


Annual Report > 2015



BALTIC
— INSTITUTE —
OF CORPORATE GOVERNANCE



> EDUCATION
is the most powerful weapon
which you can use
to change the world

Nelson Mandela



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Dear Stakeholders,



Linas Dičpetris
Acting Chairman of the Board

- The importance of corporate governance is now increasingly recognised in the Baltic region, with a growing number of encouraging examples both in private sector and among state-owned enterprises. By inspiring this change and leading the conversation about the many benefits of good corporate governance, our Institute and our members continue to contribute to the progress in the Baltic economies.

To be competitive, the Baltic companies should adopt a high standard of corporate governance, and a growing number of enterprises that are looking into establishing boards and inviting professional independent board members indicates that this necessity is becoming realised.

Just this year, the number of graduates from the professional board member and chair education offered by the Institute is set to increase from 400 to nearly 500. We are also continuing with the journalist education, which has successfully helped to highlight the importance of corporate governance to a wider business community and in the general public eye. A recent shift in the perspective of Baltic lenders can be felt as well, with corporate governance becoming an increasingly weighty factor in company valuations.

With Latvia and Lithuania now being on their path to join Estonia in the Organisation for Economic Co-operation and Development (OECD), the spotlight on the benefits of good corporate governance will only strengthen. In a timely effort to reinforce our presence in Latvia, the Institute has already opened an office in Riga and welcomed a Country Manager Latvia into our team. This year and with the support of our Estonian members, we are moving forward with the plans to open an office in Tallinn as well.

As we look forward to an exciting year ahead, I want to sincerely thank our members for their continuing support to our mission and for their commitment to bringing about change.

A handwritten signature in blue ink, consisting of a large, stylized 'L' followed by a series of loops and a long horizontal stroke.

Linas Dičpetris
Acting Chairman of the Board

Dear
Members,



Paulius Martinkus
President

- 2015 has been a very busy year for the Baltic Institute of Corporate Governance. Thanks to our active Board members and executive team, we have set a strong base to implement our strategy and carry out our mission.

Last year the executive team of the Institute has grown to 4 members. A larger team allows a division of roles and a better match of competences. President is responsible for policy initiatives and general management, Vice President runs strategic communication with stakeholders, Country Manager ensures smooth operations in Latvia, and Executive Assistant provides organizational and communication support for the team. Successful teamwork is reflected in a wider media coverage, active engagement with new policy initiatives in Latvia and Lithuania, numerous events on corporate governance topics, and, most importantly, in an increasing number of participants in our education programs.

Together with the OECD accession process, the reform of state owned enterprises is getting up to speed in Latvia and further developments are observed in Lithuania. In 2015, independent board members have been appointed to the largest state owned enterprises in Lithuania and joined all the Vilnius city municipality owned enterprises. We expect to see a further increase in the number of independent board members both in Latvia and Lithuania. Our Institute has significantly contributed to positive trends and will continue to promote good corporate governance in all three Baltic states.

As set out in our strategy, we will focus on growing our members' community, spreading the best corporate governance practices through education programs, seminars, events, raising public awareness on governance topics through research and communication through media channels, as well as advocating implementation of the best corporate governance practices in the public sector.

On behalf of the team, I would like to express my gratitude to our members in supporting our cause of promoting the best corporate governance in the Baltics.

A handwritten signature in blue ink, appearing to read 'Paulius Martinkus'.

Paulius Martinkus
President

Key developments & achievements

Baltic Institute of Corporate Governance (BICG) continues to provide leadership in promoting global competitiveness of Baltic companies and economies by encouraging leading corporate governance practices.

Below we present some of the highlights of our activities in the year 2015.

