

## **Introduction to financial statements valid as at December 31, 2015**

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

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

“CENTRUM CYFROWE”

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

Ul. Gen. Władysława Andersa 29, 00-159 Warsaw

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

The Foundation was established on 09 June 2015 by its Founders: Szymon Gutkowski, Igor Ostrowski, Aleksander Tarkowski and Fundacja Projekt: Polska and it operates on the basis of the Act on Foundations of 6 April 1984 (Journal of Laws of 1991, No. 46, item 203 as amended) and in accordance with the provisions of its articles of association.

On 22 October 2015 the Foundation was registered in the Register of Associations, Other Social and Professional Organizations, Foundations and Public Health Care Facilities and the Register of Entrepreneurs in the District Court for the capital city of Warsaw, 12th Commercial Division of the National Court Register under number KRS 0000581817.

#### ***1.4 Basic scope and duration of the Foundation’s activity***

The Foundation has been created in order to support:

- a) the development of digital society
- b) projects aimed at propagating and protecting freedom, human rights and civil liberties, as well as activities supporting the development of democracy;
- c) activities for the benefit of European integration and developing contacts and cooperation between societies;
- d) activities supporting economic development, including the development of entrepreneurship;
- e) activities supporting the development of local communities;
- f) science, education and schooling
- g) culture, art, protection of cultural and national heritage and education in the scope of history of film art.

The Foundation was established for an unspecified period of time.

The Foundation runs business activity.

### ***1.5 Management Board of the Foundation***

As at the preparation date of the financial statements, the Management Board of the Foundation was composed of:

Aleksander Tarkowski - President of the Management Board

During the period covered by the financial statements there were no changes on the management board.

### ***1.6 Period covered by the financial statements***

The financial statements were prepared for the period of 22.10.2015 to 31.12.2015.

### ***1.7 Assumption that the business activity will be continued***

The financial statements were prepared with the assumption that business activity will be continued for a period no shorter than 12 months from 31 December 2015.

### ***1.8 Internal organizational units***

The entity does not include any internal business units that prepare their financial statements independently.

### ***1.9 Merger of units***

No merger with another unit was completed in the current financial year.

## **2. Significant accounting principles**

The financial statements were prepared with the application of the following accounting principles:

### ***2.1 Basis for drafting the financial statements***

The financial statements were prepared in line with the practice followed by entities operating in Poland, on the basis of the principles of accounting arising from the regulations of the Act of 29.09.1994 on accountancy (Journal of Laws of 2013 item 330 as amended).

The principles adopted by the Foundation were applied continuously and they are compliant with the principles of accounting applied in the preceding financial year.

The Foundation prepared its profit and loss account in the single-step variant.

## ***2.2 Revenues, costs and the financial result***

Revenues and costs are recognized on the accrual basis, i.e. in the periods they concern regardless of the date of receiving or making the payment.

### *Revenues and profits*

The entity considers likely economic benefits expected in the reporting period as revenues and profits, if their value is credibly specified, in the form of increasing the value of assets or decreasing the value of liabilities.

### *Costs and losses*

The entity considers a likely decrease in economic benefits expected in the reporting period as costs and losses, if their value is credibly specified, in the form of decreasing the value of assets or increasing the value of liabilities and reserves.

### *The financial result*

The net financial result is composed of:

- the operational result, including the result from other revenues and operational costs (indirectly connected with operations),
- the result on financial operations,
- result on extraordinary operations (occurring as a result of difficult to foresee events, outside the operations and unconnected to the overall risk of operations),
- compulsory charges on the financial result from business activity due to the income tax and payables equal to it under separate regulations.

## ***2.3 Tangible and intangible assets***

Fixed assets and intangible assets are valued as per their purchase prices or costs of manufacture, decreased by depreciation or amortization write-offs and impairment charges.

Fixed assets under construction are valued in the amount of the total costs directly related to their acquisition or manufacture, minus impairment charges.

Alien fixed assets or intangible assets used on the basis of leasing agreements are included in fixed assets, if the agreement meets the conditions specified in the accountancy act.

Amortization is done with the straight line approach. The annual rate and period of amortization is set according to the period of economic usefulness of the asset or right of use, whichever is shorter. The adopted periods and amortization rates are verified at least at the end of each financial year.

Fixed assets and intangible assets of a low initial value not exceeding PLN 3,500.00 are written-off on a one-off basis in their full value against the costs in the month they were put into operation.

