

'CENTRUM CYFROWE' Foundation  
00-020 Warszawa, ul. Chmielna 24/2  
NIP tax identification number: 5252633078

**FINANCIAL STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED ON**  
**31st December 2017**

'CENTRUM CYFROWE' Foundation  
00-020 Warszawa, ul. Chmielna 24/2  
NIP tax identification number: 5252633078

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## **Introduction to the financial statement as of 31 December 2017**

### **1. Data identifying the Foundation**

#### **1.1 Name of the Foundation**

‘CENTRUM CYFROWE’

#### **1.2 Registered office of the Foundation**

Ul. Chmielna 24 lok. 2, 00-020 Warsaw

#### **1.3 Registration in the National Court Register**

The Foundation was established on 9th June 2015 by its Founders: Szymon Gutkowski, Igor Ostrowski, Aleksander Tarkowski and Foundation Projekt: Polska, and it operates under the provisions of the Act on Foundations of 6th April 1984 (Journal of Laws of 2016 item 40 as amended) and in accordance with the provisions of the Foundation’s statute.

On 22nd October 2015 the Foundation was entered in the Register of Associations, Other Social and Professional Organizations, Foundations and Public Healthcare Institutions, as well as in the Register of Entrepreneurs in the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under the number 0000581817.

#### **1.4 Primary object and period of the Foundation’s activity**

The Foundation was established in order to support:

- a) development of the digital society,
- b) projects which aim at sharing and protecting freedom, human rights, and civil liberty, as well as the actions enhancing the development of democracy,
- c) actions in favour of European integration and networking as well as the cooperation between societies,
- d) activities in favour of economic growth, including the development of entrepreneurship,
- e) activities enhancing growth of communities and local societies,
- f) science, education and nurturing,
- g) culture, art, protection of cultural goods and national heritage in the education within the history of cinematic art,

The Foundation was established for unlimited time.

The Foundation has been running business activity.

**1.5 The Foundation’s Management Board**

The composition of the Foundation’s Management as at the date of this financial statement included:  
Aleksander Tarkowski – the President of the Management Board

Within the period covered by this financial statement no change has occurred.

**1.6 Dates of this financial statement**

This financial statement was prepared for the period of 1 January 2017 – 31 December 2017.

**1.7 Assumption of continuation of the business activity**

The financial statement was prepared with the assumption of continuation of the business activity within the period of minimum 12 months counting from 31 December 2017.

**1.8 Internal organizational entities**

This entity does not include the internal organizational entities which prepare individual financial statement.

**1.9 Merger of the entities**

In the ongoing financial year the Foundation has not merged with other entity.

**2. Significant accounting principles**

This financial statement has been prepared on the basis of the accounting principles described below:

**2.1 Legal basis of this financial statement**

This financial statement has been drawn up in accordance with the practices applied by the entities acting in Poland under the accounting principles arising from the provision of the Accounting Act of 29 September 1994 (Journal of Laws of 2018 item 395 as amended).

The principles adopted by the Foundation were applied continuously and they are in accordance with the accounting principles applied in the previous financial year.

The profit and loss account of the Foundation was made in the comparative variation.

**2.2 Income, expenses and financial result**

Income and expenses are recognized in accordance with the accruals principle, i.e. within the periods which they concern regardless the date the payment was received or made.

*Income and profits*

Income and profits shall be understood as highly probable economic benefits arisen within the reporting period and of reliably specified value in the form of assets value increase or decrease of the value of liabilities.

*Expenses and losses*

Expenses and losses shall be understood as highly probable decrease of economic benefits within the reporting period of reliably specified value in the form of the decrease of assets value or increase of the value of liabilities and provisions.

*Financial result*

The net financial result includes:

- the result of operational activity, i.e. the remaining income and operational expenses (indirectly related to the operational activity)
- the result of financial operations
- obligatory encumbrances of the financial result of business activity as income tax and payments equal to this tax under separate provisions.