- With the beginning of the last year, the BICG started working on the recommendations to improve transparency and accountability in the Lithuanian health care sector, which later sparked the publication of similar recommendations by the European Commission.
- In March, we held our 5th Annual General Meeting, where among the guest speakers we had Mr Adomas Audickas, Senior Advisor to the Minister of Economy of Ukraine, Mr Rokas Masiulis, the Lithuanian Minister of Energy, and Mr Remigijus Šimašius, the then newly elected Mayor of Vilnius, who has pledged to invite independent board members to all of the city municipality owned enterprises.
- In spring, we helped organize the 16th European Corporate Governance Conference in Riga, which was a part of the Latvian EU Presidency and attracted a number of prominent speakers in the corporate governance field from all of Europe.
- In May, the second Chairman Certificate education was held in Stockholm, bringing the total number of graduates to over 30.
- In summer, we worked with the OECD to provide an input for the OECD report on current corporate governance framework for the Lithuanian SOEs, and our contribution has been officially acknowledged. We are confident that the recommendations that were published will give additional motivation for the state sector to lead by example.
- A new structure of the Institute was established on the second half of the year, allowing us to be even more active in promoting the best corporate governance practices in the Baltics. Rytis Ambrazevičius, a professional board member, who currently is serving as an independent board member at Klaipėdos nafta, has joined the BICG as the Vice President, while Andris Grafs, who is vastly experienced in dealing with state owned enterprises, is now the Country Manager in Latvia.



➤ **YOU ALONE CANNOT**
change the world, but strong
leadership creates many ripples

Society

- In autumn, we have consulted the Latvian government on the best corporate governance practices, achieving an agreement that independent members must be included in supervisory councils of the Latvian SOEs. Other bylaws with our input that were approved by the Latvian government include nomination procedure of SOEs boards and councils, their remuneration principles, dividend policy.
- In October, we have traditionally hosted our professional board member education, bringing the total number of graduates to 400.
- In November and December, we have held the first journalist education in Latvia and a discussion about corporate governance with the journalists in Lithuania, resulting in a better coverage of corporate governance issues.
- BICG has also drafted the ownership guidelines for the Vilnius city municipality owned enterprises, with the assistance of our member Mr Robertas Degesys from Tark Grunte Sutkiene.
- Several other Lithuanian municipalities have been in contact with the BICG about the possibilities to improve corporate governance in their municipality owned enterprises as well, and we are looking forward to providing the guidance.
- During the strategy meeting in December, the Board of the BICG approved an updated version of the mission, vision and values of the Institute, emphasizing a long-standing commitment to excellence and leadership both in the work of the Institute and among our members.





> **THE SECRET**
of change is to focus all of your
energy, not on fighting the old,
but on building the new

Socrates

Our Mission, Vision and Values

> Mission

Baltic Institute of Corporate Governance delivers value to its stakeholders by promoting global competitiveness of Baltic companies through adoption of leading corporate governance practices.

> Vision

Baltic Institute of Corporate Governance and its community are locally and internationally recognized drivers of the best corporate governance practices in the Baltic region.

> Values

Integrity

Honesty and high moral principles in all we do.

Excellence

The highest standards are applied by us and for us.


Transparency

Clear communication about what we do, why we do it and how we do it.

Leadership

Challenging the status quo and driving the necessary change.





➤ **THE ONES WHO ARE**
crazy enough to think that they
can change the world,
are the ones who do

Steve Jobs

Honorary Members

- Since its inception, the Institute has been fortunate to have support, assistance and friendship of many people locally, regionally and internationally.

Each year, the Board of the BICG awards honorary membership to people, who have contributed above and beyond the standard, and we call them our honorary members.

In 2016

Honorary membership was awarded to:

- H.E. Deborah A. McCarthy, U.S. Ambassador to Lithuania.

In 2015

Honorary membership was awarded to:

- Mr Kristian Kaas Mortensen, Co-founder and President of the BICG from 2009 to 2014.

In 2014

Honorary membership was awarded to:

- H.E. David Hunt, British Ambassador to Lithuania;
- H.E. Cecilia Ruthström-Ruin, Swedish Ambassador to Lithuania;
- H.E. Leif Arne Ulland, Norwegian Ambassador to Lithuania.

In 2013

Honorary membership was awarded to:

- Mr Carl Berneheim, Co-founder of the BICG and BICG Board member from 2009 to 2013.

In 2012

Honorary membership was awarded to:

- Mr Phil Armstrong, Head, IFC/Global Corporate Governance Forum.

