

Vilniaus prekybos paramos fondas

INDEPENDENT AUDITOR'S CONCLUSION,
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
THAT ENDED ON 31 DECEMBER 2018





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01

INDEPENDENT AUDITOR'S CONCLUSION

INDEPENDENT AUDITOR'S CONCLUSION

TO THE SHARERS OF THE "VILNIAUS PREKYBA" SUPPORT FUND "DABAR"

Opinion

We have audited the financial statements of the "Vilniaus prekyba" support fund "Dabar" (hereinafter referred to as the Fund), which consist of the balance sheet of 31 December 2018, the performance report of the year that ended on that day, and an explanatory note, including a summary of significant accounting methods.

In our opinion, the attached financial statements present fairly, in all material respects, the financial situation of the Fund as at 31 December 2018 and the financial performance of the year that ended on that day in accordance with the current legislation of the Republic of Lithuania on accounting and financial statements and the Rules¹ on the Drawing up and Presentation of Accounting and Financial Reporting of Non-profit Legal Entities approved by order No 1K-372 of the Minister of Finance of the Republic of Lithuania.

Grounds for the opinion

We have carried out the audit in accordance with international auditing standards (hereinafter referred to as the IAS). Our responsibility under these standards is described in detail in the chapter "The Auditor's Responsibility for Auditing the Financial Statements" hereof. We are independent from the Fund in accordance with the International Code of Ethics for Professional Accountants issued by the International Accounting Standards Board and the requirements of the law of the Republic of Lithuania on the audit of financial statements relating to audit in the Republic of Lithuania. We also fulfil other ethical requirements related to the law of the Republic of Lithuania on the audit of financial statements and the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to support our opinion.

Other information

Other information includes information contained in the Fund's annual report of 2018, but it does not include the financial statements and the conclusions of our auditor on them. The management shall be responsible for providing other information.

Our opinion on the financial statements does not include other information and we do not provide any form of assurance conclusion on it.

In the course of the audit of financial statements, our responsibility is to read other information and to consider whether there are significant discrepancies compared to the information presented in the financial statements or to our knowledge based on the completed audit as well as to consider whether it is otherwise significantly distorted. If because of the work done we see a significant distortion in other information, we must disclose that fact. We do not have any observations on this.

We must also assess whether the financial information contained in the Fund's annual report corresponds to the financial statements of the same financial year and whether the annual report was drawn up in accordance with applicable legal requirements. In our opinion, which is based on the work carried out during the audit of the financial statements, in all material respects:

- The financial data in the annual report of the Fund is consistent with the data of the financial statements of the same financial year; and
- The annual report of the Fund was drawn up in accordance with the requirements of the Description¹ of the Procedure for Drawing up the Activity Report or the Annual Report of Non-profit Legal Entities approved by order No 1K-372 of the Minister of Finance of the Republic of Lithuania.

Responsibility of the management and persons responsible for management for the financial statements

The management shall be responsible for the preparation and fair presentation of these financial statements in accordance with the current legislation of the Republic of Lithuania on accounting and financial statements, the Rules¹ on the Drawing up and Presentation of Accounting and Financial Reporting of Non-profit Legal Entities approved by order No 1K-372 of the Minister of Finance of the Republic of Lithuania, and such internal control, which, in the opinion of the management, is necessary for the preparation of financial statements without significant distortions due to fraud or error.

¹ Version of order No 1K-443 of 18 December 2018 of the Minister of Finance of the Republic of Lithuania.

While drawing up the financial statements, the management must assess the Fund's ability to continue as a going concern and disclose (where necessary) matters relating to business continuity and the application of the business continuity accounting principle, except where the management intends to liquidate the Fund or stop its activities or where there are no other realistic alternatives to this.

The persons who are responsible for management must supervise the process of drawing up the financial statements of the Fund.

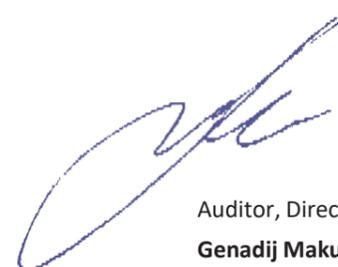
The auditor's responsibility for auditing the financial statements

Our goal is to obtain sufficient assurance as to whether the financial statements as a whole are materially distorted because of fraud or error and to issue the auditor's conclusion presenting our opinion. Sufficient assurance is high-level assurance, not a guarantee that a significant distortion, if any, can always be identified during an audit carried out in accordance with the IAS. Distortions that may result from fraud or error shall be considered material if it can be reasonably foreseen that, individually or collectively, they may have a significant impact on the economic decisions of consumers made because of financial statements.