**2.3 Fixed assets and intangible assets**

Fixed assets as well as intangible assets are valued according to the purchase price or costs of production reduced by depreciation write-offs or redemption write-offs, as well as the write-offs resulting from permanent loss of value.

Fixed assets in the course of construction are valued in the amount of general expenses which are directly connected to their purchase or production, reduced by the permanent loss of value write-offs.

Leased tangible assets or intangible and legal assets used under lease contract are included in the fixed assets, if the contract fulfills the conditions specified in the Accounting Act.

Depreciation is calculated by means of the straight-line method. The annual rate and the period of depreciation is established in accordance with the period of economic utility of the asset or right of use, depending on the shorter one. The adopted periods and depreciation rate are verified at least at the end of each financial year.

The fixed assets as well as the intangible assets of low initial value not exceeding PLN 3,500.00, shall be written off only once in their total value in the expenses and in the month of handing them for use.

The fixed assets under construction shall not be depreciated until they are handed for use.

#### **2.4 Fixed current assets**

Fixed current assets shall be valued at least on the balance sheet day in accordance with the purchase price or production price which is not higher than the net sales price on the balance sheet day. Write off of the fixed current assets prepared with respect to its loss of value or resulting from the valuation as per the net sale price instead of acquisition price or purchase or production cost – shall be included in the remaining operational costs.

#### **2.5 Receivables**

In the financial statement the receivables are divided into long-term and short-term receivables, as well as the receivables accrued from the affiliated and other entities. Short-term receivables include the general trade receivables, as well as the total or part of the receivables due to the reasons which are not encompassed by the financial assets payable within 12 months from the balance sheet day. The receivables shall be declared in the net amount of required payment with the preservation of prudence principle (reduced by write-offs).

The value of receivables is updated taking into account the probability of payment by way of write-offs with respect to:

- 1) receivables from the debtors put into liquidation or bankruptcy – up to the amount of receivables which is not encompassed by the guarantee or other security, reported to the liquidator or official receiver in the bankruptcy proceedings;
- 2) receivables from debtors in the case of dismissal of the application for the declaration of bankruptcy if the property of the debtor is not sufficient to cover the costs of bankruptcy proceedings – in its total value;
- 3) receivables questioned by debtors and the payments the debtor fall behind with, as the payment of the receivables in the agreed amount is not possible, which was proved by the assessment of the financial situation of the debtor – up to the amount not covered by the guarantee or other security;
- 4) receivables which are equal to the amounts increasing the receivables which were previously written-off – in this amount, until the moment it is received or written off;
- 5) receivables past due or not overdue receivables with high probability of being irrecoverable, in the cases justified by the type of business activity or organization of the recipients – in the reliably estimated amounts of write-off, including a general one related to irrecoverable receivables.

Receivables write-offs are included in the remaining operational expenses respectively or in the financial expenses – depending on the type of the relevant receivables. Cancelled, past-due or unrecoverable receivables reduce the previous write-off updating their value.

### **2.6 Pecuniary assets**

Pecuniary assets include assets in the form of national means of payment, foreign currency and exchange. Also other financial assets shall be considered as pecuniary assets, in particular interests on financial assets.

### **2.7 Prepayments**

Prepayments are made in relation to the encumbered costs of future reporting periods.

Prepayments include:

- long-term settlement concerning future reporting periods above 12 months counting from the balance sheet date,
- short-term settlement concerning future reporting periods up to 12 months counting from the balance sheet date,

Prepayment write-offs are made in accordance with the lapse of time of value of the compensation. The period and manner of settlement is justified by the nature of calculated costs with the preservation of prudent valuation.

### **2.8 Statutory Fund**

Statutory fund of the Foundation is obligatorily valued on the balance sheet date at par, including it the accounting books according to the type and principles specified in the statute – The Foundation Agreement.