In 2011

Honorary membership was awarded to:

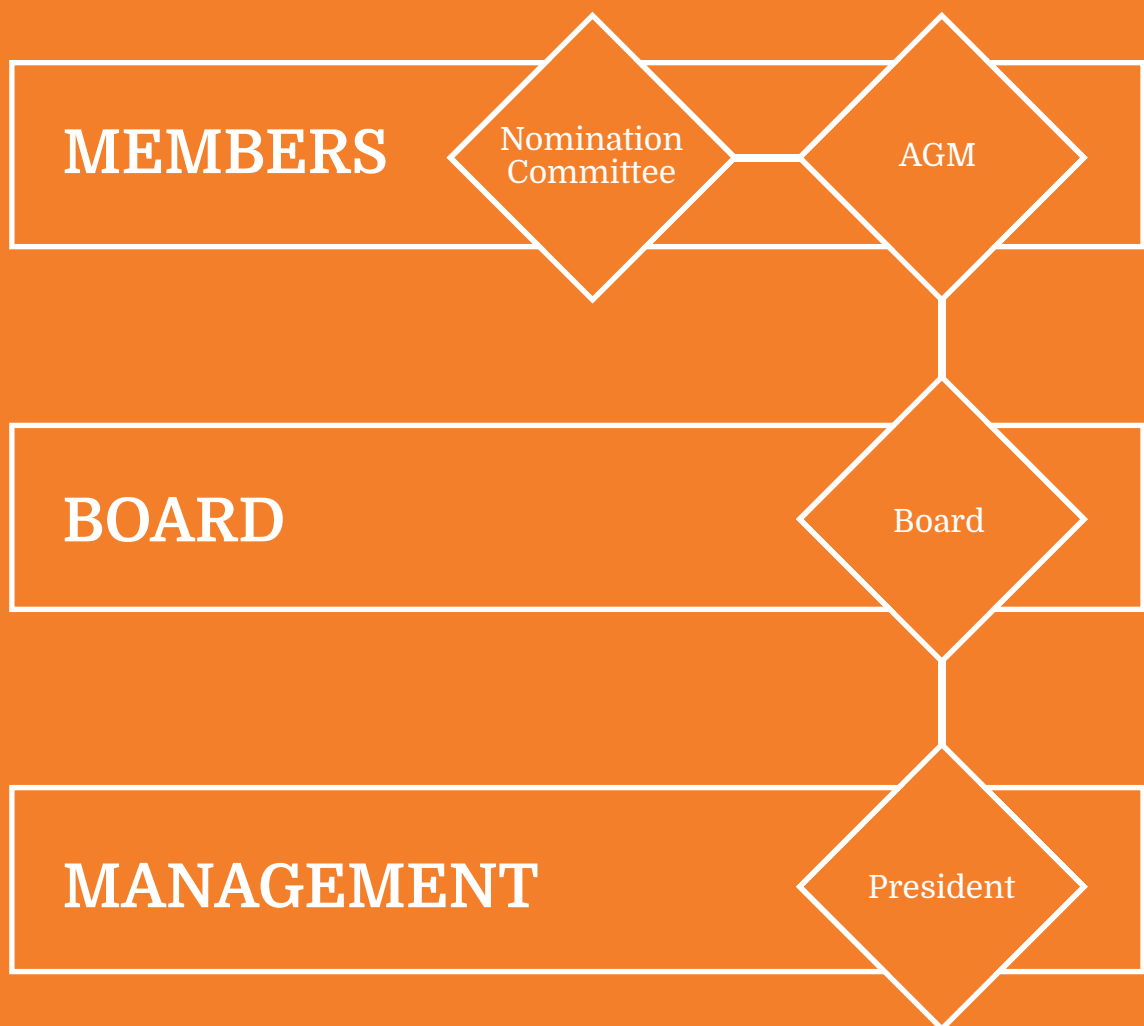
- H.E. Simon Butt, British Ambassador to Lithuania;
- H.E. Ulrika Cronenberg-Mossberg, Swedish Ambassador to Lithuania;
- H.E. Anne E. Derse, U.S. Ambassador to Lithuania;
- Mr. Raoul Hasselgren, Corporate Governance Expert.



➤ **BE THE CHANGE**
you want to see
in the world

Mahatma Gandhi

Structure of the BICG



Annual General Meeting

- **The Annual General Meeting of the Institute will be held on Tuesday, the 12th of April, 2016, at the Holiday Inn Vilnius Hotel, Šeimyniškių str. 1, Vilnius.**

BICG is an association governed by its members. The relationship between the members, Board, management and other stakeholders is regulated in the bylaws of the association. The full bylaws are publicly available on the website of the BICG.