During the audit carried out as per the IAS, we have been making professional decisions throughout the audit and following the principle of professional scepticism. In addition:

- We have identified and assessed the risk of material distortions in financial statements due to fraud or errors, we have planned and carried out procedures as a response to such risks and we have obtained sufficient appropriate audit evidence to support our opinion. The risk of a significant distortion due to failure to identify fraud is higher than the risk of a significant distortion due to failure to find errors, as fraud may include deception, counterfeiting, intentional omission, misinterpretation or non-compliance with internal controls.
- We understood the internal controls related to the audit so that we could plan audit procedures that are appropriate to the circumstances, not give an opinion on the effectiveness of the Fund's internal control.
- We have assessed the appropriateness of the accounting methods used and the validity of the accounting assessments carried out by the management as well as of related disclosures.
- We have made a decision on the appropriateness of the applied business continuity accounting principle and on whether, based on the evidence obtained, there is significant uncertainty as to the events or conditions that may give rise to significant doubts as to the Fund's ability to continue as a going concern. If we decide that such material uncertainty exists, we must note the relevant disclosures in the financial statements in the auditor's report or, if such disclosures are not sufficient, we must modify our opinion. Our conclusions are based on the audit evidence that we have obtained prior to the date of the auditor's report. However, future events or conditions may lead to the Fund not being able to continue as a going concern.
- We have assessed the overall presentation, structure and content of financial statements, including disclosures, and whether the underlying transactions and events are presented in the financial statements in a manner consistent with the concept of fair presentation.

Among other things, we have a duty to inform the persons responsible for management about the scope and timing of the audit as well as about significant audit findings, including important internal control shortcomings that we identified during the audit.



Auditor, Director
Genadij Makušev
Auditor's certificate No 000162

26 April 2019
A. Goštauto 40B, Vilnius

Grant Thornton Baltic UAB
Audit company's certificate No 001445

On 5 January 2017, the name of the charity and support fund "Vilties spindulys" was changed to the "Vilniaus prekyba" support fund "Dabar" (hereinafter referred to as the Fund). The renewed Fund implements its strategic objective: to make a significant contribution to improving education in Lithuania.

SUPPORT STRATEGY

The "Vilniaus prekyba" support fund "Dabar" supports initiatives helping to ensure comprehensive and equivalent high-quality education, which would lead to long-term positive changes.

In line with this strategy, the Fund is a strategic supporter of the project "I Choose to Teach – For Changes in Schools!". The goal of the project "I Choose to Teach – For Changes in Schools!" is to unite Lithuanian schools participating in the project to work together for every pupil to achieve academic success and to become a creator of their school and country.



In 2018, the "Vilniaus prekyba" support fund "Dabar" allocated **EUR 263,000** of support to the project, while **from 2016 to 2021** the Fund will allocate

EUR 1 million

more than EUR 1 million of support to the project.

The project consists of the following elements: first, participants of the program who want to teach in schools are able to do so and acquire the knowledge necessary for teaching: they are trained by qualified teachers; second, required and new teachers join the schools; third, the schools themselves are empowered: their leaders commit themselves to involving the community and to implementing positive changes themselves. A continuous and detailed study of the change of each school and an assessment of the overall impact of the project are conducted. In addition, the program actively promotes cooperation between schools, provides various training for the leaders of schools participating in the program, and organises trips both in Lithuania and in neighbouring countries.

In 2018, 14 schools from different cities and towns of Lithuania joined the project. "I Choose to Teach" professionals will work in these schools for at least two years. These schools are implementing different projects for long-term change, involving the whole community, and thus nearly 9,000 pupils in these schools benefit from the program.

A total of **30 schools** will participate in the project over three years, with around **40 "I Choose to Teach" teachers** working in these schools and approximately **15,000 pupils** as well as **130 heads and educators** who already work at the schools.



30
schools



40
teachers



15,000
pupils



130
heads and
educators

02

ANNUAL
REPORT

In 2018, the Fund organised a contest for educational initiatives for the first time, inviting organisations to apply for support for programs in the field of education. The winners of the contest:

- The project of the organisation “**Vaikų linija**”: “**Creation of Website Modules to Teach Parents to Respond to Bullying**”. The aim of this project is to reduce the occurrence of bullying, discrimination and other degrading behaviour, to create an interactive tool for parents to identify and respond appropriately to bullying committed by children.
- A football program of the “**Vilnius Social Club**” designed to create sustainable conditions for non-formal education and participation in the education process for children and young people who are socially excluded. The aim of this activity is to achieve systemic and profound change in the lives of children and young people.
- The integrated education program of the Lithuanian Free Market Institute: “**A Citizen in 31 Hours**”. The goal of the project is to increase the quality of social awareness and critical thinking among pupils of classes 9-12 by providing innovative content, tools and competences for integrated economic, ethical and citizenship training.

