Financial Reporting in Lithuania

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Abstract: - Small-and-medium sized enterprises (SMEs) are a driving force of each economy. This chapter deals with the current stage of financial reporting for SMEs in Lithuania. Due to the globalization of business and international harmonization of financial reporting also Lithuania experiences a shift in paradigms from historical costs accounting towards fair value measurement. Chapter provides an analysis between national accounting legislature and standard IFRS for SMEs.

Key-Words: - Financial reporting, International harmonization, Measurement, Financial statements, Small and Medium Sized enterprises (SMEs), Lithuania.

Country
Lithuania
(Lietuva)
Location
Baltic country (North-Eastern Europe)
Area
65,300 km^2
Population
3,545,319 (2010 est.)
Member of European Union
since 1st May 2004; Schengen country
Currency
litas (LTL); 3.451 LTL/EUR (as at 31.12.2010)

1 Country Introduction

Lithuania (Lietuvos Respublika) is a country in Northern Europe, the southernmost of the three Baltic states. Situated along the southeastern shore of the Baltic Sea, it shares borders with Latvia to the north, Belarus to the southeast, Poland and the Russian exclave of Kaliningrad to the southwest. Its capital and largest city is

Vilnius. The population of Lithuania stands at 3,349,900, of whom 83.1% are ethnic Lithuanians who speak Lithuanian, which is the official language of the country. Several sizable minorities exist such as Poles (6.0%), Russians (4.8%), Belarusians (1.1%) and Ukrainians (0.6%).

For the first time the name Lithuania was mentioned in 1009 AD in a medieval Prussian manuscript, the Quedlinburg Chronicle. In the 13th century AD, the Grand Duchy of Lithuania was created by Mindaugas who united the lands inhabited by the Lithuanians, Samogitians, Jotvingians and Couronians. In the middle ages (1392–1430), the Grand Duchy of Lithuania became the largest state in Europe. Its borders stretched from the Baltic to the Black Sea and almost to Moscow. For the next four centuries, Lithuania gradually became dominated by Poland, until 1795 when the Russian-Prussian-Hapsburg alliance made the third and final partition of Poland and Lithuania became a province of Russia. Lithuania achieved its independence only in February 1918, and between 1920 and 1923 the Republic of Lithuania had been recognized by the major countries. It remained independent until 23 August 1939, when Germany and the USSR signed the so-called Molotov-Ribbentrop Pact, in which Lithuania was the first in the sphere of influence of Germany and then, following the Soviet Agreement of 28 September 1939, fell under the rule of the USSR [1]. After the occupation by Nazi Germany, the Soviet order was re-established in Lithuania in 1944 when the Red Army forced Nazi German out of Lithuania. On 11 March 1990, Lithuania was the first of the Soviet Republics to declare its independence; it regained statehood and joined the community of nations. In October 2002, Lithuania was invited to join the European Union (EU), and in May 2004 it became a member of the EU.

In 2003, before joining the European Union, Lithuania had the highest economic growth rate amongst all the candidate and member countries. Most of the trade of Lithuania is within the European Union. By the UN classification, Lithuania is a country with a high average income. The country boasts a well developed modern infrastructure of railways, airports and four-lane highways. As of October 2008, the unemployment rate is 4.7%. According to officially published figures, EU membership fueled a booming economy, increased outsourcing into the country, and boosted the tourism sector. Litas, the national currency, has been pegged to the euro since 2 February 2002 at the rate of EUR 1.00 = LTL 3.4528 and Lithuania is expecting to switch to the euro on 1 January 2014. Lithuania is part the EU single market.

Structurally, there is a gradual but consistent shift towards a knowledge-based economy with special emphasis on biotechnology (industrial and diagnostic) as well as laser equipment. Major biotechnology producers in the Baltic countries are concentrated in Lithuania. Also, mechatronics and information technology (IT) are seen as prospective knowledge-based economy directions in Lithuania. In 2009, "Barclays" bank IT centre appeared in Lithuania, and in 2010 IBM Company with the Lithuanian government decided to set up a research center there. Also, the first solar cell plant has been opened in Lithuania, and "Western Union" decided to establish a money transfer centre there in 2010. The Lithuanian government strategy is as follows: Lithuanian economy is the production of high added value products and services.

Lithuania has a flat tax rate rather than a progressive scheme. Lithuanian income levels are lower than in the older EU Member States. According to Eurostat data, Lithuanian PPS GDP per capita stood at 61 per cent of the EU average in 2008. Lower wages have been a factor that in 2004 fueled emigration to wealthier EU countries, something that has been made legally possible as a result of accession to the European Union.

Prior to the global financial crisis of 2007–2010, Lithuania had one of the fastest growing economies in the European Union. Lithuania is a member of NATO, the Council of Europe, and Lithuania became a full member of the Schengen Agreement on 21 December 2007. In 2009, Vilnius was the European Capital of Culture and Lithuania celebrated the millennium of its name.

2 Legal System

Since 1990, the legal system of Lithuania has been reformed to meet the demands of the vast social and economic changes brought about by a return to democracy and a free market economic system.

The Republic of Lithuania is an independent democratic state and its legal system is based on the legal traditions of **continental Europe**. The foundation of the social system is enforced by the Constitution of the Republic of Lithuania, which was adopted in 1992 by referendum. The Constitution establishes the rights, freedoms and duties of citizens. Also, under the Constitution of the Republic of Lithuania, the sovereign state

power of Lithuania is exercised by the Seimas (Parliament), the President of the Republic, the Government and the Courts. The chief of the Republic of Lithuania is the president who is directly elected by the people and serves a five-year term. The head of the government is the premier, who is formally appointed by the president (subject to approval by the parliament).
Since Lithuania has declared its independence, there has been a large scale of complicated changes faced by the national economy in the process of changeover from a state ownership to a private one. Many new entities, especially medium and small-sized, were established and Lithuania has been continuing the growth into an economically strong country. The Republic of Lithuania Law on Small and Medium-sized Business Development defines four types of entities in Lithuania: large, medium, small and micro [3] (see Table 1).

Table 1. Classification of Enterprises by Size Based on the Republic of Lithuanian Law on Small and Medium-Sized Business

Type	**Recognition criteria**				
	Lithuanian legislation			**Recommendations of the European Commission**	
	Number of employees, people	**Annual income, LTL million**	**Balance sheet value of assets, LTL million**	**Number of employees, people**	**Annual turnover and/or balance sheet amount, EUR million**
Large	≥ 250	≥ 138	≥ 93	> 250	Turnover > 50, balance > 43
Medium	< 250	< 138	< 93	< 250	Turnover < 50, balance < 43
Small	< 50	< 24	< 17	< 50	< 10
Micro	< 10	< 7	< 5	< 10	< 2

Source: [3]

According to the Department of Statistics of the Republic of Lithuania, the number of Small and Medium-sized Enterprises (SMEs) is constantly growing. By 1 January 2008, there were 63,187 active SMEs in Lithuania. This number increased by 7,362, or 13.2 percent, as compared to the number of SMEs in 2004. Also, the significance and contribution by small and medium enterprises to the national economy increase each year. In Lithuania, small and medium sized enterprises account for more than 99 percent of the total number of active enterprises. They produce about 60 percent of the gross value added, generated by all Lithuania's enterprises, and provide jobs for more than 70 percent of all the employed [4].

Taking into account the contribution of SMEs to the national economy of Lithuania, the Government of the Republic of Lithuania has tried to create not only the best possible conditions for the establishment of new SMEs but also to encourage a further development and vitality of the already operating ones, e.g. on 19 October 2005, the Government of the Republic of Lithuania approved the Strategic Guidelines for Small and Medium-sized Business Development (Resolution No 1104). According to the Resolution, the following medium-term development trends of Small and Medium-sized Business (SMB) were defined in the Strategic Guidelines for SMB Development:

- to improve the legal and economic environment for SMB;
- to improve financial assistance for SMB;
- to encourage entrepreneurship in regions;
- to promote competitiveness of SMB entities [5].

Also, on 5 February 2010 the European Investment Fund (EIF) and Swedbank Lithuania signed an agreement under which Swedbank will provide loans worth EUR 104 million (over LTL 359 million) to small and medium sized enterprises in Lithuania. The agreement will accelerate lending to Lithuanian SMEs during the current economic recession for the benefit of local businesses and contribute to higher investment activities of those companies [6, 13].

However, there are some challenges that this business sector faces. In 2001, the biggest business constraints for SMEs were low purchasing power, high taxes and the lack of working capital. In 2005, the businessmen of the sector pointed out that the major obstacles for the development of SMEs are high taxes and severe competition; and in 2007 one of the main problems mentioned was the lack of high-skilled specialists [7].

2.1 Business Law

The procedure for the incorporation of limited civil liability companies is governed by the Law on Companies of the Republic of Lithuania (No VIII-1835). The Law regulates the incorporation, management, activities, reorganization, transformation, split-off and liquidation of the companies having the legal form of a public or private limited liability company, the rights and duties of the shareholders, as well as establishment of branches of foreign companies and termination of their activities. When the provisions of this Law apply to a limited liability company, both public and private, the term "company" shall be used. The provisions of the Law are brought in line with the legal acts of the European Union specified in the Annex to the Law.

The authorized capital of a public company shall be not less than LTL 150,000. Its shares may be offered or traded publicly in accordance with legal acts governing the securities market.

The authorized capital of a private company shall be not less than LTL 10,000, and a company shall have not more than 250 shareholders. Shares of a private company shall not be offered or traded publicly unless the laws provide differently.