### **2.9 Liabilities**

In the financial statement the liabilities are divided into long-term and short-term ones, as well as the liabilities towards affiliated and other entities. Short-term liabilities cover general trade liabilities as well as total or part of the remaining liabilities to be paid within 12 months from the balance sheet date. The liabilities other than the financial ones shall be declared in the amount due.

### **2.10 Income tax**

Income tax demonstrated in the profit and loss account include the current part. The entities, whose annual financial statement is not a subject of analysis and announcement within the meaning of Article 64, Section 1 of the Accounting Act are not obliged to establish the assets and provisions due to the deferred income tax.

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Aleksander Tarkowski  
**President of the Management Board**

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Marek Wiechno  
**DEM Sp. z o.o.**  
*Author of the financial statement*  
Warsaw on 26 March 2018



## BALANCE SHEET AS OF 31 DECEMBER 2017

### ASSETS

Breakdown of assets	Assets as per	
	31 December 2017	31 December 2016
<b>A. Fixed assets</b>	<b>55,000.00</b>	<b>0.00</b>
<b>I. Intangible assets</b>	<b>55,000.00</b>	<b>0.00</b>
<b>3.</b> Other intangible assets	55,000.00	0.00
<b>II. Fixed current assets</b>	0.00	0.00
<b>III. Long-term receivables</b>	0.00	0.00
<b>IV. Long-term investments</b>	0.00	0.00
<b>V. Long-term prepayments</b>	0.00	0.00
<b>B. Current assets</b>	<b>50,670.96</b>	<b>362,425.86</b>
<b>I. Inventory</b>	<b>0.00</b>	<b>0.00</b>
<b>II. Short-term receivables</b>	<b>28,321.03</b>	<b>8,450.00</b>
<b>3.</b> Receivables from other entities	28,321.03	8,450.00
<b>a)</b> as trade receivables, maturing	20,085.00	7,995.00
<b>i)</b> up to 12 months	20,085.00	7,995.00
<b>ii)</b> above 12 months	0.00	0.00
<b>c.</b> other	8,236.03	455.00
<b>d.</b> claimed at court	0.00	0.00
<b>III. Short-term investments</b>	<b>22,349.93</b>	<b>353,975.86</b>
1. Short-term financial assets	22,349.93	353,975.86
c. Pecuniary assets and other financial assets	22,349.93	353,975.86
<b>i.</b> Pecuniary assets in hand and at bank	22,349.93	353,975.86
<b>IV. Short-term prepayments</b>	<b>0.00</b>	<b>0.00</b>
<b>C. Called-up share capital</b>	<b>0.00</b>	<b>0.00</b>
<b>D. Own shares</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ASSETS:</b>	<b>105,670.96</b>	<b>362,425.86</b>

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Aleksander Tarkowski  
**President of the Management Board**

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Marek Wiechno  
**DEM Sp. z o.o.**  
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Warsaw on 26 March 2018

## LIABILITIES

Breakdown of liabilities	Liabilities as per	
	31 December 2017	31 December 2016
<b>A. Equity</b>	<b>73,814.29</b>	<b>355,984.03</b>
I. Share capital	62,300.00	62,300.00
II. Supplementary capital	0.00	0.00
III. Revaluation capital including:	0.00	0.00
IV. Other reserve capital including:	0.00	0.00
<b>V. Previous years' profits (loss)</b>	<b>293,648.03</b>	<b>2,918.00</b>
VI. Net profit (loss)	-282,133.74	290,730.03
VII. Write off on net profit during the financial year (negative value)	0.00	0.00
<b>B. Liabilities and provisions for liabilities</b>	<b>31,856.67</b>	<b>6,477.83</b>
<b>I. Other provisions for liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>II. Long-term liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>III. Short-term liabilities</b>	<b>31,856.67</b>	<b>6,477.83</b>
3.To other entities	31,856.67	6,477.83
d. Trade liabilities, maturing:	4,606.69	1,615.00
i) up to 12 months	4,606.69	1,615.00
ii) above 12 months	0.00	0.00
g. tax, customs, insurance and other public legal liabilities	23,156.03	4,862.83
i. other liabilities	4,093.95	0.00
<b>IV. Accruals</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL LIABILITIES:</b>	<b>105,670.96</b>	<b>362,425.86</b>

