

**Center for Research, Transparency  
and Accountability - Belgrade  
Audit report of the financial  
statements for the year 2012**



Preduzeće za reviziju i konsalting

**Stanišić Audit** d.o.o.

Center for Research, Transparency  
and Accountability - Belgrade  
Audit report of the financial  
statements for the year 2012

Table of contents

	Page
Independent Auditor's Report	1
Financial statements	2
- Balance sheet	2
- Income statement	3
- Notes to the financial statements	4-10

**Center for Research, Transparency  
and Accountability - Belgrade  
Audit report of the financial  
statements for the year 2012**

Belgrade July 2, 2013

## Center for Research, Transparency and Accountability - Belgrade Audit report of the financial statements for the year 2012

Independent Auditor's Report

To the Governing Board of the Center for Research, Transparency and Accountability - Belgrade

### Table of contents

We have audited the accompanying financial statements of Center for Research, Transparency and Accountability - Belgrade (hereinafter CRTA), which comprises the balance sheet as of 31.12.2012 and income statement for the year ended December 31, 2012 and a summary of significant accounting policies and other explanatory information.

Independent Auditor's Report

Page

1

Financial statements:

- Balance sheet

2

- Income statement

3

- Notes to the financial statements

4 - 10

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 and the Law on Auditing and Auditing of the Republic of Serbia. These standards require that we exercise professional judgment 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making value the auditor's judgment, the auditor exercises professional judgment in the entity's preparation and fair presentation of the financial statements in order to obtain audit evidence 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 involves assessing 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 qualified audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Center for Research, Transparency and Accountability - Belgrade as at December 31, 2012 and the financial performance for the year ended December 31, 2012 in accordance with the accounting regulations of the Republic of Serbia.

Belgrade, July 2, 2013

Controlled entity

CRTA

Belgrade, Serbia



Preduzeće za reviziju i konsalting

**Stanišić Audit** d.o.o.

Naš znak: .....

Vaš znak: .....

## Independent Auditor's Report

### To the Governing Board of the Center for Research, Transparency and Accountability - Belgrade

We have audited the accompanying financial statements of Center for Research, Transparency and Accountability - Belgrade, (hereinafter CRTA), which comprise the balance sheet as of December 31, 2011, and the income statement for the year ended December 31, 2011 and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations of the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of 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 and the Law on Accounting and Auditing of the Republic of Serbia. 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.

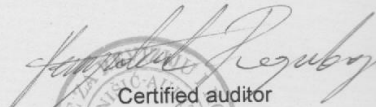
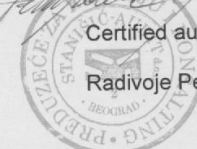
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 qualified audit opinion.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Center for Research, Transparency and Accountability - Belgrade as of December 31, 2012, and its financial performance for the year ended December 31, 2012, in accordance with the accounting regulations of the Republic of Serbia.

Belgrade July 2, 2013

  
Certified auditor  
Radivoje Petrović  




## BALANCE SHEET

		In thousands of Dinars	
		December 31,	
	Notes	2012	2011
<b>ASSETS</b>			
<b>A. NON CURRENT ASSETS</b>			
<b>IV. PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS</b>			
1. Property, plant and equipment		885	-
	3.1., 4.	885	-
<b>B. CURRENT ASSETS</b>			
<b>III. RECEIVABLES, SHORT TERM PLACEMENTS AND CASH</b>			
4. Cash equivalents and cash		6,919	5,308
5. VAT receivables, prepaid expenses and accrued income	3.2., 5.	6,917	5,308
		2	-
<b>G. OPERATING ASSETS</b>			
		7,804	5,308
<b>D. LOSS ABOVE THE EQUITY</b>			
		-	1,304
<b>D. TOTAL ASSETS</b>			
		7,804	6,612
<b>EQUITY AND LIABILITIES</b>			
<b>A. EQUITY</b>			
VII. RETAINED EARNINGS		-	-
VIII. ACUMULATED LOSS		-	1,156
		-	1,156
<b>B. LONG TERM REZERVES AND LIABILITIES</b>			
<b>III. SHORT TERM LIABILITIES</b>			
3. Trade payables		7,804	6,612
4. Other short term liabilities	3.3., 6.	7,804	6,612
	3.3., 7.	336	5,795
		7,468	817
<b>G. TOTAL EQUITY AND LIABILITIES</b>			
		7,804	6,612