2.2 Accounting Law

Pursuant to the Law on Accounting, accounting of an entity shall be handled by the following:

- an accounting service of an economic entity
- a company rendering accounting services under a contract
- the head of an individual enterprise. (This provision shall apply to unlimited civil liability legal persons with a sole owner, notaries, lawyers and natural persons holding patents.)
- farmer and farmer's partners

The chief accountant (accountant) and the accounting company shall be responsible for accuracy of accounting entries for the timely submission of financial reports. The responsibility of the chief accountant (accountant) shall be defined by legal acts of the Republic of Lithuania. The responsibility of the accounting company shall be defined in a written agreement concluded with the customer.

The accounting department shall be run by the chief accountant. All instructions of the chief accountant with regards to the management of accounts shall be binding upon all staff of the entity and of the accounting department in particular. The chief accountant, in concert with highly experienced accounting staff, shall

- develop the organizational chart of the accounting department and the program of accounting works
- define the flows of accounting information and their users, and also the system of the turnover of documents
- take care of installation and dislocation of the workstations for the accounting staff
- create good microclimate and favorable working conditions

Particular attention is devoted to the accounting documents and registers. Pursuant to the Law on Accounting, the head of an economic entity shall approve a list of persons who are authorized to issue and sign or only to sign accounting documents, and the sample signatures of these persons. Accounting documents shall be signed personally or under the procedure established by the Law on Electronic Signature. Timely and accurate issue of accounting documents, authenticity of data thereof and legitimacy of economic transactions shall be the responsibility of persons who have issued and signed the accounting documents. The form, contents and number of the accounting registers shall be set by an economic entity according to its needs. Accounting documents and registers shall, until the approval of financial statements, be stored under the procedure established by the head of an economic entity, ensuring safety of the documents. After the approval of a financial statement, accounting documents and registers shall be stored under the procedure established by the head of an economic entity, observing the time limits of documents storage set by the Government. When accounting documents or accounting registers disappear or are partially or wholly damaged the person who lost or damaged them shall write an explanation to the head of an economic entity. The head of an economic entity shall make a decision on the restoration of the documents under the procedure established by the Government.

As mentioned before, the chief accountant (accountant) and the accounting company shall be responsible for accuracy of accounting entries for the timely submission of financial statements. It should be noted that the responsibility for the general organization of accounting and storage of the accounting documents shall rest upon the head of the entity.

Lithuania's chart of accounts is of two levels: specimen and individual. Pursuant to the Accounting Law, the specimen chart of accounts is developed, approved and published in "Valstybes Zinios" (Official Gazette) by the Audit and Accounting Authority. Each entity shall develop its own chart of accounts. The chart of accounts shall be approved by the head of that entity. Entities may prepare their individual chart of accounts according to their information needs, e.g. to reduce it, or supplement it introducing new more analytical accounts. Each entity, when preparing its individual chart of accounts, shall observe the general principles for the preparation of charts of accounts, i.e. the information received should satisfy the needs of both, external and internal users of information. Abridged Chart of Accounts is presented in Appendix IV.

Accounting policy shall comprise accounting principles, accounting methods and rules for handling an entity's accounting, as well as compiling and presenting financial statements. The head of an entity must choose and implement an accounting policy taking into consideration specific business conditions, type of business, and invoking the Business Accounting Standards. Business Accounting Standards are based on principles and they are not influenced by taxation rules. All limited civil liability profit-seeking entities, which are registered in the Republic of Lithuania in accordance with the Law on Financial Statements of Entities, shall draw up annual financial reports at the end of their financial year. For taxation purposes, entities need to prepare tax declaration in accordance with the taxation rules.

2.3 Tax Law

After regaining the independence by Lithuania free market relations started coming into existence in the national economy, and the number of enterprises increased to a material extent. This naturally caused a necessity to accordingly modify the national tax administration system. Starting from 1990, significant efforts have been devoted to the development of a tax administration system that could meet the needs of the national economy. For quite an extended period of time the authorities could not reach a decision concerning which law should set the fundamentals of the taxation system and principal provisions of tax policy and the liability of tax payers. After long discussions the Law on Tax Administration was passed by the Seimas of the Republic of Lithuania on 28 June 1995.

Law of the Republic of Lithuania on Tax Administration shall establish the basic concepts and regulations, which must be observed in implementing the tax laws of the Republic of Lithuania, the basic principles of legal regulation of taxation, the list of taxes applied in the Republic of Lithuania, the functions, rights and obligations of the tax administrator, the rights and obligations of the taxpayer, the calculation and payment of taxes, the procedure of enforced recovery of taxes and related amounts as well as the procedure for the settlement of tax disputes. This Law also ensures the implementation of the EU legal acts regulating taxation. Article 13 of the Law on Tax Adminsitration defines the following taxes that shall be administered under this Law:

- value added tax;
- excise duty;
- personal income tax;
- immovable property tax;
- land tax;

- state natural resources tax;
- petroleum and gas resources tax;
- tax on environmental pollution;
- consular fees;
- stamp duty;
- inheritance tax;
- compulsory health insurance contributions;
- contributions to the Guarantee Fund;
- state-imposed fees and charges;
- lottery and gaming tax;
- fees for the registration of industrial property objects;
- corporate income tax;
- state social insurance contributions;
- excess quota tax on white sugar;
- quota sugar production tax;
- additional sugar production tax;
- customs duties;
- deductions from income under the Law of the Republic of Lithuania on
- Forestry;
- tax on the use of state property by the right of trust.

All of above mentioned taxes are regulated by a separate Law or other legal acts.
Starting from 2009, standard **VAT tax rate** has been 21%. The reduced VAT rate of 9% is applied to books and non-periodic information publications. Personal income of individuals (except dividends and other profit distributions) is subject to personal income tax at the standard rate of 15%. Dividends and other profit distributions are taxed at the personal income tax rate of 20%. Income received by an owner of an unlimited civil liability entity from the entity's taxable profits is taxed at 15%.

3 Evolution of Accounting after 1989

Since the restoration of independence in 1990, Lithuania has been rapidly moving to the worldwide market. Its accounting system has changed considerably. In the evolution of the Lithuanian accounting after 1990 the following stages can be recognized [2]:

- Accounting reorganisation necessities (1990–1991)
- Adoption of regulatory acts (1992–1995)
- Implementation and improvement of regulatory acts (1996–2001)
- Integration in the European system of accounting (2002–2007)
- Further development and improvement (2007–present)

The main challenges of the first stage were to determine how the Lithuanian accounting system should look like and what its key principles and characteristics should be in the new business environment. During this stage, the following events have taken place:

- On 7 September 1990, the Lithuanian Association of Accountants and Auditors was set up and its first congress was held on 30 November 1990. The congress adopted the appeal to the national government requesting to begin drafting the regulatory acts for the management of accounting.
- In November 1990, the seminar-conference of the leading accounting specialists of the Baltic States was organised to develop the concept of accounting common for the Baltic States.

During the second stage, the Government of the Republic of Lithuania has adopted and approved a number of important documents on accounting. On 18 June 1992, it approved the Republic of Lithuania Law on the Principles of Accounting [8], which came into effect from 1 January 1993. According to this Law, the Government of the Republic of Lithuania is responsible for the general methodical management of accounting.

The Republic of Lithuania Law on the Principles of Accounting was devoted only to the principles of accounting and it did not consider the accounting framework as a whole.
On 27 January 1993, the Government adopted the Resolution No 804 on Accounting and Annual Financial Statements of Legal Persons with Limited Liabilities. The Resolution approved a new procedure for the preparation of the financial statements and for the recognition of income and costs. Based on this Resolution, the Ministry of Finance of the Republic of Lithuania approved a new standard Chart of Accounts and drafted the forms of financial statements and explanations for the explanatory notes and the Chart of Accounts.
The third stage can be designated as a stage of new actions and expectations. The Order issued by the Ministry of Finance on 29 June 1995 on the Establishment of the Institute of Audit and Accounting might be considered as a start of this stage. On 21 December 1998, the Institute was renamed to the Institute of Audit, Accounting and Property Valuation of the Republic of Lithuania (Ministry of Finance Order No 297), and subsequently to the Institute of Accounting. On the initiative of this Institute and the Accounting Department of Vilnius University in 1997, a campaign was launched aimed at reorganization of the accounting system of Lithuania and development of the concept of its further improvement. The following works have been proposed:

- drafting a new accounting law
- improving the existing Chart of Accounts
- preparing the professional accountants training programme
- updating the applicable forms of financial reporting
- developing the national accounting standards etc.

In 1997, when the International Accounting Standards (IAS) were translated into Lithuanian by the Institute of Accounting of the Republic of Lithuania, an active campaign regarding the preparation of national accounting standards based on the international ones was launched. On 6 November 2001, the Seimas (Parliament) of the Republic of Lithuania passed three Laws regulating the accounting system: the Republic of Lithuania Accounting Law, the Republic of Lithuania Law on Financial Statements of Entities and the Republic of Lithuania Law on Consolidated Financial Statements [9, 10, 11]. These Laws have been harmonized with the Fourth (78/660) and Seventh (83/349) EEC Council Directives.
The fourth stage started from year 2002. The year 2002 is considered as the start of the integration in the European system of accounting when the Institute of Accounting of the Republic of Lithuania commenced intensive and consistent development of the Lithuanian Business Accounting Standards (BAS). On 18 December 2002, the Board of the Institute of Accounting of the Republic of Lithuania approved the first 17 Business Accounting Standards. Overall, since 2002 thirty seven Business Accounting standards have been developed; twenty nine of them are based on IFRS. From September 2008, the Accounting Institute was renamed to the Audit and Accounting Authority.