The Institute has two categories of membership: individual and corporate.

Any person who has graduated the BICG education for professional board members or chairpersons is eligible to be an individual member of the Institute. Individual members pay an annual membership fee of 100 Euro.

Corporate members must be approved by the Board of the BICG. Companies that share our desire for an active corporate governance agenda in the Baltics are invited to join the Institute in one of the three membership categories. Development corporate members pay an annual membership fee of 5.000 Euro, Baltic corporate members pay an annual membership fee of 3.000 Euro, and National corporate members pay an annual membership fee of 1.000 Euro.

Each member has one vote at the Annual General Meeting (AGM). Every year, the AGM will elect three members to serve on the Nomination Committee, with a responsibility to select and propose candidates for the Board positions. Both individual members and representatives of corporate members are eligible for the BICG Nomination Committee and Board positions.

The Board



Linas Dičpetris
Acting Chairman of the Board



Daiga Auziņa-Melalksne
Member of the Board



Uldis Biķis
Member of the Board



Indrek Hääl
Member of the Board



Sonata Matulevičienė
Member of the Board



Regina Raukas
Member of the Board



Arminta Saladžienė
Member of the Board



Per Skisaker
Member of the Board



Antanas Zabulis
Member of the Board
(suspended)

- The Annual General Meeting (AGM) elects the Board, which has nine members. The members of the Board are elected individually. At each AGM, three members of the Board step down, but may be re-elected.

Prior to recommending candidates for election at the AGM, the Nomination Committee distributes a presentation of each candidate's background, relevant competencies and any managerial positions or positions of responsibility. The Nomination Committee justifies its recommendations on the basis of the recruitment criteria it has laid down.

The Board of BICG ensures that the management observes the goals, strategies and business procedures, established by the Board. Information from the management is provided systematically at meetings as well as in the BICG Annual Report.

The Board of the BICG typically meets every six weeks, with one of the meetings during the year being devoted to developing the strategy of the BICG.

In between its ordinary meetings, the Board receives written information on the activities of the Institute, and extraordinary meetings or consultations are convened, if necessary. None of the members of the BICG Board are involved in the executive management of the Institute, and no member receives remuneration for their work.

Management Team



Paulius Martinkus
President



Rytis Ambrazevičius
Vice President



Andris Grafs
Country Manager Latvia



The management of the Baltic Institute of Corporate Governance has responsibility for the daily operations of the Institute and is supervised by the Board. Members of the management team do not serve on the Board of the Institute, but they are invited to attend Board meetings.

Management and Board Statement

- The Board of the Baltic Institute of Corporate Governance have discussed and approved the Annual Report of the Institute for 2015.

The financial statements in this annual report have been prepared in accordance with the Lithuanian Law and have been audited by KPMG.

In our opinion, the financial statements give a true and fair view of the financial position of the Institute on the 31st of December, 2015, and of the results of the operations of the Institute for the financial year 2015.

We recommend that the Annual General Meeting approves the Annual Report.

Vilnius, April 11, 2016

Management of the BICG

Paulius Martinkus, President



Board of the BICG

Linas Dičpetris, Acting Chairman of the Board



Daiga Auziņa-Melalksne, Member of the board



Uldis Bīķis, Member of the board



Indrek Hääl, Member of the board



Sonata Matulevičienė, Member of the board



Regina Raukas, Member of the board



Arminta Saladžienė, Member of the board



Per Skisaker, Member of the board



Corporate Members

Development corporate members



Baltic corporate members



National corporate members





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Independent Auditor's Report

To the members of Association Baltic Institute of Corporate Governanc

We have audited the accompanying financial statements of Association Baltic Institute of Corporate Governance (hereinafter "the Association"), which comprise the balance sheet as at 31 December 2015, the performance statement for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages 21-27.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Order No. 1 K-372 of the Minister of Finance of the Republic of Lithuania dated 22 November 2004 on Approval of Rules of Accounting and Preparation and Submission of Financial Statements of Non-Profit Limited Civil Liability Legal Entities, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 December 2015, and of its financial performance for the year then ended in accordance with Order No. 1 K-372 of the Minister of Finance of the Republic of Lithuania dated 22 November 2004 on Approval of Rules of Accounting and Preparation and Submission of Financial Statements of Non-Profit Limited Civil Liability Legal Entities.