The accompanying notes on the pages 4 to 10 are an integral part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2012

# INCOME STATEMENT

		In thousands of Dinars	
		Year ended December 31,	
	Notes	2012	2011
<b>A. OPERATING INCOME AND EXPENSES</b>			
<b>I. OPERATING INCOME</b>		<b>36,863</b>	<b>12,370</b>
5. Other operating income	3.4., 8.	36,863	12,370
<b>II. OPERATING EXPENSE</b>		<b>37,276</b>	<b>14,836</b>
2. Cost of material	3.5., 9.	1,220	208
3. Salaries and other staff costs	3.5., 10.	17,417	8,850
4. Depreciation and amortization	3.5., 4.	115	-
5. Other operating expense	3.5., 11.	18,524	5,778
<b>IV. LOSS FROM OPERATIONS</b>		<b>413</b>	<b>2,466</b>
<b>V. FINANCE INCOME</b>	3.6., 12.	<b>502</b>	<b>6</b>
<b>V. FINANCE EXPENSES</b>	3.7., 13.	<b>80</b>	<b>-</b>
<b>VIII. OTHER EXPENSES</b>		<b>9</b>	<b>-</b>
<b>V. LOSS BEFORE INCOME TAX</b>		<b>-</b>	<b>2,460</b>
<b>E. NET LOSS</b>		<b>-</b>	<b>2,460</b>

The accompanying notes on the pages 4 to 10 are an integral part of these financial statements.

## 2.2. Basis of preparation and presentation of financial statement

Pursuant to the Law on Accounting and Auditing (Official Gazette of the Republic of Serbia no. 114/2005, 118/2005 and 119/2005), legal entities and entrepreneurs incorporated in Serbia are required to maintain their books of account, to recognize and value assets and liabilities, income and expenses, and to prepare, submit and disclose financial statements in conformity with the prevailing legislation and professional rules.

The legislation defines the laws and implementing regulations issued for the enforcement of the law. The internal rules shall govern the general acts passed by the legal entity and which contain specific instructions and guidelines for bookkeeping, accounting policy for recognition and evaluation of assets and liabilities, income and expenses, instructions and guidelines for the adoption, submission and disclosure of financial statements, and other questions about the content books and preparing financial statements for which the law provides that the general laws governing the legal entity.

The accompanying financial statements are prepared in the form prescribed by the Regulations on the content and form of financial statements for companies, cooperatives, other legal entities and entrepreneurs (Official Gazette of the Republic of Serbia no. 114/2005, 118/2005 and 119/2005) and in accordance with the Rules on the chart of accounts and content in the Chart of accounts for companies, cooperatives, other legal entities and entrepreneurs (Official Gazette of the Republic of Serbia no. 114/2005, 118/2005 and 119/2005, 4/2010, 3/2011 and 10/2012). These rules take into account a complete set of financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### December 31, 2012

#### 1. BACKGROUND INFORMATION

CARTA (Center for Research, Transparency and Accountability) is a grassroots civic organization founded in August 2002 under the name LiNet (Liberal Network) with the mission to contribute to Serbia's transition into democracy through promotion of citizens' active role in society and strengthening of their advocacy capacities.

CARTA is comprised of mainly young people with significant experience in civic activism, journalism and politics. By developing different accountability monitoring mechanisms CARTA educates citizens about accountability concept and advocate for accountability to be implemented in political practices and legislation as a core value of developed democratic society. Vision of CARTA is Serbia with democratic tradition and its citizens ready to be accountable and to demand accountability. Mission of CARTA as non-partisan civil society organization is to improve citizens' political culture and builds democratic society in Serbia by developing and advocating for accountability.