Table 2. List of Business Accounting Standards

BAS 1	Financial Statements
BAS 2	Balance Sheet
BAS 3	Income Statement
BAS 4	Statement of Changes in Equity
BAS 5	Cash Flow Statement
BAS 6	Explanatory Notes
BAS 7	Changes in Accounting Policies, Accounting Estimates and Correction of Errors
BAS 8	Equity
BAS 9	Inventories
BAS 10	Income
BAS 11	Expenses
BAS 12	Non-Current Tangible Assets
BAS 13	Intangible Assets
BAS 14	Business Combinations
BAS 15	Investments in Associates
BAS 16	Consolidated Financial Statements and Investments in Subsidiaries

BAS 17	Biological Assets
BAS 18	Financial Assets and Financial Liabilities
BAS 19	Provisions, Contingent Liabilities and Contingent Assets, and Events after the Balance Sheet Date
BAS 20	Operating Lease, Finance Lease and Loan-for-Use
BAS 21	Grants and Subsidies
BAS 22	Changes in Foreign Exchange Rates
BAS 23	Impairment of Assets
BAS 24	Income Tax
BAS 25	Construction and Other Long-Term Contracts
BAS 26	Derivative Financial Instruments
BAS 27	Concession Arrangements
BAS 28	Liquidation of Entities
BAS 29	Interim Financial Statements
BAS 30	Related Parties
BAS 31	Employee's Benefit
BAS 33	Financial Statements of Financial Brokerage Firms and Management Companies
BAS 34	Segment Reporting
BAS 35	Transformation of Entities
BAS 36	Record Keeping and Financial Reporting of Unlimited Civil Liability Legal Persons
BAS 37	Investments in Joint Ventures
BAS 41	Splitting Up of Entities

According to the Republic of Lithuania Accounting Law (Article 4), from 1 January 2004, limited liability profit-seeking entities are required to comply with the BAS . On 7 June 2007, the Parliament of Lithuania passed amendments to the Law on Financial Statements of Entities (No X-1179), the Accounting Law (No X-1178) and the Law on Consolidated Accounts of Entities (No X-1180). According to these amended laws, limited civil liability profit-seeking entities, whose securities are not traded on regulated markets, are allowed to choose either the BAS or IFRS for keeping accounts and preparing financial statements for the financial year starting 1 July 2007 and later. The structure of these laws is presented in Table 3.

Table 3. The structure of the laws

The Republic of Lithuania Accounting Law	***The Republic of Lithuania Law on Financial Statements of Entities***	***The Republic of Lithuania Law on Consolidated Accounts of Groups of Undertakings***
Chapter I. General provisions	Chapter I. General provisions	Chapter I. General provisions
Chapter II. Organizations of accounting	Chapter II. Generally accepted accounting principles	Chapter II. Drawing up of consolidated accounts
Chapter III. Accounting documents and registers. Correction of errors	Chapter III. Requirements for the drawing up financial statements	Chapter III. Consolidated Annual Report
Chapter IV. Storage of accounting documents and registers	Chapter IV. Components of financial statements and description of reports	Chapter IV. Audit of consolidated financial reports, signature, approval and publishing of them and the consolidated annual report

Chapter V. Responsibility for arrangement of accounting, preservation of accounting documents. Commercial secrets	Chapter V. Valuation rules	Chapter V. Storage of consolidated financial reports and the consolidated annual report, responsibility for their drawing up and submission to the legal entities register
Chapter VI. Final provisions	Chapter VI. Storage of financial statements	
	Chapter VII. Liability for the drawing up of financial statements	
	Chapter VIII. Final provisions	

The adoption of the International Financial Reporting Standards in the European Union has considerably influenced Lithuanian accounting legislation and practice. The Republic of Lithuania Accounting Law prescribes that entities, whose securities are traded on an EU regulated market from 1 January 2005, have to prepare their financial statements in accordance with IAS/IFRS (Republic of Lithuania Accounting Law, Article 3).

4 Reporting Issues

The BAS are in the first instance being developed in observance of the provisions of the Fourth (78/660/EEC) and Seventh (83/349/EEC) Council Directives. If certain aspects of accounting are not described in these Directives, or there are no restrictions for the application of other provisions, the provisions of the IFRS shall apply for the purpose of the BAS.

According to BAS 1 (Article 16), the elements of financial statements can be measured by using a number of different measurement bases:

- Historical cost
- Fair value
- Net realizable value
- Net realization value
- Present value
- Value in use
- Amortized cost

In financial statements, the majority of elements are carried by entities at historical costs, unless the BAS establish otherwise. The entities are free to select the measurement bases of the elements of financial statements on their own discretion if such methods are not established by the BAS.

Fair value in most cases is applied for the measurement of financial assets.

There are two possible methods to establish the fair value of a financial asset or financial liability:

- according to the price quoted on the active securities market
- by using fair value establishing methods referring to the active market information

The most reliable information for establishing the fair value is the price quoted on the active market. The proper market price of an asset or a liability held is normally the price offered by buyers, and that of an asset or a liability intended to be acquired – the price quoted by sellers. In the event there is no price offered by buyers or asked by sellers, the price of the most recent transaction may be perceived as the basis for determining the asset's fair value provided the economic conditions in the period from the transaction to the balance sheet date

have not changed significantly. Where an enterprise does not have any comparable assets or liabilities, for the purpose of establishing fair values it may refer to average market prices.
Where there is no market for a financial asset, although there is one for a comparable financial market, the fair value shall be established on the basis of the price of the comparable asset.
Where the market for a financial asset or financial liabilities is not active, in order to establish a reliable fair value the quoted prices may need to be adjusted. Where the market is not properly established, the quoted market price may not necessarily correspond to the fair value of the asset. In certain circumstances, where the volume of trading is relatively limited, the value of the asset may be established by an independent property evaluator. In other cases (also in the cases where a quoted market price is not available), other valuation methods providing sufficiently reliable fair values may be employed.
The valuation methods established in financial markets are based on the market value of essentially identical asset or liability, discounter cash flow analysis and the option pricing model. In applying discounted cash flow analysis, an entity uses one or more discount rates equal to the prevailing rates of return for a financial asset having substantially the same terms and characteristics including the contractual interest rate, the remaining term to repayment, and the currency in which the settlement is to be effected.
The fair value of a financial asset or financial liability may be established using valuation methods applied in financial markets. The chosen valuation method shall refer upon the inputs used by market participants for the purpose of calculation of fair values, including the prepayment rates, or estimated interest or discount rates. Where the average market indicators or prices are not available entities shall calculate the average indicators and average market prices by reference to the information published by banks or financial brokers.
The fair value cannot be the amount that an entity would receive or pay in a forced transaction, i.e., in an involuntary liquidation or distress sale.

4.1 Intangible Assets

According to BAS 13 “Intangible Assets”, an intangible asset is an *“identifiable non-monetary asset without physical substance disposed by the enterprise expecting to obtain direct and indirect economic benefits from the use of such asset”*. Intangible assets should be recognized if they satisfy the definition of intangible assets and the following three recognition criteria:

- The enterprise can reasonably expect to obtain future economic benefits from the assets;
- The historical (production) cost of the assets can be reliably measured and distinguished from the value of other assets;
- The enterprise can dispose such assets, control them or limit the others’ right to use such assets. Intangible assets are carried at the acquisition (production) cost [12].

Overall, BAS 13 is consistent with IAS 38 ‘Intangible Assets’ but the difference between them is that intangible assets cannot be revaluated under BAS 13. There are no intangible assets with unlimited useful life.

4.2 Tangible Assets

BAS 12 identifies non-current tangible assets as *“tangible assets which rendering economic benefits to the enterprise for a period exceeding one year and the acquisition (production) costs of which are not lower than the minimum value of non-current tangible assets estimated by the enterprise”*. Although main provisions of the standard are very similar to those of IAS 16 ‘Property, Plant and Equipment’ and IAS 40 ‘Investment Property’, there are some differences. For example, BAS 12 defines an additional criterion for recognition of non-current tangible assets: the acquisition (production) cost of the asset should be not lower than the minimum cost of a non-current tangible asset estimated by an enterprise per each group of assets. The next difference is that interest is not included in the asset acquisition (production) cost. It is recorded under expenses of corresponding periods. There is no separate standard for non-current tangible assets held for sale, so BAS 12 includes principles for accounting non-current tangible assets held for sale.

4.3 Leases

The main provisions of BAS 20 “Operating Lease, Financial Lease and Loan-From-Use” with regards to the principles of accounting for financial and operating leases correspond to the provisions of IAS 17 “Leases”, except for the possibility to recognize as investment assets the sub-leased assets acquired under operating lease; however, such a possibility is not provided. But there are some differences. According to IAS 17, the lease term covers the major part of the economic life of the asset even if the title is not transferred, while according to BAS 20 the lease term covers the major part of the economic life of the asset, in any case for at least 75 percent of the economic life of the asset.

According to IAS 17, at the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset, while according to BAS 20 the present value of the lease payments is equal to the fair value of the leased asset or accounts for at least 90 percent thereof. According to IAS 17, the initial direct costs of the lessor are recorded as assets and are distributed through the entire lease term, while according to BAS 20 such costs are attributed to the costs of the period at the time of the conclusion of the lease contract.