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Aleksander Tarkowski  
**President of the Management Board**

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Marek Wiechno  
**DEM Sp. z o.o.**  
*Author of the financial statement*  
Warsaw on 26 March 2018

**PROFIT AND LOSS ACCOUNT**

Item	2017	2016
<b>A. Net revenues and equal revenues</b>	<b>28,250.00</b>	<b>63,067.80</b>
- from related parties	0.00	0.00
I. Net revenues from sales of products	28,250.00	63,067.80
II. Change in the balance of products	0.00	0.00
III. Manufacturing cost	0.00	0.00
IV. Net revenues from sales of goods and materials	0.00	0.00
<b>B. Operating expenses</b>	<b>1,199,720.51</b>	<b>194,346.60</b>
I. Depreciation	0.00	0.00
II. Consumption of materials and energy	28,480.69	0.00
III. External services	505,290.17	127,339.11
IV. Taxes and fees including	4,603.41	0.00
- excise duty	0.00	0.00
V. Remuneration	521,911.64	61,280.30
VI. Social security and other benefits including:	93,830.94	3,870.93
- retirement benefits	43,923.29	1,790.46
VII. Other costs by type	45,603.66	1,856.26
VIII. Value of goods and materials sold	0.00	0.00
<b>C. Profits (loss) on sales</b>	<b>-1,171,470.51</b>	<b>-131,278.80</b>
<b>D. Other operating revenues</b>	<b>894,380.53</b>	<b>421,713.79</b>
II. Subsidies	891,201.15	421,713.79
IV. Other operating revenues	3,179.38	0.00
<b>E. Remaining operating expenses</b>	<b>0.00</b>	<b>0.01</b>
III. Other operating expenses	0.00	0.01
<b>F. Profit (loss) on operating activity</b>	<b>-277,089.98</b>	<b>290,434.98</b>
<b>G. Financial revenues</b>	<b>2,078.40</b>	<b>295.05</b>
II. Interest including:	2,078.40	295.05
- from related parties	0.00	0.00
<b>H. Financial expenses</b>	<b>7,122.16</b>	<b>0.00</b>
IV. Other	7,122.16	0.00
<b>I. Gross profit (loss) on business activity</b>	<b>-282,133.74</b>	<b>290,730.03</b>
<b>J. Income tax</b>	<b>0.00</b>	<b>0.00</b>
<b>K. Other statutory reductions in profit (increases in loss)</b>	<b>0.00</b>	<b>0.00</b>
<b>L. Net profit (loss)</b>	<b>-282,133.74</b>	<b>290,730.03</b>

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Aleksander Tarkowski  
**President of the Management Board**

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### ADDITIONAL INFORMATION AND CLARIFICATION

**1. Detailed scope of changes in the groups by type of fixed assets, intangible assets and long-term investments.**

	Other intangible assets	Total
Gross value as at 1 <sup>st</sup> Jan 2017	0.00	0.00
Increase	55,000.00	55,000.00
Gross value as at 31 <sup>st</sup> Dec 2017	<b>55,000.00</b>	<b>55,000.00</b>
Remission as at 1 <sup>st</sup> Jan 2017	0.00	0.00
Increase	0.00	0.00
Remission	0.00	0.00
Remission as at 31 <sup>st</sup> Dec 2017	<b>0.00</b>	<b>0.00</b>
Net value as at 1 <sup>st</sup> Jan 2017	0.00	0.00
Net value as at 31 <sup>st</sup> Dec 2017	<b>55,000.00</b>	<b>55,000.00</b>

Fixed assets and long-term investments did not occur.

**2. Data about write-offs on long-term fixed financial and non-financial assets.**

None of the above occurred. .

**3. Value of completed development works and value of the company.**

None of the above occurred as per balance sheet date.