In 2018, the Fund also provided support to the following organisations: VŠĮ “Media medis”, the Lithuanian-Israel Chamber of Commerce Association, the Lithuanian autism association “Lietaus vaikai”, and VŠĮ “Pilietinės minties institutas”.



In 2018, the Fund provided **EUR 315,000** of support in total.

EUR 315,000

PRINCIPLES OF ASSET MANAGEMENT

The assets of the Fund are managed in accordance with the following principles:

- Capital protection. The objective is to manage the assets in such a way that their value is not impaired in the long term (in the short term, assets value fluctuations are possible), and the funds allocated to support and charity are derived from an increase in assets, i.e. from cash flows received from investments managed by subsidiaries of the Fund or from support from third parties (not subsidiaries of the Fund). Funds shall be invested in accordance with the principles of asset diversification, by investing in different asset classes and by dividing investments between different investment objects.
- Efficiency and societal benefits. The assets of the Fund must be managed in a way that is efficient and socially beneficial: income from investments must be used in a fair and efficient manner, in order to achieve socially beneficial objectives, while acting with due care, professionalism and prudence.
- Transparency. The investment of assets and the use of proceeds from these activities must be transparent and shall be carried out in accordance with the principles laid down by law and the articles of association of the Fund.

The Fund and its subsidiaries have currently accumulated a total of EUR 13.4 million; a part of this sum is invested in real estate, shares and funds traded on the exchange, other collective investment undertakings, and debt securities. Free funds are stored in highly rated banks.

FINANCIAL AND OTHER INFORMATION

On 31 December 2018, fixed financial assets consisted of 100% of UAB “Vestodija” shares, which are accounted for by the Fund at acquisition cost minus impairment amounts, if such impairment is measured.

The administration costs of the Fund in 2018 amounted to EUR 22,000 (EUR 19,000 in 2017). The increase was caused by the increased activity of the Fund as the Fund organised a contest for support and the number of organisations receiving support increased.

At the end of 2018, the “Vilniaus prekyba” support fund “Dabar” had two hired employees: the director and the communication professional. Other services necessary for the administration of the Fund are purchased from outside sources.

At the end of 2018, the sharers of the “Vilniaus prekyba” support fund “Dabar” were Nerijus Numavičius and private limited company “Vilniaus prekyba”, legal entity code 302608755, registered office address Ozo Str. 25, Vilnius.

The Fund did not acquire and did not transfer fixed assets used for the activities of the Fund in 2018 and it does not plan to acquire or transfer fixed assets used for the activities of the Fund during the following financial year.

Rytis Jezepčikas

Director of the “Vilniaus prekyba” support fund
“Dabar”



BALANCE SHEET

ACCORDING TO THE DATA OF 31 December 2018

(in thousands of euros)

No	Items	Comments No	Reporting Period	Previous Reporting Period
A.	FIXED ASSETS		13,444	13,843
I.	INTANGIBLE ASSETS			
II.	TANGIBLE ASSETS			
III.	FINANCIAL ASSETS	3.3	13,444	13,843
IV.	OTHER FIXED ASSETS			
B.	CURRENT ASSETS		5	26
I.	INVENTORIES			
II.	RECEIVABLES WITHIN ONE YEAR			
III.	OTHER CURRENT ASSETS			
IV.	CASH AND CASH EQUIVALENTS	3.4	5	26
	TOTAL ASSETS		13,449	13,869
C.	EQUITY		13,443	13,842
I.	SHARERS' CAPITAL	3.5	7	7
II.	RESERVES			
III.	UNTOUCHABLE CAPITAL			
IV.	ACCUMULATED PERFORMANCE RESULT		13,436	13,835
D.	FINANCING AMOUNTS		3	26
E.	PAYABLES AND LIABILITIES	3.6	3	1
I.	NON-CURRENT LIABILITIES			
II.	CURRENT LIABILITIES		3	1
	TOTAL EQUITY, FUNDING AMOUNTS, AND LIABILITIES		13,449	13,869

Daiva Balkutė
Chief accountant of the accounting company

Rytis Jezepčikas
Director

(in thousands of euros)