Fixed assets under construction are not amortized until put into operation.

#### ***2.4 Tangible current assets***

Tangible current assets are valued no more seldom than as at the balance sheet date according to the prices of acquisition or costs of manufacture no higher than their net selling prices at as the balance sheet date.

Impairment charges of tangible current assets made in connection with their loss of value and resulting from valuation according to net selling prices instead of acquisition or purchase prices or costs of manufacture are included in other operational costs.

#### ***2.5 Receivables***

In the financial statements, receivables are divided into long-term and short-term ones as well as receivables from affiliated and other entities. Short-term receivables include all receivables from supplies and services as well as all or some receivables from other sources which are not included in financial assets and which become payable within 12 months from the balance sheet date.

Receivables are shown in the payable amount, with the rule of caution, in the net value (minus impairment charges).

The value of receivables is adjusted taking into account the level of likelihood of their being paid by making an impairment charge in relation to:

- 1) receivables from debtors under liquidation or bankruptcy proceedings - up to the amount of receivables not covered by a guarantee or another security of receivables notified to the liquidator or judge commissioner in bankruptcy proceedings;
- 2) receivables from debtors if a petition for bankruptcy was dismissed, if the debtor's assets are not sufficient to satisfy the costs of bankruptcy proceedings - in the full amount of receivables;
- 3) receivables questioned by debtors and overdue receivables while according to the evaluation of the debtor's property and financial situation, the repayment of receivables in the agreed amount is not likely - up to the amount uncovered by guarantee or another security of receivables;
- 4) receivables equal to amounts increasing receivables which had been subject to an impairment charge - in those amounts, until their receipt or write-off.
- 5) overdue receivables or not overdue receivables of substantial likelihood of uncollectability in cases justified with the kind of business or structure of recipients - in the amount of a credibly estimated write-off, including a general one, for uncollectable receivables.

Impairment charges on receivables are included into other operational costs or financial costs, depending on the type of receivables that the impairment charge applies to. Extinguished, expired or uncollectible receivables decrease previously made impairment charges.

### ***2.6 Cash equivalents***

Cash equivalents include assets in the form of Polish money and foreign currencies. Cash equivalents also include other financial assets, including in particular interest accruing on financial assets.

### **2.7 Prepayments**

Prepayments are made in relation to borne costs concerning future reporting periods.

Prepayments include:

-long-term prepayments which concern future reporting periods and last longer than 12 months since the balance sheet date.

-short-term prepayments which concern future reporting periods and last no longer than 12 months since the balance sheet date.

Prepayments are written-off in relation to the lapse of time or size of benefits. The manner and way of settlement is justified with the nature of settled costs, with the rule of cautious valuation.

### **2.8. Statutory Fund**

The Foundation's statutory fund is compulsorily valued as at the balance sheet date in the nominal value, and posted in the books according to types and principles specified in the articles of association of the Foundation.

## **2.9. Payables**

In the financial statements, payables are divided into long-term and short-term ones as well as payables from affiliated and other entities. Short-term payables include all payables for supplies and services as well as all or some other payables which become payable within 12 months from the balance sheet date.

Other than financial payables are shown in the payable amount.

## **2.10 Income tax**

Income tax shown in the profit and loss account covers the current part.

Entities whose annual financial statements are not subject to compulsory auditing and publication under Article 64 item 1 of the Accountancy Act are not obliged to set assets and reserves for 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.**  
*Person who prepared the financial statements*  
Warsaw, 31.03.2016

## BALANCE SHEET AS AT 31.12.2015

### ASSETS

List of assets	As at 31 December 2015	BO
<b>A. Fixed assets</b>	<b>0.00</b>	<b>0.00</b>
I. Intangible assets	0.00	0.00
II. Tangible fixed assets	0.00	0.00
III. Long- term receivables	0.00	0.00
IV. Long- term investments	0.00	0.00
V. Long- term prepayments	0.00	0.00
<b>B. Current assets</b>	<b>3 125.00</b>	<b>0.00</b>
I. Inventory	0.00	0.00
II. Short- term receivables	2 952.00	0.00
1. receivables from affiliated entities	0.00	0.00
2. receivables of other units	2 952.00	0.00
a) for supplies and services of of repayment periods:	2 952.00	0.00
i. up to 12 months	2 952.00	
ii. above 12 months	0.00	0.00
b) due to taxes, donations, customs, social insurances	0.00	0.00
c) other	0.00	0.00
d) sought in court	0.00	0.00
<b>III. Short-term investments</b>	<b>200.00</b>	<b>0.00</b>
1. Short term financial assets	200.00	0.00
c) cash and other pecuniary assets	200.00	0.00
and cash at hand and in bank	200.00	0.00
IV. <b>Short-term prepayments</b>	<b>0.00</b>	<b>0.00</b>
<b>Total assets</b>	<b>3 152.00</b>	<b>0.00</b>

