public Benefit Report on 27 May 2018.

Budapest, 27 May 2018

[signature]
Stefan Englert
Executive Director