

INDEPENDENT AUDITOR'S REPORT

To the members of VšĮ Vilniaus socialinis klubas

Qualified Opinion

We have audited the financial statements of VšĮ Vilniaus socialinis klubas (hereinafter – the Entity), which comprise of the statement of financial position as at December 30, 2020, and the performance statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies (hereinafter – financial statements).

In our opinion, except the possible effects of the matter stated in paragraph “Basis for qualified opinion”, the accompanying financial statements in all material respects give a true and fair view of the financial position of the Entity as at December 31, 2020, and of its financial performance in accordance with the Ordinance of the Minister of Finance of the Republic of Lithuania of 18 December 2018 no. 1K-443 approved revised ordinance no. 1K-372 “Concerning the non-profit legal person accounting, preparation of Financial Statements, Activity Report and Annual Report and Valuation of Assets and Services (Non-Monetary Donations)”.

Basis for Qualified Opinion

Entity's annual financial statements of the previous financial year ended 31 December 2019, prepared in accordance with the rules for the preparation and presentation of accounting and financial statements of non-profit legal entities and business accounting standards, were not audited in accordance with the requirements of International Auditing Standards. Therefore, we can't confirm that the data of the previous financial year presented in the annual financial statements is correct. The balances of previous financial year were used to determine the 2020 year performance results.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified opinion.

Other Information

The other information comprises the information included in Entity annual report, but does not include the financial statements and our auditor's report there on. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have no observations related to this.

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We are also required to assess whether the financial information presented in the annual report of the Entity corresponds to the financial statements of the same financial year and whether the annual report was prepared in compliance with the applicable legal requirements. In our opinion, based on the work performed during the audit of the financial statements, in all material respects:

- The financial data presented in the annual report of the Entity corresponds to the data of the financial statements of the same financial year; and
- The activity report of the entity was prepared in accordance with the requirements of the Law on Public Institutions of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Ordinance of the Minister of Finance of the Republic of Lithuania of 18 December 2018 no. 1K-443 approved revised ordinance no. 1K-372 “Concerning the non-profit legal person accounting, preparation of Financial Statements, Activity Report and Annual Report and Valuation of Assets and Services (Non-Monetary Donations), 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.

In preparing the financial statements, management is responsible for assessing Entity ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Entity financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Entity internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Entity ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor Gediminas Vaskela
Auditor's licence No. 000483

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Audit company licence No. 001483

7 May 2021
Vilnius, Republic of Lithuania

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