On behalf of KPMG Baltics, UAB

Vilmantas Karalius
Certified Auditor

Vilnius, the Republic of Lithuania
15 March 2016


BALANCE SHEET AS OF 31 DECEMBER 2015

(EUR, unless otherwise stated)

	Notes	2015	2014
ASSETS			
A. NON-CURRENT ASSETS			
I. INTANGIBLE ASSETS		-	-
II. PROPERTY, PLANT AND EQUIPMENT		1.020	1.317
III. FINANCIAL ASSETS		-	-
		1.020	1.317
B. CURRENT ASSETS			
I. INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS	3	10.211	526
II. ACCOUNTS RECEIVABLE WITHIN ONE YEAR		7.446	8.533
III. OTHER CURRENT ASSETS		-	-
IV. CASH AND CASH EQUIVALENTS		101.914	77.724
		119.571	86.783
TOTAL ASSETS		120.591	88.100
EQUITY AND LIABILITIES			
C. EQUITY			
I. CAPITAL		-	-
II. REVALUATION RESERVE		-	-
III. RESERVES		-	-
IV. RETAINED EARNINGS		-	-
IV.1. Profit of the reporting year		-	-
IV.2. Profit of the previous year		-	-
		-	-
D. FINANCING			
I. Contributions		-	-
II. Membership fees		104.911	85.288
III. Other contributions		-	-
	4	104.911	85.288
E. ACCOUNTS PAYABLE AND LIABILITIES			
I. NON-CURRENT ACCOUNTS PAYABLE AND LIABILITIES		-	-
II. CURRENT ACCOUNTS PAYABLE AND LIABILITIES			
II.1. Accounts payable to suppliers		1.715	487
II.2. Advances received		245	1
II.3. Salary and related liabilities		3.570	-
II.4. Deferred income		7.820	-
II.5. Other accounts payable and current liabilities		2.330	2.324
		15.680	2.812
TOTAL EQUITY AND LIABILITIES		120.591	88.100

The accompanying explanatory notes are an integral part of these financial statements.
These financial statements were approved on 15 March 2016 and signed by:


Paulius Martinkus
President


Akvilė Pečiukaitienė
Accountant, Scandinavian Accounting and Consulting UAB

PERFORMANCE STATEMENT FOR THE YEAR THAT ENDED 31 DECEMBER 2015

(EUR, unless otherwise stated)

	Notes	2015	2014
I. REVENUE			
Income from executive education programs		121.000	152.000
Income from other projects		6.248	-
Used financing		49.739	51.933
Other income		780	463
		177.767	204.396
II. EXPENSES			
COST OF SERVICES RENDERED	5,6	122.925	153.952
OPERATING EXPENSES		54.842	50.444
Accounting and audit services		11.241	10.843
Car rent and maintenance expenses		3.039	9.081
Rent of premises		6.430	6.430
Salary and related expenses, attributed to administration		22.214	10.019
Other operating expenses		3.410	4.153
Business trip expenses		4.627	5.534
Communication expenses		1.082	2.223
Office expenses		125	324
Bank services		269	556
HR management recruitment		796	-
Depreciation		600	955
Changes in foreign currency exchange rate, net		279	163
Representation expenses		730	163
		177.767	204.396
III. PROFIT BEFORE INCOME TAX		-	-
IV. INCOME TAX		-	-
V. NET PROFIT		-	-

The accompanying explanatory notes are an integral part of these financial statements.
These financial statements were approved on 15 March 2016 and signed by:



Paulius Martinkus
President



Akvilė Pečiukaitienė
Accountant, Scandinavian Accounting and Consulting UAB

EXPLANATORY NOTES FOR THE YEAR THAT ENDED 31 DECEMBER 2015

(EUR, unless otherwise stated)

1. General information

Association Baltic Institute of Corporate Governance was registered on 29 September 2009. Association’s code is 302441498, office is located at Jogailos str. 4 Vilnius, Lithuania.