Also, BAS 20 contains the chapter on principles of accounting for assets transferred or acquired under loan-for-use, which is not covered in IAS 17.

4.4 Financial Assets, Financial Liabilities and Derivatives

Financial assets include cash and cash equivalents, contractual right to receive cash or other financial assets from another entity, and securities issued by another entity.

Cash and cash equivalents are cash on hand and in bank accounts, and their equivalents in various currencies. Cash equivalents include short-term (up to 3 months) liquid investments into securities, traveler's cheques and other financial assets that meet the definition of cash equivalents. If an entity enters into a short-term crediting agreement and it is allowed to make payment transactions that exceed its bank account balance, the value of a financial asset is equal to zero, and the amount exceeding the closing balance is recognized as a financial liability.

There are no essential differences between the procedure of recognition of and accounting for derivatives set forth under BAS 26 "Derivatives" and IAS 32 "Financial Instruments: Disclosure and Presentation" and IAS 39 "Financial Instruments: Recognition and Measurement".

Also, the principles of accounting for financial assets and financial liabilities established under BAS 18 "Financial Assets and Financial Liabilities" and IAS 39 are very similar. However, for the purpose of recognition and measurement, BAS 18 classifies financial assets into the following three groups:

- Intended-for-sale
- Held-to-maturity
- Originated loans and receivables

Whereas, according to IAS 39, financial assets are classified in one of the following categories:

- Financial assets at fair value through profit or loss (this category has two subcategories: designated and held for trading)
- Available-for-sale financial assets
- Loans and receivables
- Held-to-maturity investments

Thus, BAS 18 does not include the group Available-for-sale financial assets and all financial assets that are not attributed to the categories of Held-to-maturity; Originated loans and receivables and treated as Intended-for-sale, and changes in their value are recognized as profit or loss in Income Statement.

4.5 Inventories

The main difference between BAS 9 "Inventories" and IAS 2 "Inventories" is that under BAS 9 it is possible to apply not only the FIFO and weighted average cost methods but also LIFO in some cases. For example, *"when the items of inventory which were purchased or produced last are sold first, and consequently the items remaining in inventory at the end of the period are those first purchased or produced"* [12]. The other essential differences do not exist between these standards.

4.6 Equity

There is separate standards BAS 8 “Equity” establishing the procedure of accounting for equity, and its provisions essentially correspond to the provisions of IAS 32 “Financial Instruments: Disclosure and Presentation” with regards to capital accounting. However, BAS 8 provides much more detail. It elaborates on accounting for reserves formed when distributing the owners’ profit. The standard describes in detail the accounting for revaluation reserve; the accounting for share premium; the accounting for the capital of state enterprises (which is not divided into shares), as well as it describes the accounting for capital corresponding to assets which may be only state-owned. There are special rules for accounting for this capital. The decrease of the capital, corresponding to the asset that statutorily may be only the state-owned property, shall be recorded in the accounting only when the asset that according to laws may be owned only by the State is depreciated, provided such an asset is not directly used to generate the entity's revenues. Also, the difference concerns the fact that the proportion of convertible value of bonds issued by the entity may not be shown in the equity part.

4.7 Provisions

There are no essential differences between BAS 19 “Provision, Contingent Liabilities and Contingent Assets, and Events Occurring after the Balance Sheet Date” and the corresponding IAS 10 “Events After the Balance Sheet Date” and IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Also, the provisions of BAS 22 “Changes in Foreign Exchange Rates” correspond to the provisions of IAS 21 “The Effects of Changes in Foreign Exchange Rates”; and essential differences between BAS 23 “Impairment of Assets” and IAS 36 “Impairment of Assets” do not exist.

5 Official Forms of Financial Statements

The purpose of financial statements shall be to satisfy the needs of information users with regards to receiving correct information about financial position, performance and cash flows of an entity. Financial statements shall provide disclosures on:

- assets
- equity
- liabilities
- income and expenses
- cash flows

The Republic of Lithuania Law on Financial Statements of Entities (RL LFSE) sets up the following financial statements: Balance Sheet; Income Statement; Cash Flow Statement; Statement of Changes in Equity; and Explanatory Notes. The RL LFSE also establishes the main requirements for the compilation of financial statements [10].

According to the RL LFSE, there are the following requirements for the compilation of financial statements:

- At the beginning of financial reports, the following particulars must be given:
    - Name, code and address of the registered office of an entity;
    - Date of financial statements;
    - The level of precision used in the presentation of figures (indicators) in financial statements (it shall be specified whether the indicators are expressed in litas, thousands of litas, etc).
- The financial statements of an entity must preserve headings of the items given in sample reports, numbering and ordering thereof.
- Entities shall draw up annual financial statements at the end of their financial year.
- Entities shall draw up interim financial statements where necessary or on a periodic basis specified by other legal acts. Newly registered entities shall draw up a balance sheet of the commencement of economic activities indicating the assets, equity and liabilities of an entity at the commencement of activities.
- Financial statements shall be drawn up using the monetary unit of the Republic of Lithuania (the litas).

- Financial statements shall be drawn up in the Lithuanian language and, where necessary, in a foreign language.
- All economic operations and economic events of an entity must be accounted prior to the drawing up of financial statements.
- Accounting data shall be based on the data of the stocktaking of assets and liabilities. The procedure for stocktaking shall be set forth by the Government or an institution authorized by it.
- The financial year of an entity shall last 12 months. Entities shall select the financial year by taking account of the nature of their activities. The financial year may be changed due to a change of the nature of activities of an entity (not more than once per five years) or due to consolidation of financial statements (in this case, a subsidiary undertaking shall be allowed to change the financial year and to agree it with the financial year of a parent undertaking) [10].

The Framework for the preparation and presentation of financial statements in Lithuania is BAS 1 "Financial Statements". It is very similar to the IASB Framework for the preparation and presentation of financial statements. It prescribes the basic concepts by which financial statements are prepared, and provides definitions, short descriptions of the financial statements, evaluation methods of the elements of statements and references to other standards, where accounting requirements for the above financial statements are determined. According to BAS 1, "*the purpose of financial statements shall be to satisfy the needs of information users with regards to receiving correct information about the entity's financial condition, performance and cash flows*". However, it does not define main users of financial reporting.

5.1 Balance Sheet

The official form of Balance Sheet under Lithuanian regulation is following:

Form of Complete Balance Sheet

____
(entity name)

____
(entity identification number, address, other information)

(APPROVED)

20___ y. ______________ ___ d. BALANCE SHEET

___________________________________ No. _____
(reporting date)

(reporting period)

(Reporting currency, specify degree of accuracy)

	ASSETS	Comment No.	Financial year	Previous financial year
A.	**NON-CURRENT ASSETS**		**-**	**-**
I.	INTANGIBLE ASSETS		-	-
I.1.	Development work			
I.2.	Goodwill			
I.3.	Licences and patents			
I.4.	Computer software			
I.5.	Other intangible assets			
II.	TANGIBLE ASSETS		-	-
II.1.	Land			
II.2.	Buildings and construction			
II.3.	Plant and machinery			
II.4.	Vehicles			
II.5.	Equipment			
II.6.	Construction in progress			
II.7.	Other tangible assets			
II.8.	Investment property		-	-
II.8.1.	Land			
II.8.2.	Buildings			
III.	FINANCIAL ASSETS		-	-
III.1.	Investments in subsidiaries and associates			
III.2.	Loans to subsidiaries and associates			
III.3.	Amounts receivable after one year			
III.4.	Other financial assets			
IV.	OTHER NON-CURRENT ASSETS		-	-
IV.1.	Deferred tax assets			
IV.2.	Other non-current assets			
B.	**CURRENT ASSETS**		**-**	**-**
I.	INVENTORIES, PREPAYMENTS AND CONTRACTS IN PROGRESS		-	-
I.1.	Inventories		-	-
I.1.1.	Raw materials and components			
I.1.2.	Work in progress			
I.1.3.	Finished products			
I.1.4.	Goods for resale			
I.2.	Prepayments			
I.3.	Contracts in progress			
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR		-	-
II.1.	Trade debtors			
II.2.	Amounts receivable from subsidiaries and associates			
II.3.	Other amounts receivable			
III.	OTHER CURRENT ASSETS		-	-
III.1.	Current investments			
III.2.	Time deposits			
III.3.	Other current assets			
IV.	CASH AND CASH EQUIVALENTS			
	TOTAL ASSETS:		-	-

	EQUITY AND LIABILITIES	Comment No.	Financial year	Previous financial year
C.	**EQUITY**		**-**	**-**
I.	CAPITAL		-	-
I.1.	Authorised (subscribed)			
I.2.	Subscribed uncalled authorised capital (-)			
I.3.	Share premium			
I.4.	Own shares (-)			
II.	REVALUATION RESERVE (RESULTS)			
III.	RESERVES		-	-
III.1.	Legal reserve			
III.2.	Reserve for acquiring own shares			
III.3.	Other reserves			
IV.	RETAINED EARNINGS (LOSSES		-	-
IV.1.	Profit (loss) of the reporting year			
IV.2.	Profit (loss) of the previous years			
D.	**GRANTS AND SUBSIDIES**			
E.	**AMOUNTS PAYABLE AND LIABILITIES**		**-**	**-**
I.	NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES		-	-
I.1.	Financial debts		-	-
I.1.1.	Leases and similar liabilities			
I.1.2.	To credit institutions			
I.1.3.	Other financial debts			
I.2.	Trade amounts payable			
I.3.	Received prepayments			
I.4.	Provisions		-	-
I.4.1.	For covering liabilities and claims			
I.4.2.	For pensions and similar obligations			
I.4.3.	Other provisions			
I.5.	Deferred tax liabilities			
I.6.	Other amounts payable and non-current liabilities			
II.	CURRENT AMOUNTS PAYABLE AND LIABILITIES		-	-
II.1.	Current portion of long-term debts			
II.2.	Financial debts		-	-
II.2.1.	To credit institutions			
II.2.2.	Other debts			
II.3.	Trade amounts payable			
II.4.	Received prepayments			
II.5.	Income tax liabilities			
II.6.	Liabilities related to employment relations			
II.7.	Provisions			
II.8.	Other amounts payable and current liabilities			
	TOTAL EQUITY AND LIABILITIES		-	-