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Aleksander Tarkowski  
**President of the Management Board**

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## LIABILITIES

(in PLN)		As at 31 December 2015	BO
<b>A.</b>	<b>Equity</b>	<b>3 118.00</b>	<b>0.00</b>
I.	Basic capital	62 300.00	0.00
II.	Due but unmade contributions to capital	-62 100.00	0.00
III.	Own shares (negative value)	0.00	0.00
IV	Reserve fund	0.00	0.00
V	Revaluation reserve	0.00	0.00
VI.	Other reserve capitals	0.00	0.00
VII.	Profit (loss) from preceding years	0.00	0.00
VII.	Net profit (loss)	2 918.00	0.00
IX.	Net write-offs from net profit during financial year	0.00	0.00
<b>B</b>	<b>Liabilities and provisions for liabilities</b>	<b>34.00</b>	<b>0.00</b>
<b>I</b>	<b>Reserves for liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>II</b>	<b>Long-term liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>III</b>	<b>Short-term liabilities</b>	<b>34.00</b>	<b>0.00</b>
	1. to affiliated entities	0.00	0.00
	2. to other entities	34.00	0.00
	d) due to supplies and services payable in	34.00	0.00
	i. up to 12 months	34.00	0.00
	ii. more than 12 months	0.00	0.00
	e) advances towards supplies	0.00	0.00
	g) For taxes, customs, insurances and other benefits	0.00	0.00
	i) Other	0.00	0.00
<b>IV.</b>	<b>Accruals</b>	<b>0.00</b>	<b>0.00</b>
<b>Total liabilities</b>		<b>3 152.00</b>	<b>0.00</b>

Aleksander Tarkowski  
**President of the Management Board**

Marek Wiechno  
**DEM Sp. z o.o.**  
*Person who prepared the financial statements*  
Warsaw, 31.03.2016



**PROFIT AND LOSS ACCOUNT**  
**For the period from 22.10.2015 to 31.12.2015**  
**Comparative method**

Name of item	2015	BO
<b>A. Net revenues from sales and equal, including</b>	<b>2 952.00</b>	<b>0.00</b>
1. Net revenues from selling products and services	2 952.00	0.00
- from affiliated entities	0.00	0.00
<b>B. Costs of operations</b>	<b>34.00</b>	<b>0.00</b>
I. Amortization	0.00	0.00
II. Consumption of materials and energy	0.00	0.00
III. Alien services	0.00	0.00
IV. Taxes and fees, including:	34.00	0.00
V. Remunerations	0.00	0.00
VI. Social insurances and other benefits	0.00	0.00
VII. Other prime costs	0.00	0.00
<b>C. Profit/loss from sales (A-B)</b>	<b>2 918.00</b>	<b>0.00</b>
<b>D. Other operational revenues</b>	<b>0.00</b>	<b>0.00</b>
<b>E. Other operational costs</b>	<b>0.00</b>	<b>0.00</b>
<b>F. Profit/loss from operations (C+D+E)</b>	<b>2 918.00</b>	<b>0.00</b>
<b>G. Financial revenues</b>	<b>0.00</b>	<b>0.00</b>
<b>H. Financial costs</b>	<b>0.00</b>	<b>0.00</b>
<b>I. Gross profit/loss on operations (F+G-H)</b>	<b>2 918.00</b>	<b>0.00</b>
<b>J. Results of extraordinary events (J.I-J.II)</b>	<b>0.00</b>	<b>0.00</b>
<b>K. Gross profit/loss (I+/-J)</b>	<b>2 918.00</b>	<b>0.00</b>
<b>L. Income tax</b>	<b>0.00</b>	<b>0.00</b>
<b>M. Other compulsory profit decreases/loss increases</b>	<b>0.00</b>	<b>0.00</b>
<b>N. Net profit/loss (K-L-M)</b>	<b>2 918.00</b>	<b>0.00</b>

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