Association Baltic Institute of Corporate Governance (thereafter – “the Association”) is a public non-profit legal entity engaged in social and educational activities, including organization of the education process, preparation and implementation of programs and methodologies in the fields of corporate governance.

The Association employed four employees in 2015, and one employee in 2014.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with the Law on Accounting of Lithuania and Order No. 1K-372 of the Finance Minister of the Republic of Lithuania dated 22 November 2004 “The rules for preparation and presentation of accounting and financial statements for non-profit limited liability entities”.

The financial statements have been prepared on the historical cost basis.

On 1 January 2015, the Republic of Lithuania joined the euro zone and the Lithuanian national currency litas was replaced by the euro. As a result, the Association converted its financial accounting to euros as from 1 January 2015 and the financial statements for subsequent years were prepared and presented in euros. Future comparative information was translated into euros using the official exchange rate of LTL 3.4528 to EUR 1.

The Association is not required to and does not prepare a cash flow statement.

The principal accounting policies are set out below.

Property, plant and equipment

Property, plant and equipment are such assets, which are under the Association’s ownership and control; are reasonably expected to generate economic benefits in future periods; are going to be used longer than one year; acquisition cost can be reliably measured; and acquisition value exceeds the minimum value set for each asset group.

Depreciation is computed using the straight-line method over the estimated useful live of the related asset. Depreciation expenses are charged to the operating expenses in the performance statement.

Property, plant and equipment with the acquisition value over EUR 290 and useful life of more than one year are capitalized.

Property, plant and equipment depreciation periods:

Group of tangible fixed asset	Useful lives
IT and telecommunication equipment	3 years

At the end of every year the Association reviews the estimated useful life, the carrying amount and depreciation method of non-current assets and the changes in accounting estimates and judgments, if any, are recognised on a prospective basis.

EXPLANATORY NOTES FOR THE YEAR THAT ENDED 31 DECEMBER 2015

(EUR, unless otherwise stated)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit and cash in banks, demand deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Financing

Membership fees, objective contributions and other financing received are accounted for on an accrual basis, i.e. contributions are credited to the performance statement in the periods when related expenses, which they are intended to compensate, are incurred. Contributions are recognised when they are received or there is a reasonable assurance that they will be received.

Contributions related to income

Contributions related to income are received as a reimbursement for expenses already incurred or as a compensation for unearned revenue, and also all other contributions other than those related to assets.

Objective contributions are used as a primary financing source to compensate related expenses. When project is finished, unused funding is, in accordance with agreed conditions in the contract, either recognised in the performance statement as the funding excess of compensated amounts or the unused funding is returned to the contribution providers.

Membership fees are used to finance activities only when objective contributions and other financing, including profit for the year from other activities, are used and those funds are not sufficient to compensate the costs incurred.

The used part of the financing related to the objectives of the Association during the reporting period is shown in separate revenue account “Used financing” in the performance statement (according to Order No. 1K-371 of the Finance Minister of the Republic of Lithuania dated 5 November 2012 regarding the change of Order No. 1K-372 of the Finance Minister of the Republic of Lithuania dated 22 November 2004 “The rules for preparation and presentation of accounting and financial statements for non-profit limited liability entities”).

Objective contributions related to assets

Objective contributions related to assets include objective contributions to finance asset acquisitions and non-monetary asset contributions. Initially such contributions are recorded at the fair value of the corresponding assets and subsequently credited to the performance statement over the useful lives of related non-current assets.

Revenue recognition

Revenue is recognized when it is probable that the Association will receive the economic benefit and the revenue can be reliably estimated. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods and services provided net of value-added tax and/or rebates and discounts.

Expenses recognition

Expenses are recognized on an accrual and matching principles in the reporting period when income related to these expenses was earned, irrespective of the time the money was paid.

EXPLANATORY NOTES FOR THE YEAR THAT ENDED 31 DECEMBER 2015

(EUR, unless otherwise stated)

During the reporting period the expenditure of the Association are recognised as expense of the reporting period, if it cannot relate to specific income and does not foresee as income of future reporting periods.

All expenses directly attributable to projects are classified as costs of services rendered in the performance statement. Other expenses, not directly attributable to projects, are classified as operating expenses in the performance statement.