______________________________ (title of the head of entity administration)   ___________ (signature)   ___________________________ (name, surname)

5.2 Profit/Loss Statement

Official form of P/L Statement in Lithuania is following:

Form of Complete Income Statement

____
(entity name)

____
(entity identification number, address, other information)

(APPROVED)

20___ y. _____________ ___ d. INCOME STATEMENT

_________________________________ No. _____
(reporting date)

________________________ (reporting period)

___________________________ (Reporting currency, specify degree of accuracy)

No.	Items	Comment No.	Financial Year	Previous financial year
I.	**SALES REVENUE**			
II.	**COST OF SALES**			
III.	**GROSS PROFIT (LOSS)**		-	-
IV.	**OPERATING EXPENSES**		-	-
IV.1	Selling			
IV.2	General and administrative			
V.	**OPERATING PROFIT (LOSS)**		-	-
VI.	**OTHER ACTIVITIES**		-	-
VI.1.	Income			
VI.2.	Expenses			
VII.	**FINANCING AND INVESTING ACTIVITIES**		-	-
VII.1.	Income			
VII.2.	Expenses			
VIII.	**PROFIT (LOSS) FROM ORDINARY ACTIVITIES**		-	-
IX.	**EXTRAORDINARY GAINS**			
X.	**EXTRAORDINARY LOSSES**			
XI.	**PROFIT (LOSS) BEFORE TAX**		-	-
XII.	**INCOME TAX**			
XIII.	**NET PROFIT (LOSS)**		-	-

____________________________ (title of the head of entity administration) ________________ (signature) ____________________ (name, surname)

5.3 Cash Flow Statement

BAS 5 “Cash Flow Statement” defines model forms of Cash Flow Statements for direct and indirect treatment. The model forms include separate lines for cash flows from extraordinary activities. The main difference between BAS 5 and IAS 7 “Cash flow Statements” is that under BAS 5 the completion of the cash flow form under indirect treatment should be started from the net profit, not from the profit before taxation.

Direct Method

Form of Complete Cash Flow Statement Prepared under the Direct Method

(entity name)

(entity identification number, address, other information)

(APPROVED)

20___ y. _______________ ___ d. CASH FLOW STATEMENT

____________________________________ No. _____
(reporting date)

____
(reporting period)

(reporting currency, specify degree of accuracy)

No.	Items	Note No.	Financial year	Previous financial year
I.	**Cash flows from operating activities**			
I.1.	Cash inflows of the reporting period (VAT included)		-	-
I.1.1.	Inflows from customers			
I.1.2.	Other inflows			
I.2.	Cash outflows of the reporting period		-	-
I.2.1.	Cash paid to suppliers of raw materials, goods and services (VAT included)			
I.2.2.	Outflows related to employment relations			
I.2.3.	Taxes paid into the budget			
I.2.4.	Other payments			
	Net cash flows from operating activities		-	-
II.	**Cash flows from investing activities**			
II.1.	Acquisition of non-current assets (excluding investments)			
II.2.	Disposal of non-current assets (excluding investments)			
II.3.	Acquisition of non-current investments			
II.4.	Disposal of non-current investments			
II.5.	Loans granted			
II.6.	Loans recovered			
II.7.	Dividends and interest received			
II.8.	Other increases in cash flows from investing activities			
II.9.	Other decreases in cash flows from investing activities			
	Net cash flows from investing activities		-	-
III.	**Cash flows from financing activities**			
III.1.	Cash flows related to entity owners:		-	-
III.1.1.	Issue of shares			
III.1.2.	Owners' contributions against losses			
III.1.3.	Purchase of own shares			
III.1.4.	Dividends paid			
III.2.	Cash flows arising from other financing sources		-	-
III.2.1.	Increase in financial debts		-	-
III.2.1.1.	Loans received			
III.2.1.2.	Issue of bonds			
III.2.2.	Decrease in financial debts		-	-
III.2.2.1.	Loans returned			
III.2.2.2.	Redemption of bonds			
III.2.2.3.	Interest paid			
III.2.2.4.	Payments of liabilities arising from finance leases			
III.2.3.	Increase in other liabilities of the entity			
III.2.4.	Decrease in other liabilities of the entity			
III.2.5.	Other increases in cash flows from financing activities			
III.2.6.	Other decreases in cash flows from financing activities			
	Net cash flows from financing activities		-	-
IV.	**Cash flows from extraordinary items**		-	-
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
V.	**Effect of changes in exchange rates on the balance of cash and cash equivalents**			
VI.	**Net increase (decrease) in cash flows**		-	-
VII.	**Cash and cash equivalents at the beginning of the period**			
VIII.	**Cash and cash equivalents at the end of the period**		-	-

______________________________ _______________ ___________________
(title of the head of entity administration) (signature) (name, surname)

Indirect method

Form of Complete Cash Flow Statement
Prepared under the Indirect Method

(entity name)

(entity identification number, address, other information)

(APPROVED)

20___ y. _______________ ___ d. CASH FLOW STATEMENT

___________________________________ No. _____
(reporting date)

(reporting period)

(Reporting currency, specify degree of accuracy)

No.	Items	Note No.	Financial year	Previous financial year
I.	**Cash flows from operating activities**			
I.1.	Net profit (loss)			
I.2.	Depreciation and amortisation expenses			
I.3.	Decrease (increase) in amounts receivable after one year			
I.4.	Decrease (increase) in inventories			
I.5.	Decrease (increase) in prepayments			
I.6.	Decrease (increase) in contracts in progress			
I.7.	Decrease (increase) in trade debtors			
I.8.	Decrease (increase) in amounts receivable from subsidiaries and associates			
I.9.	Decrease (increase) in other amounts receivable			
I.10.	Decrease (increase) in other current assets			
I.11.	Increase (decrease) in non-current trade amounts payable and received prepayments			
I.12.	Increase (decrease) in current trade amounts payable and received prepayments			
I.13.	Increase (decrease) in income tax liabilities			
I.14.	Increase (decrease) in liabilities related to employment relations			
I.15.	Increase (decrease) in provisions			
I.16.	Increase (decrease) in other amounts payable and liabilities			
I.17.	Elimination of results of disposals of non-current tangible and intangible assets			
I.18.	Elimination of results of financing and investing activities			
I.19.	Elimination of other non-cash items			
	Net cash flows from operating activities		-	-
II.	**Cash flows from investing activities**			
II.1.	Acquisition of non-current assets (excluding investments)			
II.2.	Disposal of non-current assets (excluding investments)			
II.3.	Acquisition of non-current investments			
II.4.	Disposal of non-current investments			
II.5.	Loans granted			
II.6.	Loans recovered			
II.7.	Dividends and interest received			
II.8.	Other increases in cash flows from investing activities			
II.9.	Other decreases in cash flows from investing activities			
	Net cash flows from investing activities		-	-
III.	**Cash flows from financing activities**			
III.1.	Cash flows related to entity owners:		-	-
III.1.1.	Issue of shares			
III.1.2.	Owners' contributions against losses			
III.1.3.	Purchase of own shares			
III.1.4.	Dividends paid			
III.2.	Cash flows arising from other financing sources		-	-
III.2.1.	Increase in financial debts		-	-
III.2.1.1.	Loans received			
III.2.1.2.	Issue of bonds			
III.2.2.	Decrease in financial debts		-	-
III.2.2.1.	Loans repaid			
III.2.2.2.	Redemption of bonds			
III.2.2.3.	Interest paid			
III.2.2.4.	Payments of liabilities arising from finance leases			
III.2.3.	Increase in other liabilities of the entity			
III.2.4.	Decrease in other liabilities of the entity			
III.2.5.	Other increases in cash flows from financial activities			
III.2.6.	Other decreases in cash flows from financial activities			
	Net cash flows from financing activities		-	-
IV.	**Cash flows from extraordinary items**		-	-
IV.1.	Increase in cash flows from extraordinary items			
IV.2.	Decrease in cash flows from extraordinary items			
V.	**Effect of changes in exchange rates on the balance of cash and cash equivalents**			
VI.	**Net increase (decrease) in cash flows**		-	-
VII.	**Cash and cash equivalents at the beginning of the period**			
VIII.	**Cash and cash equivalents at the end of the period**		-	-

(title of the head of entity administration) (signature) (name, surname)

6 Major Differences from IFRS

Following table provides a comparative analysis of Lithuanian standards with International Financial Reporting Standards:

BAS	IAS/IFRS	Comments
	IFRS 1 First-time Adoption of International Financial Reporting Standards	There is no BAS corresponding to this Standard, as there was no need to draft it. BAS were enacted since 2004, and each standard specifies what adjustments should be made by the first-time adopters of the respective standard.
	IFRS 4 Insurance Contracts	A corresponding BAS has not been adopted yet. The insurance contracts' accounting procedure is regulated by the Rules established by the Insurance Supervisory Commission.
	IFRS 6 Exploration for and Evaluation of Mineral Resources	A corresponding standard has not been adopted and the Accounting for Exploration for and Evaluation of Mineral Resources is not regulated yet. It is included in the plans to discuss whether there is a need to establish the accounting procedure on this issue.
BAS 10 Revenue from Sales	IAS 18 Revenue	Essential differences do not exist.
BAS 11 Cost of Sales and Operating Costs		A separate IAS or IFRS corresponding to this standard does not exist. This standard establishes the principles for the recognition of the cost of sold goods and provided services as well as the principles for the recognition of operating costs.
BAS 14 Business Combinations	IFRS 3 Business Combinations	Recognition of negative goodwill is allowed. Goodwill and negative goodwill may be amortized.
BAS 15 Investments in Associates	IAS 28 Investments in Associates	Essential differences do not exist
BAS 16 Consolidated Financial Statements and Accounting for Investments in Subsidiaries	IAS 27 Consolidated and Separate Financial Statements	Investments in subsidiaries in separate financial statements of a parent undertaking may be reflected at cost or equity method. The standard establishes specimen forms of consolidated financial statements.
BAS 17 Biological Assets	IAS 41 Agriculture	Possibility is provided to use either cost or fair value less POS expenses for the purpose of accounting for biological assets.
BAS 21 Grants and Subsidies	IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	In addition to government grants, this Standard applies to the accounting for assets received gratis. The main principles of recognition of and accounting for grants correspond to those set forth by IAS, except that the possibility is not provided to select the accounting method by deducting the grant in arriving at the carrying amount of the asset.
BAS 25 Construction and Other Long-Term Contracts	IAS 11 Construction Contracts	Essential differences do not exist.
27 BAS Concession arrangements		Establishes the procedure for the recording in the accounting and presentation in financial statements of economic operations and economic events related to concession, public/private partnerships and other contracts of a similar type.
BAS 28		Provides that financial statements of an entity under

Liquidation of entities		liquidation shall report such entity's assets, equity, liabilities, income, costs, cash flows and other information disclosed in the notes to the financial statements. The standard is applied in drawing up the financial statements of entities that are under liquidation and cannot apply the going concern principle.
BAS 29 Interim Financial Reporting	IAS 34 Interim Financial Reporting	The difference is that BAS 29 does not provide for the possibility to prepare a set of condensed financial statements for interim financial reporting purposes. According to this Standard, only explanatory notes may be condensed, while forms of other financial statements (balance sheet, profit (loss)) should be the same as for annual financial statements. For the purpose of interim reporting period information in the profit (loss) statement should be provided in the increasing order, i.e. of 3, 6 and 9 months and comparative information of the respective period of the previous financial year. Interim financial reports of 6 and 9 months separate presentation of data of Q2 and Q3 is not required.
BAS 30 Related Parties	IAS 24 Related Party Disclosures	Provisions of BAS 30 correspond to the provisions of IAS 24. The standard is binding only upon those undertakings, which prepare full financial statements. Entities preparing condensed financial statements are required to disclose information only about payments to their managers, as specified in BAS 6.
	IAS 29 Financial Reporting in Hyperinflationary Economies	A corresponding BAS does not exist.
31 BAS Employee's benefit	IAS 19 Employee Benefits	Essential differences from IAS 11 do not exist. IFRS 2 Share-based Payment
BAS 33 Financial Statements of Financial Brokerage Firms and Management Companies		This Standard has been developed in observance of the Council Directive 86/635/EEC of 8 December 1986, the annual accounts and consolidated accounts of banks and other financial institutions, Directive 2001/65/EC of the European Parliament and of the Council of 27 September 2001 amending Directives 78/660/EEC, 83/349/EEC and 86/635/EEC as regards the valuation rules for the annual and consolidated accounts of certain types of companies as well as of banks and other financial institutions, and Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings. The Standard applies to financial broker's and management enterprises. It establishes model forms of these financial statements and requirements for the disclosure of information in the explanatory notes. A corresponding IAS/IFRS does not exist.
BAS 34 Segment Reporting	IFRS 8 Segment Reporting	Provisions of BAS 34 correspond to the provisions of IFRS 8. The standard is binding only upon those undertakings, which

		prepare full financial statements.
BAS 35 Restructuring of Entities		BAS 35 does not have its counterparty among IAS/IFRS. This standard establishes the procedure of accounting and preparation of financial reports in case of restructuring of entities from one legal form to another in the manner established by laws. For example, an unlimited civil liability company is reorganized into a limited liability company, or a public or municipal enterprise – into a private limited liability company. In the course of such restructuring, the type of entity's operations and its owner remain the same, and all that changes is its legal form.
BAS 36 Record Keeping and Financial Reporting of Unlimited Civil Liability Legal Persons		BAS 36 does not have its counterparty among IAS/IFRS in terms of its scope, as it is aimed at very small entities of unlimited civil liability. The standard is not mandatory, because entities of such type do not produce financial statements and they are required to provide only tax returns. They shall apply this Standard only if they have included in their founding documents the provision on the preparation of financial reports. In terms of its contents this Standard is a simplified summary of BAS. This Standard does not require to apply the asset value impairment tests to long-term assets or to assess reserves at net realizable value. Non-current assets are reflected in the balance sheet at residual value, and reserves – at historical cost. The Annex to this Standard includes model forms of financial statements (balance sheet, profit (loss) statements and statement of changes in equity).
BAS 37 Accounting for Investments in Joint Ventures	IAS 31 Interests in Joint Ventures	The difference is that according to BAS such investments in consolidated statements should be reflected at equity method and that the possibility of using pro rata consolidation is excluded. .
	IAS 33 Earnings per Share	As listed entities apply IAS/IFRS, there is no need to prepare such standard.
39 BAS Accounting of collective investment undertakings and pension funds		It partly corresponds to 26 IAS, but is much more detailed.
41 BAS Splitting up of entities		It sets accounting principles when the assets and liabilities of the split-up entities are distributed to other entities that continue to operate, and the split–up entity terminates its operation. Two or more entities are incorporated on the basis of the split-up entity. The assets and liabilities of split (divided) entity are divided between the new incorporated entities, while the split-up entity terminates its operations. In this case, part of the company continuing its operations shall be split-up and one or several entities incorporated on the basis of that part of assets or liabilities.

7 Sample Case

ACCOUNTANT Ltd started its business in Lithuania in November 2010. The core business of the company is sale of goods as well as professional consulting.
The formula for derecognition of the goods is FIFO; company applies linear accounting depreciation as well as linear tax depreciation (based on local Income Tax Act or other act specifying the tax depreciation). From the differences between accounting and tax depreciation will be calculated deferred tax. Company is a VAT payer (basic rate, i.e. 21 %).
For the simplicity of postings there will be used “MU” (monetary unit).

At the very beginning there were paid the incorporation expenses 5 000 MU and there was deposited 145 000 MU on the bank account. Incorporation expenses were paid by one of the owners of Accountant Ltd against which he provided a short-term loan payable in June 2011.

Initial Balance Sheet

Balance Sheet as at 1st November 2010			
Bank account	145,000	Registered capital	145,000
		Loss	(5000)
		Short-term loans	5,000
ASSETS	**145,000**	**EQUITY+LIABILITIES**	**145,000**

Tangible Assets
On 12th November 2010 has been purchased computer for 2 000 MU (due date is 12th January 2011).

Financial Leases
Company has decided to purchase the car in the form of 5-years financial lease. Financial lease was negotiated from 1st December 2010 with the monthly based rental payments 350 MU (all payable at the end of each month). Incremental interest rate of lessee is 10 %; fair value of the car is 17 500 MU.

Inventories
Throughout the period of November and December 2010 there were made following purchases and sales of goods:

1	Purchase of 6 500 pieces of goods @ 7.50 MU
2	Purchase of 4 200 pieces of goods @ 8.00 MU
3	Sale of 5 000 pieces @ 12 MU (payable on February 2011)
4	Purchase of 3 300 pieces of goods @ 9.00 MU
5	Sale of 3 600 pieces @ 12 MU (payable on March 2011)
6	Sale of 2 400 pieces @ 12 MU (payable on March 2011)

All purchases have been paid directly from company’s bank account.
Fair value of goods as at 31st December 2010 is 22 500 MU.

Receivables and Payables
In November 2010 was negotiated long-term (3Y) contract for consulting services. The total amount of contract 180 000 MU is payable at the end of the contract, i.e. 30th November 2013.
Company has one employee, Miss Anna. Her gross monthly salary is 800 MU. Salary is payable on 10th day of the next month.

Other Costs and Expenses

- rental payments – 1 200 MU/monthly (payable on 20th for the next month),
- tax consulting – 200 MU/monthly (payable on 25th of the next month),
- telecommunication services – 1 000 MU/monthly (payable on 15th of the next month),
- road tax – 100 MU (payable on 15th December 2010)

- interests received – 920 MU
- bank charges – 5 300 MU

Solution of the study

Fixed Assets and Financial Leases

Accounting depreciation of computer:

Tax depreciation for computer will be at the same as the same rate may be used for taxation purpose.