**4. Value of perpetual usufruct land.**

None of the above occurred as per balance sheet date.

**5. Value of non-depreciated fixed assets used under the tenancy agreement, lease agreement and other agreements including a leasing contract.**

None of the above occurred as per balance sheet date.

**6. Number and value of owned securities or right including share certificates, convertible debt securities, warranties and options with the indication of rights they confer.**

None of the above occurred as per balance sheet date.

**7. Data regarding write-offs on receivables value with the indication of balance in the commencement of financial year, increase, use, dissolution and balance at the end of the year.**

None of the above occurred as per balance sheet date.

**8. Structure of founding capital.**

<b>Founders</b>	<b>Value of contribution</b>
Fundacja Projekt: Polska	62,000.00
Szymon Gutkowski	100.00
Igor Ostrowski	100.00
Aleksander Tarkowski	100.00
<b>TOTAL:</b>	<b>62,300.00</b>

**9. Balance at the commencement of the financial year, increase, use and final balance of reserve and supplementary capital (funds), as well as the capital (fund) from revaluation, unless the entity prepares the balance of changes within its own capital (fund).**

None of the above occurred.

**10. Net financial result.**

In 2017 the Foundation declared net loss of PLN 282,133.74. It is suggested that the loss should be covered by the previous years' profits.

**11. Data about the balance of provisions to be created at the beginning of the financial year, as well as increases, use, dissolution and final balance.**

None of the above occurred.

**12. Division of the liabilities as per the item of balance sheet as per the payment period specified in the agreement with respect to the balance sheet date**

-	up to 1 year	up to 1-3 years	up to 3-5 years	up to 5 years	Total
<b>1. Related parties</b>					
a) as trade liabilities					
b) other					
<b>2. Other entities</b>	31,856.67				31,856.67
a) loans and credit facilities					
b) due to issuance of debt securities					
c) other financial liabilities					
d) as trade liabilities	4,606.69				4,606.69
e) advances received for supplies					
f) bill payables					
g) tax, customs, insurance and other compensation	23,156.03				23,156.03
h) remuneration					
i) other	4,093.95				4,093.95
<b>TOTAL</b>	<b>31,856.67</b>				<b>31,856.67</b>

**13. Total amount of liabilities secured on the entity’s property with the indication of nature and form of the securities.**

None of the above occurred as per balance sheet date.

**14. Demonstration of significant items of active and passive accruals.**

None of the above occurred as per balance sheet date.

**15. Assets and liabilities demonstrated in more than one item on the balance sheet.**

None of the above occurred as per balance sheet date.

**16. Conditional liabilities, including guarantees and suretyship granted by the entities (including avals).**

None of the above occurred as per balance sheet date.

**17. Assets which are not financial instruments measured at fair value.**

None of the above occurred as per balance sheet date.

**18. Item by item and geographical structure of net revenues from the sales of products, goods and materials.**

Breakdown	Revenues from the national sales		Revenues from the sales in abroad		Total sales revenues	
	2017	2016	2016	2016	2017	2016
Sales of services	28,250.00	63,067.80	0.00	0.00	28,250.00	63,067.80
Sales of goods	0.00	0.00	0.00	0.00	0.00	0.00
Total	28,250.00	63,067.80	0.00	0.00	28,250.00	63,067.80

**19. Value of the write-offs on fixed assets with the clarification of reasons for such write-offs**

None of the above occurred as per balance sheet date.

**20. Values of the write-offs on inventory.**

None of the above occurred as per balance sheet date.

**21. Discontinued operations**

Within the financial period the foundation did not fail to conduct any type of operations and is not planning any discontinuation.