The salary expenses directly attributable to projects are classified as costs of services rendered in the performance statement. The salary expense, which is not directly attributable to projects, is classified as operating expenses in the performance statement.

Foreign currencies

Transactions denominated in foreign currency other than euro (EUR) are translated into EUR at the official exchange rate of Bank of Lithuania on the date of the transaction, which approximates the prevailing market rates.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign currency exchange gains and losses resulting from translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in the performance statement. Gains and losses arising on exchange are included in net profit or loss for the period.

As of 31 December applicable rates used for principal currencies were as follows:

2014	2013
1 EUR = 9,1878 SEK	1 EUR = 9,5260 SEK

Income tax

In accordance with the Corporate Income Tax Law for non-profit organizations, revenue received to directly satisfy the requirements of public interest is not taxable. The taxable income equivalent to EUR 7.250 thousand is taxed at 0 percent tax rate if revenue received from commercial activities does not exceed EUR 300 thousand, while the remainder of the taxable income - by 15 percent tax rate. If revenue from commercial activities exceeds EUR 300 thousand, all taxable income is taxed at 15 percent tax rate.

The Association does not calculate income tax as it did not receive any income as a result of commercial activity in 2014 and 2015; all revenue was used to satisfy the requirements of the public interest.

Related parties

Related parties are defined as founders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Association, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

Subsequent events

Subsequent events that provide additional information about the Association's position at the balance sheet date (adjusting events) are reflected in the financial statements. Subsequent events events that are not adjusting events are disclosed in the notes when material.

EXPLANATORY NOTES FOR THE YEAR THAT ENDED 31 DECEMBER 2015

(EUR, unless otherwise stated)

3. Prepayments and contacts in progress

For the years ended 31 December, prepayments and contacts in progress consisted of the following:

	2015	2014
Prepayments for suppliers	8.368	526
Deferred charges	1.445	-
Other prepayments	398	-
Total	10.211	526

4. Financing

As of 31 December, membership fees and contributions were as follows:

	2015			
	Membership fee	Contributions	Other financing	Total
Balance as of 1 January	85.288	-	-	85.288
Receipts	69.362	-	-	69.362
Usage	(49.739)	-	-	(49.739)
Closing balance as of 31 December	104.911	-	-	104.911

	2014			
	Membership fee	Contributions	Other financing	Total
Balance as of 1 January	90.944	1.448	-	92.392
Receipts	45.044	(216)	-	44.828
Usage	(50.700)	(1.232)	-	(51.932)
Closing balance as of 31 December	85.288	-	-	85.288

5. Cost of services rendered

For the years ended 31 December, cost of services rendered consisted of the following:

	2015	2014
Executive education programs	85.139	117.095
Other projects	37.786	36.857
Total expenses	122.925	153.952

EXPLANATORY NOTES FOR THE YEAR THAT ENDED 31 DECEMBER 2015

(EUR, unless otherwise stated)

6. Cost of educational programs rendered

For the years ended 31 December, cost of educational programs and executive education programs rendered consisted of the following:

Cost of services rendered	2015	2014
Payroll expenses	58.565	70.133
Hotel/Education premises	22.659	25.399
Lectors fee	18.786	24.489
Seminars material/Handout	12.586	15.271
External project cost	3.500	-
Lectors travel and hotel expenses	3.127	3.728
Travelling expenses	1.528	1.410
Catering services	879	3.800
Transportation costs	682	3.287
Video&Pictures + Hotel	223	1.205
Representation costs	220	790
Marketing and gifts	170	636
Speakers travel and other expenses	-	3.804
Total	122.925	153.952

7. Remuneration to management

Remunerations to management for the years ended 31 December:

	2015	2014
Salary expenses not including contributions for social insurance	39.828	61.189
Average annual number of managers	1	1

There was no remuneration or gratuitous assets transferred for Board and Council members for the year 2015.

8. Contingencies and commitments

As of 31 December 2015 and 2014, the Association was not involved in any legal proceedings, which, in the management's opinion, would have a material impact on the financial statements.

9. Post-balance sheet events

No significant events have occurred after the date of financial statements and before the approval of financial statements.



Paulius Martinkus
President



Akvilė Pečiukaitienė
Accountant, Scandinavian Accounting and Consulting UAB



Association “Baltic Institute of Corporate Governance”

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