Op.	Transaction	Amount			Account
1	Purchase of computer	2,000 420 2,420	Dr Dr	 Cr	Equipment VAT Trade payables
2	Depreciation of computer (1 month) Depreciation is calculated from next month after purchase	56 56	Dr	 Cr	Expense (Depreciation) Equipment (Ac. depreciation)
3.	Financial lease (present value)	16473 16473	Dr	 Cr	Fixed assets (car) Finance lease liabilities (long term)
4	Lease payment	213 137 74 424	Dr Dr	 Cr	Finance lease liabilities Interest expense VAT Bank account
5	Registered current portion of long term finance lease liabilities	2696 2696	Dr Cr		Long term lease liabilities Current portion of long term finance lease liabilities

Inventories

Op.	Transaction	Amount			Account
1	Purchase of goods (6,500 @ 7.50 MU)	48,750 10,238 58,988	Dr Dr	 Cr	Goods VAT Bank account
2	Purchase of goods (4,200 @ 8.00 MU)	33,600 7,056 40,656	Dr Dr	 Cr	Goods VAT Bank account
3	Sale of goods (5,000 @ 12.00 MU)	60,000 12,600 72,600	 Dr	Cr Cr	Revenue (Sold goods) VAT Trade receivables
	Cost of goods sold using LIFO	39,600 39,600	Dr	 Cr	Cost of sold goods Inventory
4	Purchase of goods (3,300 @ 9.00 MU)	29,700 6.237 35,937	Dr Dr	 Cr	Goods VAT Bank account
5	Sale of goods (3,600 @ 12.00 MU)	43,200 9,072 51,840	 Dr	Cr Cr	Revenue (Sold goods) VAT Trade receivables
	Cost of goods sold using LIFO	31,950 31,950	Dr	 Cr	Cost of sold goods Inventory

6	Sale of goods (2,400 @ 12.00 MU)	28,800 6,048 34,848	 Dr	Cr Cr	Revenue (Sold goods) VAT Trade receivables
	Cost of goods sold using LIFO	18,000 18,000	Dr	 Cr	Cost of sold goods Inventory

Ending inventories

Op.	**pieces**			**Cost**	**MU**		
	+	-	Δ		+	-	Δ
1	6,500		6,500	7.50	48,750		48,750
2	4,200		10,700	8.00	33,600		82,350
3		5,000	5700			39,600	42,750
4	3,300		9,000	9.00	29,700		72,450
5		3,600	5,400			31,950	40,500
6		2,400	3,000			18,000	22,500

For taxation purpose FIFO method has to be used
Calculation of deferred tax

Year	**Inventory LIFO**	**Inventory FIFO**	**Difference**	**Tax rate**	**Deferred tax assets**
2010	22,500	27,000	(4500)	15%	675

Receivables and payables

Op.	**Text**	**Amount**			**Account**
1	Long-term contract (12/2010)	5,000 5,000	Dr	 Cr	Deferred income* Services revenue

*According to the requirements of BAS should discounted, but in the sample case there was no information for interest rate

Calculation of salaries expense

Gross salary	800
Social security from employer (31%)	248
Total expense	1 048

Calculation of tax payable from employee

Gross salary	800
Social insurance and health security from employee (9%)	72
Income tax	120
Net salary	608

Op.	**Transaction**	**Amount**			**Account**
Nov	Gross salary	800 800	Dr	 Cr	Salary expense Payroll
Nov	Social and health insurance (employer)	248 248	Dr	 Cr	Social insurance expense SHI payables
Nov	Income tax	120 120	Dr	 Cr	Payroll Income tax payables
Nov	Social and health insurance (employee)	72 72	Dr	 Cr	Payroll SHI payables

Nov	Pay-off	608 608	Dr	 Cr	Payroll Bank account
Nov	Payment of insurance	368 368	Dr	 Cr	SHI payables Bank account
Nov	Payment of income tax	120 120	Dr	 Cr	Income tax payables Bank account
Dec	Gross salary	800 800	Dr	 Cr	Salary expense Payroll
Dec	Social and health insurance (employer)	248 248	Dr	 Cr	Social insurance expense SHI payables
Dec	Income tax	120 120	Dr	 Cr	Payroll Income tax payables
Dec	Social and health insurance (employee)	72 72	Dr	 Cr	Payroll SHI payables

Other costs and expenses

Op.	**Text**	**Amount**			**Account**
1	Rental payment (for November 2010)	1,200 252 1,452	Dr Dr	 Cr	Services expense VAT Bank account
1A	Rental payment (for December 2010)	1,200 252 1,452	Dr Dr	 Cr	Services expense VAT Bank account
1B	Rental payment (for January 2011)	1,200 252 1,452	Dr Dr	 Cr	Deferred expenses VAT Bank account
2	Tax advisory (November 2010)	200 42 242	Dr Dr	 Cr	Services expense VAT Bank account
2A	Tax advisory (December 2010)	200 200	Dr	 Cr	Services expense Accrued expense*
3	Telecommunication services (November 2010)	1,000 210 1,210	Dr Dr	 Cr	Services expense VAT Bank account
3A	Telecommunication services (December 2010)	1,000 1,000	Dr	 Cr	Services expense Accrued expense*
5	Interests received	920 920	Dr	 Cr	Bank account Interests revenue
6	Bank charges	5,300 5,300	Dr	 Cr	Operating expenses Bank account

*There is no VAT as invoice with VAT will be received only next month

Calculation of corporate income tax

Revenues	137,920
Expenses	101,939
Accounting profit	***35,981***
difference LIFO from FIFO	4,500
deductable incorporation expense	-5,000
Tax base	35,481
Corporate income tax (15 %)	**5,322**

Op.	Text	Amount			Account
1	Income tax (due)	5,322 5,322	Dr	 Cr	E – Income tax (due) Income tax payables

Profit/Loss Account as at 31st December 2010:

Profit / Loss Account as at 31st December 2010			
Sold goods	89,550	Revenues from sold services	5,000
Services	10,100	Revenues from sold goods	132,000
Salaries	1,600	Interests received	920
Social insurance	496		
Depreciation	56		
Interest expenses	137		
Income tax (due)	5,322		
Income tax assets (deferred)	-675		
EXPENSES	***106,586***	***REVENUES***	***137,920***
Profit	**31,334**		
TOTAL	137,920	TOTAL	137,920

Balance sheet as at 31st December 2010

Assets		*Equity and Liabilities*	
Computer	1,944	Registered capital	145,000
Car	16,473	Profit	26,334
Inventories	22,500	Long term financial lease liabilities	13,564
Trade receivables	159,720	Current portion of lease payments	2,696
Deferred expenses	1,200	Short-term loan	5,000
Deferred income	5,000	Liabilities related to employment relations	1,048
Deferred tax assets	675	Income tax liabilities	5,322
		Other liabilities	8,548
TOTAL	**207,512**	**TOTAL**	**207,512**

Ratio analysis

Assets (total)	207 512
EBIT	36 118
EAT	31 334
Equity	171 334
Current assets	189 095
Current liabilities	22 614
Inventories	22 500

Profitability ratios:

________ _______

______ _______

Liquidity ratios:

_________________ _______

8 Dictionary

English	Lithuanian
Accelerated Depreciation	spartusis nusidėvėjimas
Account	sąskaita
Account Payable	kreditinio įsiskolinimo sąskaita
Account Receivable	debetinio įsiskolinimo sąskaita
Accountant	buhalteris
Accounting	apskaita
Accounting Change	apskaitos pasikeitimas
Accounting Policies	apskaitos politika
Accounting Profit	apskaitos pelnas
Accrual Basis	kaupimo principas
Accumulated Depreciation	sukauptas nusidėvėjimas
Additional Paid in Capital	akcijų priedai
Amortization	amortizacija
Annual Report	metinė ataskaita, atskaitomybė
Annuity	anuitetas
Asset	turtas
Auditor	auditorius
Auditors' Report	auditoriaus išvada
Available-For-Sale Financial Assets	laikomas parduoti finansinis turtas
Balance Sheet	balansas
Bond	obligacijos
Book Value, Carrying Amount	buhalterinė vertė
Borrowing Costs	skolinimosi išlaidos
Budget	biudžetas
Business	verslas
Business Combinations	verslo junginiai
Business Segment	verslo segmentai
Capitalized Cost	kapitalizuotos išlaidos
Capitalized Interest	kapitalizuotos palūkanos
Cash	gryni pinigai
Cash Basis	pinigų principas
Cash Equivalents	pinigų ekvivalentai
Cash Flows	pinigų srautai
Cash-generating Unit	iplaukas kuriantis vienetas
Closing Rate	baigiamasis įrašas
Consistency	pastovumo principas
Consolidated Financial Statements	konsoliduotos finansinės ataskaitos
Consolidation	konsolidavimas, jungimas
Contingent Asset	nenumatytas turtas
Contingent Liability	nenumatyti įsipareigojimai
Contingent Rent	nenumatyta nuoma
Continuing Operations	tęsiama veikla
Control	kontrolė