**22. Differences between taxable income and a financial result**

	<b>Gross financial result – 1<sup>st</sup> Jan 2017 – 31<sup>st</sup> Dec 2017</b>	<b>-282,133.74</b>
<b>1.</b>	Revenues and profits in the register	<b>924,708.93</b>
<b>2.</b>	Non-taxable and tax free revenues	-
<b>3.</b>	Taxable revenues, which are not accounting revenues	-
<b>4</b>	Total taxable revenues (1-2+3)	<b>924,708.93</b>
<b>5</b>	Expenses and loss in the register	<b>1,206,842.67</b>
<b>6</b>	Expenses and loss which are not tax deductible expenses	<b>901.37</b>
<b>7</b>	Taxable expenses, which are not accounting expenses	-
<b>8</b>	Total taxable expenses (5-6+7)	<b>1,205,941.30</b>
<b>9</b>	Income/ taxable loss (4-8)	<b>281,232.37</b>

**23. Cost of fixed assets under construction including the interest and exchange rate differences, which increased the cost of manufacturing of such fixed assets..**

None of the above occurred.

**24. Interest and exchange rate differences, which increased the purchase price of goods or the cost of products manufacturing.**

None of the above occurred.

**25. Expenditures on non-financed fixed assets encumbered last year and planned for the coming year.**

The expenditure did not occur and are not planned.

**26. Value and nature of individual revenues or expenses of extraordinary value or which occurred by accident.**

None of the above occurred.

**27. Exchange rates used in valuation.**

<b>Exchange rate at the date of</b>	<b>29 Dec 2017</b>	<b>30 Dec 2016</b>
<b>Exchange rate EUR-PLN</b>	<b>4.1709</b>	<b>4.4240</b>

**28. Clarification on cash-flow account.**

The entity was not obliged to prepare cash-flow account.

**29. Agreements not included in the balance sheet.**

The entity was not a party to any significant agreements which were not included in the balance sheet for the financial year covered by this financial statement.

**30. Transactions with the related parties.**

Related entity	Value of the transaction	Content
Fundacja Projekt: Polska	60,645.00	Donation
Fundacja Projekt: Polska	110,876.77	Cost of joint projects
<b>Total</b>	<b>171,521.77</b>	

**31. Employment.**

Breakdown	Average employment	
	2017	2016
White-collars	5	1
Blue-collars	0	0
<b>Total</b>	<b>5</b>	<b>1</b>

**32. Remuneration for the management, supervisory and administrative bodies.**

Financial year ended on	31 Dec 2017	31 Dec 2016
Management Board	143,664.00	-
<b>Total</b>	<b>143,664.00</b>	<b>-</b>

**33. Information about loans and benefits of similar nature granted to persons appointed for the management, supervisory and administrative bodies.**

None of the above occurred.

**34. Information about the compensation for the certified accountant or any entity entitled to audit financial statements, paid or due for the financial period.**

None of the above occurred.

**35. Significant events of previous years included in the financial statement.**

No significant events of previous years, which are to be included in the financial statement, occurred.



**36. Events past the balance sheet day.**

Past the balance sheet date until signing of the financial statement for the financial year, no events which should be included in the financial statement occurred.

**37. Declaration on changes in the accounting principles (policies), including the valuation method or changes in the manner of financial statement preparation, in the case in which they have significant impact on the property and financial standing along with the financial result, as well as the reasons for such changes and the value of financial result caused accordingly and also changes in the equity capital in the financial year.**

None of the above changes occur.

**38. Numerical information ensuring comparability of financial statement data for the previous year with respect to this financial statement.**

None of the above occurred.

**39. Clarification concerning an entity being a member of the capital group**

The Foundation is not a dominant entity for any of the capital groups and consequently does not prepare a consolidated statement.

**40. Information about the merger of entities.**

None of the above occurred.

**41. Serious risk to the continuation of operations.**

None of the above occurred.

**42. Other information with significant impact on the evaluation of the entity’s standing.**

No information which might have significant impact on the evaluation of the entity’s standing was provided.

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Aleksander Tarkowski  
**President of the Management Board**

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Marek Wiechno  
**DEM Sp. z o.o.**  
*Author of the financial statement*  
\*Warsaw on 26 March 2018