CARTA headquarters is in Belgrade, street Golsvordijeva number 29.  
Identification number is 17414054.  
Tax identification number (PIB) is 102211181.

The average number of employees at the end of each month in the current 2012<sup>th</sup> year, was one employee (in the previous 2011<sup>th</sup> it was zero employees).

#### 2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION

##### 2.1. Financial statements

Financial statements of CARTA comprise the balance sheet as of December 31, 2012, and the income statement for the year ended December 31, 2012.

##### 2.2. Basis of preparation and presentation of financial statement

Pursuant to the Law on Accounting and Auditing (Official Gazette of the Republic of Serbia no. 46/2006 and 111/2009), legal entities and enterprises incorporated in Serbia are required to maintain their books of account, to recognize and value assets and liabilities, income and expenses, and to present, submit and disclose financial statements in conformity with the prevailing legislation and professional rules.

The legislation means the laws and implementing regulations issued for the enforcement of the law. The internal rules shall mean the general acts passed by the legal entity and which contains specific instructions and guidelines for bookkeeping, accounting policy for recognition and evaluation of assets and liabilities, income and expenses, instructions and guidelines for the adoption, submission and disclosure of financial statements, and other questions about the conduct books and preparing financial statements for which the law provides that the general laws governing the legal entity.

The accompanying financial statements are presented in the form prescribed by the Regulations on the content and form of financial statements for companies, cooperatives, other legal entities and entrepreneurs (Official Gazette of the Republic of Serbia no. 114/2006, 119/2008 and 2/2010) and in accordance with the Rules on the chart of accounts and content in the Chart of accounts for companies, cooperatives, other legal entities and entrepreneurs (Official Gazette of the Republic of Serbia no. 114/2006, 119/2008 9/2009, 4/2010, 3/2011 and 101/2012). These rules take the law defined a complete set of financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2012****2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND ACCOUNTING CONVENTION (Continued)****2.2. Basis of preparation and presentation of financial statement (Continued)**

Financial statements are prepared on an assessment of management to the CARTA to operate for an unlimited period of time that will continue in operation for the foreseeable future.

The financial statements were prepared at historical cost principle, unless otherwise stipulated in the accounting policies presented hereunder.

In the preparation of the accompanying financial statements, the CARTA adhered to the accounting policies described in Note 3.

The CARTA's financial statements are stated in thousands of dinars (RSD). The dinar is the official reporting currency in the Republic of Serbia.

In accordance with IAS 10 "Events After the Reporting Period" paragraph 17 CARTA's financial statements were authorized for issue on February 26, 2013 by management of the CARTA.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****3.1. Equipment**

Equipment is stated at historical cost, less accumulated depreciation. Cost represents the prices billed by suppliers together with costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Equipment is capitalized as an asset if it is expected that its useful economic life will exceed one year.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales or disposal proceeds and the net book value of the asset, and is recognized in the statement of income.

Depreciation is provided for on a straight-line basis in order to write-off the assets over their estimated useful lives. The depreciation of these assets commences when the assets are ready for their intended use.

**3.2. Cash equivalents and cash**

Cash and cash equivalents included in the financial statements relate to the CARTA's cash balances on the current accounts kept in Dinars. Cash and cash equivalents are stated at their nominal values.

Assets in foreign currency accounts with banks, are translated at the balance sheet at their counter value using the official closing middle exchange rate of the National Bank of Serbia.

Transactions during the year in foreign currency accounts in foreign currency shall be converted into cash counter value using the official middle exchange rate of National Bank of Serbia at the transaction - prompt exchange.



**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2012**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3.3. Short term liabilities**

Under the provisions of Regulations on the content and form of financial statements and in accordance with articles 30 up to 37 of Rules on the chart of accounts, at the balance sheet position Short term liabilities, Organization presented: Trade payables (Advances from the customers; and Domestic suppliers) and Other short term liabilities (Deferred income from grants).