No	Items	Comments No	Reporting Period	Previous Reporting Period
I.	INCOME	3.7	337	203
1.	SALES INCOME			
2.	FINANCING INCOME		337	203
3.	OTHER INCOME			
II.	COSTS	3.8	736	25
1.	COST OF GOODS AND PROVIDED SERVICES AND OTHER SALES COSTS			
2.	OPERATING COSTS		736	25
3.	OTHER COSTS			
III.	PERFORMANCE RESULT BEFORE TAXATION	3.3	(399)	178
IV.	CORPORATE TAX			
V.	NET PERFORMANCE RESULT		(399)	178



Daiva Balkutė
Chief accountant of the accounting
company



Rytis Jezepčikas
Director

04

PERFORMANCE
REPORT

2024 2025-2027

01 GENERAL PART OF THE EXPLANATORY NOTE

The fund was registered on 8 March 2002 as a public organisation. As per the founder's decision of 12 March 2003 and the resolution of the meeting of members of 14 February 2003, the fund was transformed into the charity and support fund "Vilties spindulys".

On 5 January 2017, the name of the fund was changed to the "Vilniaus prekyba" support fund "Dabar" (hereinafter referred to as the Fund). The registered office address of the Fund is Ozo Str. 25, Vilnius, the Republic of Lithuania.

On 31 December 2018, the board of the Fund consisted of:

Chairperson of the board:	Rytis Jezepčikas
Members:	Jolanta Bivainytė
	Marius Čatrauskas

The head of the administration of the Fund is Director **Rytis Jezepčikas**

Chief accountant of the accounting company **Daiva Balkutė**

ACTIVITIES OF THE FUND

The "Vilniaus prekyba" support fund "Dabar" supports initiatives helping to ensure comprehensive and equivalent high-quality education, which would lead to long-term positive changes. In this context, the Fund provided support to a long-term project, the program "I Choose to Teach – For Changes in Schools!" for the renewal of Lithuanian schools.

Other support directions of the Fund are to provide support and other assistance in the fields of science, culture, art, sport, healthcare, social care and support, environmental protection and in other areas of public benefit that are seen as selfless, to support other projects and programs of importance for society. Additional attention is devoted to the education and integration of people with disabilities.

In 2017, by taking the economic situation into account, the Fund's board updated the investment strategy to generate sufficient income from investments made according to the strategy and to use the income to finance support projects according to the support allocation policy approved by the Fund's board in 2018.

In 2018, the average number of employees of the Fund was two. In 2017, there was one employee.

SHARERS OF THE FUND

In 2018 and 2017, the sharers of the Fund were private limited company "Vilniaus prekyba" and Mr Nerijus Numavičius.

05 EXPLANATORY NOTE

02 ACCOUNTING POLICY

2.10. ACCOUNTING OF FINANCING

Financing shall depend on its legal form, the nature of the activities and participation in the programs. Financing methods may be as follows:

- a) Grants;
- b) Targeted contributions;
- c) Other methods.

A grant shall be entered in the accounts either after receiving fixed assets free of charge or after acquiring them with the money allocated to the program. Grant accounting shall be carried out according to the accrual principle. A grant shall be recognised as used when the assets that were received free of charge and purchased by using dedicated funding are depreciated. The balance sheet shall show the unused part of the grant.

Targeted contributions shall include support for strictly defined objectives. Targeted contributions shall be recognised as used to the extent that the costs incurred are recognised as reimbursed.

The Fund may also be financed by other means, such as donations or support, where the contributor does not indicate a specific objective for their use. The Fund may use such support at its own discretion. Support received without its purpose being specified shall be recognised in the same way as targeted contributions. The balance sheet shall show the unused part of the received support.

2.11. ACCOUNTING FOR LIABILITIES

Liabilities may arise from contractual terms or from requirements otherwise established by law. Examples of the origination of liabilities:

- a) Purchase of goods or services; unless they have been already paid for, an amount payable appears;
- b) A received advance gives rise to an obligation to provide the service;
- c) Taxpayers are obliged to pay taxes under tax laws;
- d) The Labour Code provides for an obligation to pay salaries to employees.

In the financial statements, liabilities shall be divided into two groups:

- a) Amounts due after one year and non-current liabilities;
- b) Amounts due within one year and current liabilities.

Non-current liabilities are those that will have to be settled over a period longer than one year.

Current liabilities are those that will have to be settled within one year.

Holidays accumulation for employees shall be attributed to current liabilities.

The commitments of the Fund shall be evaluated at least once per twelve months and always after the end of the calendar year (when annual financial statements are drawn up).

03 NOTES ON THE EXPLANATORY NOTE

3.1. TANGIBLE FIXED ASSETS

The tangible fixed assets of the Fund comprise other equipment, instruments, and facilities.