Convertible Share	konvertuojamos akcijos
Cost	išlaidos
Cost Accounting	išlaidų apskaita
Cost Method	išlaidų metodas
Costing	savikainos kalkuliavimas
Costs of Disposal	perleidimo išlaidos
Credit Risk	kredito rizika
Creditor	kreditorius
Currency Risk	valiutos rizika
Current Asset	trumpalaikis turtas
Current Liability	trumpalaikiai įsipareigojimai
Current Tax	einamasis mokestis
Debit	debetas
Debt	skola
Debt Security	skolos vertybiniai popieriai
Debtor	debitorius
Deferred Income	būsimojo laikotarpio pajamos
Deferred Income Taxes	būsimojo laikotarpio pajamų mokesčiai
Deferred Tax Assets	būsimojo laikotarpio turto mokestis
Deferred Tax Liabilities	atidėtųjų mokesčių įsipareigojimas
Depreciable Amount	nusidėvimoji suma
Depreciation	nusidėvėjimas
Derecognition	pripažinimo nutraukimas
Derivative	išvestinė priemonė
Detection Risk	susekimo rizika
Development	vystymas, kūrimas
Direct Costs	tiesioginės išlaidos
Disclosure	atskleidimas
Discontinued Operation	nutraukiamoji veikla
Discount	diskontas, nuolaida
Discount Rate	diskonto (nuolaidos) norma
Discounted Cash Flow	diskontuoti pinigų srautai
Dividends	dividendai
Double–Entry Bookkeeping	dvejybinis įrašas, dvejybinė apskaita
Due Date	atsiskaitymo data
Earnings Per Share (EPS)	pelnas akcijai, akcijos pelnas
Economic Life	ekonominio tarnavimo laikas
Effective Interest Rate	efektyvi palūkanų norma
Equity	nuosavybė, nuosavas kapitalas
Equity Instrument	nuosavybės instrumentas
Equity Method	nuosavybės metodas
Equity Securities	nuosavybės vertybiniai popieriai
Estimated Tax	numatytas mokestis
Estimation Transactions	numatytos operacijos
Events after the Balance Sheet Date	ivykiai po balanso sudarymo datos
Exchange Difference	keitimo skirtumas
Exchange Rate	keitimo norma
Expenditure	sąnaudos
External Reporting	išorės atskaitomybė
Extraordinary Items	ypatingieji straipsniai

Factoring	faktoringas
Fair Market Value	tikroji rinkos vertė
Fair Value	tikroji vertė
Finance Lease	finansinė nuoma
Financial Asset	finansinis turtas
Financial Institution	finansinės institucijos
Financial Instrument	finansinis instrumentas
Financial Liability	finansinis įsipareigojimas
Financial Risk	finansinė rizika
Financial Statements	finansinės ataskaitos
Financing Activities	finansinės veiklos
First in, First out (FIFO)	pirmas įeina, pirmas išeina
Fiscal Year	fiskaliniai metai
Fixed Asset	ilgalaikis turtas
Forecast	prognozė
Foreign Currency	užsienio valiuta
Fraud	klaida
Functional Currency	veikianti valiuta
Funding	fondų valdymas
Future Contract	ateities sandoriai
Gain	pagautė, ypatingasis pelnas
General Ledger	didžioji kmyga
Generally Accepted Accounting Principles	bendrai priimti apskaitos principai
Going Concern	veiklos tęstinumas
Goodwill	prestižas
Gross Income	bendros pajamos
Group	grupė
Guaranty	garantijos
Hedge	apsidraudimas
Hedge Effectiveness	apsidraudimo veiksmingumas
Hedged Item	ap
Hedging Instrument	apsidraudimo priemonė
Held-To-Maturity Investments	iki išpirkimo termino laikomos investicijos
Highly Probable	labai tikėtinas
Historical Cost	istorinės išlaidos
Impairment Loss	nuvertėjimo nuostolis
Impracticable	neįvykdoma
Improvement	vystymas, tobulinimas
Inception of the Lease	nuomos laikotrapuo pradžioje
Income	pajamos
Income Statement	pelno ir nuostolių ataskaita, Pajamų ataskaita
Indirect Costs	netiesioginės išlaidos
Initial Direct Costs	pradinės tiesioginės išlaidos
Installment	eilinė įmoka
Intangible Asset	nematerialusis turtas
Interest	palūkanos
Interest Cost	palūknų išlaidos
Interest Rate Risk	palūkanų normos rizika
Interim Financial Report	tarpinis finansinis pranešimas
Interim Financial Statements	tarpinės finansinės ataskaitos

Interim Period	tarpinis laikotarpis
Internal Audit	vidaus auditas
Internal Control	vidaus kontrolė
Internal Rate of Return	vidinė palūkanų norma
International Accounting Standards Board	Tarptautinė apskaitos standartų valdyba
International Financial Reporting Standards (IFRSs)	Tarptautiniai finansinės apskaitos standartai (TFAS)
Intradepartmental Price, Internal Transfer Price	vidaus kainos, vidaus transferinės kainos
Inventories	atsargos
Investing Activities	investavimo veiklos
Investment Property	investicijos
Investor in a Joint Venture	investuotojas į bendrą įmonę
Joint Venture	bendra įmonė
Journal	žurnalas
Last in, First out (LIFO)	paskutinis įeina, pirmas išeina
Lease	nuoma
Lease Term	nuomos terminas
Lessee	nuomininkas
Lessor	nuomotojas
Liability	isipareigojimas
Liquid Assets	likvidus turtas
Liquidation	likvidavimas
Liquidity Risk	likvidavimo rizika
Loans and Receivables	paskolos ir gautinos sumos
Loans Payable	mokėtinos sumos
Long–Term Debt	ilgalaikės skolos
Loss	nuostolis
Lower of Cost or Market	savikaina arba realizavimo verte, ta kuri mažesnė
Management Accounting	valdymo apskaita
Margin	marža
Market Risk	rinkos rizika
Marketable Securities	rinkos vertybiniai popieriai
Mark–to–Market	ženklas rinkai
Master Budget (Company Budget)	meistro biudžetas, kompanijos biudžetas
Materiality	reikšmingumas
Matching Principle	palyginimo principas
Merger	susijungimas
Minority Interest	mažumos dalis
Monetary Assets	monetarinis turtas
Monetary Items	monetariniai straipsniai
Net Assets	grynasis turtas
Net Income	grynosios pajamos
Net Realizable Value	grynoji galimo realizavimo vertė
Non-cancellable Lease	neatšaukiama nuoma
Non-current Asset	ilgalaikis turtas
Non–for–Profit Organization	nepelno organizacijos
Notes	pastabos
Notional Value, Face Value	nominali vertė
Objectivity	objektyvumas
Obligations	isipareigojimas
Onerous Contract	nuostolinga sutartis

Operating Activities	einamoji veikla
Operating Cycle	veiklos ciklas
Operating Lease	veiklos nuoma
Option	opcionas
Other Comprehensive Income	kitos pajamos
Parent Company	motininė kompanija
Partnership	partnerystė
Penalty	bauda
Plan Costing	sąmata, savikainos kalkuliavimo planas
Preferred Share	privilegijuotoji akcija
Present Value	tikroji vertė
Presentation Currency	prezentacinė valiuta
Prior Period Errors	ankstesnio laikotarpio klaidos
Probable	tikėtinas
Profit or Loss	pelnas ar nuostolis
Property, Plant and Equipment	ilgalaikis materialusis turtas
Prospective Application	perspektyvinis taikymas
Provision	aprūpinimas
Public Offering	viešas pasiūlymas
Qualifying Asset	išankstinis turtas
Ratio Analysis	santykinė analizė
Receivables	gautinos sumos
Reconciliation	suderinimas (sąskaitų)
Recoverable Amount	atsiperkamoji vertė
Reinsurance	perdraudimas
Related Party Transaction	susijusių šalių sandoriai
Reorganization	reorganizavimas
Repairs	remontai
Reporting Date	ataskaitinė data
Reporting Entity	ataskaitinis vienetas
Repurchase Agreement	atpirkimo sandoris
Research	tyrimas
Residual Value	likvidacinė vertė
Responsibility Accounting	atsakomybės apskaita
Restructuring	restruktūrizavimas
Retained Earnings	nepaskirstytasis pelnas
Return on Investment (ROI)	investicijų pelningumas
Revenue Recognition	pajamų pripažinimas
Revenues	pajamos
Risk Management	valdymo rizika
Securitization	kapitalizavimas
Security	garantas, užstatas
Separate Financial Statements	atskiros finansinės ataskaitos
Settlement Method	ivykdymo metodas
Share (Stock)	akcija
Short–Term	trumpalaikis turtas
Significant Influence	žymi įtaka
Spot Exchange Rate	sandorio keitimo norma
Start–up Costs	veiklos pradžios išlaidos
Statement of Cash Flows	Pinigų srautų ataskaita

Statement of Comprehensive Income	Išsami pajamų ataskaita
Statement of Financial Position	Finansinės būklės ataskaita
Statement of Changes in Equity	Nuosavo kapitalo pokyčių ataskaita
Straight–Line Depreciation	tiesinis nusidėvėjimo būdas
Subsequent Event	vėlesni įvykiai
Subsidiary	filialas, dukterinė įmonė
Swap	mainai
Tangible Asset	materialusis turtas
Tax	mokestis
Tax Base	mokesčių bazė
Tax Expense	mokesčių sąnaudos
Tax Income	mokestinės pajamos
Tax Loss	mokesčių nuostatai
Tax Year	mokestiniai metai
Taxable Income	apmokestinamosios pajamos
Taxable Profit	apmokestinamasis pelnas
Taxpayer Identification Number (TIN)	mokesčio mokėtojo identifikacinis numeris
Temporary Differences	laikini skirtumai
Term Loan	terminuota paskola
Total Comprehensive Income	visos pajamos
Transaction Costs	sandorių (ūkinių operacijų) išlaidos
Unearned Income	neuždirbtos pajamos
Useful Life	naudingo tarnavimo laikas
Value in Use	naudojimo vertė
Venture Capital	bendrasis kapitalas
Work in Progress	nebaigta gamyba
Working Capital	apyvartinis kapitalas
Yield to Maturity	laikomas iki išpirkimo
Zero–Coupon Bond	nulinio kupono

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