Short term liabilities are estimated based on their nominal value. Short term liabilities denominated in foreign currencies are translated into dinars at the official National Bank of Serbia exchange rates in effect at the date of each transaction – prompt exchange, or using the official closing rate at the balance sheet date.

**3.4. Other operating income**

Other operating income consists of income from ordinary CRTA's activities. Incomes from the ordinary CRTA's activities are grant income received for the realization of the CRTA's projects activities.

The grant is recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Grants related to depreciable assets are usually recognized as income over the periods and in the proportions in which depreciation on those assets is charged.

Grants related to assets, including non monetary grants at fair value, are presented in the balance sheet by setting up the grant as deferred income.

**3.5. Expenses**

Expenses include costs arising from ordinary activities of the CRTA and losses. Expenses arising from ordinary activities of the CRTA include: costs of materials, cost of wages, salaries and other personal expenses; Depreciation and amortization and other expenses, regardless of the time of payment.

**3.6. Interest income**

Interest incomes are recognized on cash receipts basis. On this basis, interest income are recognized when received rather than when earned.

**3.7. Foreign Exchange Translation**

All positions of assets and liabilities in foreign currencies are translated into their dinar equivalent at the official middle exchange rate of National Bank of Serbia prevailing at the balance sheet date (closing rate).

Transactions denominated in foreign currencies are translated into dinars at the official exchange rates in effect at the date of each transaction – prompt exchange.

Foreign exchange gains or losses arising upon the translation of transactions, and assets and liabilities in foreign currencies are credited or charged to the income statement.

**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2012

**CRTA - BELGARDE**

**4. PROPERTU, PLANT AND EQUIPMENT**

	In thousands of Dinars For the year	
	2012	2011
Opening balance at beginning of the year	-	-
Purchases of the equipment during the year	1.000	-
Depreciation during the year	(115)	-
<b>Balance as at December 31</b>	<b>885</b>	<b>-</b>

During the 2012 CRTA purchased cameras amounted to 519 thousands of Dinars, computer equipment amounted to 416 thousands of Dinars and printer amounted to 65 thousands of Dinars.

**5. CASH EQUIVALENTS AND CASH**

Cash equivalents and cash amounted to 6,917 thousands of Dinars as at December 31, 2012 (5,308 thousands of Dinars as at December 31, 2011) completely represents funds hold on current bank accounts in Dinars at Komercijalna Banka a.d. Belgrade.

**6. TRADE PAYABLES**

	In thousands of Dinars December 31,	
	2012	2011
Advances from the customers	-	5,308
Domestic suppliers	336	487
	<b>336</b>	<b>5,795</b>

Advances from the customers that are recognized at the Balance Sheet as of December 31, 2011 in amount of 5,308 thousands of Dinars represents deferred income, received from following donors:

	In thousands of Dinars December 31, 2011
RBF – "Rockefeller Bros Fund" USA	3,439
NED – "National Endowment for Democracy" USA	1,475
BIRN – "Balkan Investigate Reporting Network" Serbia	372
OSCE – "Organization for Security and Co-operation in Europe" Serbia	22
	<b>5,308</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2012**

**6. TRADE PAYABLES (CONTINUED)**

Liabilities to the domestic suppliers that are recognized at the Balance Sheet as of December 31, 2012 in amount of 336 thousands of Dinars (487 thousands of Dinars as of December 31, 2011) consist of following suppliers:

	In thousands of Dinars December 31,	
	2012	2011
Agencija EC Consulting Belgrade	336	-
"Quasar" Belgrade	-	477
"Mobilni centar SZTR" Belgrade	-	7
"Infostan" Belgrade	-	3
	<u>336</u>	<u>487</u>

**7. OTHER SHORT TERM LIABILITIES**

Other short term liabilities that are recognized at the Balance Sheet as of December 31, 2012 in amount of 7,468 thousands of Dinars (817 thousands of Dinars as of December 31, 2011) represent deferred income, received from following donors:

	In thousands of Dinars December 31,	
	2012	2011
NED – "National Endowment for Democracy" USA	1,605	-
RBF – "Rockefeller Bros Fund" USA	1,520	-
ISC – "Institute for Sustainable Community" USA	1,694	-
Royal Norwegian Embassy Belgrade	1,446	-
British Embassy Belgrade	259	-
FOS – "Found for Open Society" Serbia	944	446
BIRN – "Balkan Investigate Reporting Network" Serbia	-	371
	<u>7,468</u>	<u>817</u>

**8. SALARIES AND OTHER STAFF COSTS**

	In thousands of Dinars Year ended December 31,	
	2012	2011
Gross salaries	37	-
Contributions on employer's behalf	17	-
Outsourced staff	17,303	6,747
Travel and accommodation	-	63
	<u>17,417</u>	<u>6,810</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2012**

**8. OTHER OPERATING INCOME**

Other operating income that are recognized at the Income Statement for 2012 in amount of 36,863 thousands of Dinars (12,370 thousands of Dinars in 2011) relates to the income from the grants. Structure of the income from the grants in 2012 and 2011 presented by donors is listed as follows:

	In thousands of Dinars	
	Year ended December 31,	
	2012	2011
NED – "National Endowment for Democracy" USA	10,852	6,447
RBF – "Rockefeller Bros Fund" USA	10,392	4,498
Royal Norwegian Embassy Belgrade	7,227	-
ISC – "Institute for Sustainable Community" USA	3,500	-
British Embassy Belgrade	2,053	-
The German Marshall Fund of the U.S.	1,681	-
VVD International USA	-	681
OSCE – "Organization for Security and Co-operation in Europe" Serbia	125	664
FOS – "Found for Open Society" Serbia	489	47
BIRN – "Balkan Investigate Reporting Network" Serbia	544	-
SILC – "Swedish International Liberal Centre"	-	33
	<u>36,863</u>	<u>12,370</u>

**9. COST OF MATERIAL**

	In thousands of Dinars	
	Year ended December 31,	
	2012	2011
Cost of material	373	63
Office material	652	43
Cost of energy	195	102
	<u>1,220</u>	<u>208</u>

**10. SALARIES AND OTHER STAFF COSTS**

	In thousands of Dinars	
	Year ended December 31,	
	2012	2011
Gross salaries	97	-
Contributions on employer's behalf	17	-
Outsourced staff	17,303	8,787
Travel and accommodation	-	63
	<u>17,417</u>	<u>8,850</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2012**

**11. OTHER OPERATING EXPENSES**

	In thousands of Dinars Year ended December 31,	
	2012	2011
Intellectual services	15,638	4,255
Transportation, telecommunications and post	1,008	459
Representation	817	455
Maintenance	963	100
Advertising	-	456
Bank charges and fees	91	52
Other tax and charges	7	1
	<u>18,524</u>	<u>5,778</u>

**12. FINANCE INCOME**

	In thousands of Dinars Year ended December 31,	
	2012	2011
Interest income	56	-
Foreign exchange gains	446	6
	<u>502</u>	<u>6</u>

**13. FINANCE EXPENSES**

Finance expenses amounted to 80 thousands of Dinars in 2012 represents foreign exchange losses.

**14. EXCHANGE RATES**

The official exchange rates of National bank of Serbia for major currencies used in the translation of balance sheet components denominated in foreign currencies, into dinars were as follows:

Currency code	State	Currency sign	Calculated for	Average rate in Dinars	
				31.12.2012	31.12.2011
978	EMU	EUR	1	113.7183	104.6409
840	USA	USD	1	86.1763	80.8662
826	United Kingdom	GBP	1	139.1901	124.6022

Annual average official exchange rates for major currencies presented above for the concerning periods were as follows:

Currency code	State	Currency sign	Calculated for	Annual average rate in Dinars	
				2012	2011
978	EMU	EUR	1	113.0415	101.9621
840	USA	USD	1	87.9962	73.3118
826	United Kingdom	GBP	1	139.4213	117.4437



Preduzeće za reviziju i konsalting

**Stanišić Audit** d.o.o.

## **PREDUZEĆE ZA REVIZIJU I KONSALTING**

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