Tangible fixed assets that are already depreciated are used in the activities of the Fund.

3.2. INTANGIBLE FIXED ASSETS

The intangible assets of the Fund consist of a computer program.

Intangible fixed assets that are already depreciated are used in the activities of the Fund.

3.3. FIXED FINANCIAL ASSETS

On 31 December 2018, fixed financial assets consisted of 100% of UAB "Vestodija" shares, which are accounted for by the Fund at acquisition cost minus impairment amounts, if such impairment is measured. The investment in UAB "Vestodija" shares on 31 December 2017 was increased by EUR 178,000, to the fair value of the shares of UAB "Vestodija". On 31 December 2018, the Fund recognised an investment impairment comprising EUR 399,000 and lowered the book value of UAB "Vestodija" to its fair value.

3.4. CASH AND CASH EQUIVALENTS

Cash balances shall consist of the Fund's funds in bank accounts.

3.5. SHARERS' CAPITAL

The capital of the Fund was formed from the contributions of the members of the Fund. On 31 December 2018, it amounted to EUR 7,000. Reserves shall not be formed in the Fund.

3.6. PAYABLES AND CURRENT LIABILITIES

On 31 December 2018, the Fund had only current liabilities:

	(in thousands of euros)	
	31/12/2018	31/12/2017
Debts owed to suppliers	-	0.5
Other current liabilities	3	0.5
Total:	3	1

Other current liabilities in 2018 consist of the sum of accumulated audit costs.

03 NOTES ON THE EXPLANATORY NOTE

3.7. INCOME OF THE FUND

The Fund does not carry out commercial and economic activities.

The income of the Fund in 2018 and 2017 consisted of the support received from subsidiaries, respectively EUR 314,000 (UAB "Vestodija": EUR 81,000, UAB "Vievis NT": EUR 145,000 and UAB "Savanorių 18": EUR 88,000) and EUR 228,000. Other income of EUR 23,000 comprises used funding amounts (in 2017, the financing amounts were increased by EUR 25,000 of unused income).

3.8. FUND COSTS

In 2018, charity and cash support was provided to the following legal entities:

Lithuanian-Israel Chamber of Commerce Association	EUR 3,000
VšĮ "Media medis"	EUR 20,000
Lithuanian autism association "Lietaus vaikai"	EUR 4,000
VšĮ Pilietinės minties institutas	EUR 25,000
VšĮ "MOKYKLŲ TOBULINIMO CENTRAS"	EUR 263,000
TOTAL	EUR 315,000

The amount of operating costs of the Fund used for its own purposes from received funding in 2018:

Staff costs	EUR 3,000
Costs of book-keeping services	EUR 3,000
Costs of audit services	EUR 3,000
Other costs	EUR 13,000
TOTAL	EUR 22,000

03 NOTES ON THE EXPLANATORY NOTE

In addition, in 2018 the Fund recognised investment activity losses comprising EUR 399,000:

	31/12/2018	31/12/2017	Change
Value of the shares of UAB "Vestodija"	EUR 13,444,000	EUR 13,843,000	- EUR 399,000

Total costs EUR 736,000.

3.9. FINANCIAL RELATIONS WITH THE FUND'S MANAGERS, SHARERS, AND OTHER RELATED PERSONS

1. With the Fund's managers:

No loans, guarantees, no other sums (except for wages) were paid or accrued for the Fund's managers and no assets were transferred.

2. With the Fund's sharers:

No transactions were concluded with the Fund's sharers.

3. With other related persons:

Support was received from other related subsidiaries (UAB "Vestodija" and its subsidiaries UAB "Vievis NT" and UAB "Savanorių 18").

3.10. POSSIBLE LIABILITIES AND COMMITMENTS FOR FUTURE PERIODS

The Fund did not participate in any judicial proceedings that would have a significant impact on the financial statements.

3.11. POST BALANCE SHEET EVENTS

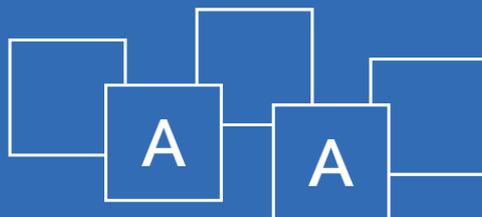
Prior to the date of the financial statements, there were no post balance sheet adjustments that had an impact on the information for the financial year.



Daiva Balkutė
Chief accountant of the accounting
company



Rytis Jezepečikas
Director



Vilniaus prekybos paramos fondas



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