

ASSOCIATION CRTA, BELGRADE

**Financial Statements as of and for
the Year Ended 31 December 2024**

and

Independent Auditor's Report

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This is an English translation of Independent Auditor's Report and 2024 Financial Statements originally issued in the Serbian language

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF ASSOCIATION CRTA BELGRADE

Opinion

We have audited the financial statements of the Association CRTA Belgrade (hereinafter: the "Company"), which comprise the balance sheet as of 31 December 2024 and the income statement for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the accounting regulations prevailing in the Republic of Serbia and accounting policies disclosed in Note 3 to the financial statements.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting regulations prevailing in 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.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF ASSOCIATION CRTA BELGRADE (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Belgrade, 29 April 2025


Igor Radmanovic
Certified Auditor



To be filled by other legal entity

Company number: **17414054**

NACE code: **9499**

TIN: **102211181**

Name: CRTA

Address: Beograd (Vračar), Bulevar kralja Aleksandra 70

BALANCE SHEET

As of December 31st, 2024

- in RSD thousands-

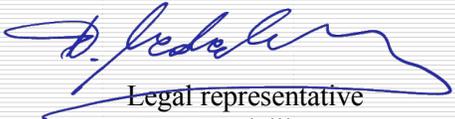
Group accounts, account	ITEM	EDP	Note number	Total		
				Current year	Previous year	
					Final balance 2023	Initial balance 2023
1	2	3	4	5	6	7
	ASSETS					
	A. NON-CURRENT ASSETS (0002 + 0003 + 0009+ 0010 + 0011 + 0012)	0001		20,698	14,296	0
01	I. INTANGIBLE ASSETS	0002		0	0	0
02	II. PROPERTY, PLANT AND EQUIPMENT (0004 + 0005 + 0006 + 0007 + 0008)	0003		17,169	14,296	0
020, 021 and 022	1. Land and buildings	0004		0	0	0
023	2. Plant and equipment	0005	5	17,169	14,296	0
024	3. Investment property	0006		0	0	0
025 and 027	4. Other property, plant and equipment	0007		0	0	0
026 and 028	5. Property, plant and equipment in preparation and advances for property, plants and equipment	0008		0	0	0
03	III. BIOLOGICAL ASSETS	0009		0	0	0
04	IV. LONG-TERM FINANCIAL INVESTMENTS	0010	6	3,529	0	0
05	V. LONG-TERM RECEIVABLES	0011		0	0	0
28 (part)	VI. LONG-TERM PREPAYMENTS AND ACCRUED INCOME	0012		0	0	0
	B. OPERATING ASSETS (0014+0019+0020+0021+0022+0023)	0013		122,794	148,253	0
Class 1	I. INVENTORIES (0015+0016+0017+0018)	0014		479	206	0
10	1. Materials, spare parts, small tools and inventor	0015		0	0	0
11 and 12	2. Work in progress and services in progress, finished products	0016		0	0	0

13	3. Merchandise	0017		0	0	0
15	4. Advances paid for inventories and services	0018	7	479	206	0
20	II. RECEIVABLES FROM SALES	0019	8	2,111	2,130	0
22 and 27	III. OTHER RECEIVABLES	0020	9	6,500	14,133	0
23	IV. SHORT-TERM FINANCIAL INVESTMENTS	0021	9	2,000	0	0
24	V. CASH AND CASH EQUIVALENTS	0022	10	111,001	131,341	0
28 (part)	VI. SHORT-TERM PREPAYMENTS AND ACCRUED INCOME	0023	11	703	443	0
	B. TOTAL ASSETS (0001 + 0013)	0024		143,492	162,549	0
88	G. OFF-BALANCE SHEET ASSETS	0025		0	0	0
	LIABILITIES					
	A. CAPITAL (OWN SOURCES) (0402 + 0403 - 0404 + 0405 - 0408) ≥ 0	0401	12	65,404	47,742	0
30	I. CONTRIBUTIONS (OWN SOURCES) OF THE FOUNDERS AND OTHER PERSONS	0402		0	0	0
330 and demand balance 331	II. POSITIVE REVALUATION RESERVES AND UNREALISED PROFITS	0403		0	0	0
debt balance 331	III. UNREALISED LOSSES	0404		0	0	0
34	IV. RETAINED PROFIT (0406 + 0407)	0405	12	65,404	47,742	0
340	1. Retained profit from previous years	0406	12	47,742	38,222	0
341	2. Retained profit from current year	0407	12	17,662	9,520	0
35	V. RETAINED LOSS (0409 + 0410)	0408		0	0	0
350	1. Excess of expenditure over income of previous year	0409		0	0	0
351	2. Excess of expenditure over income of the current year	0410		0	0	0
	B. LONG-TERM PROVISIONS AND LIABILITIES (0410+0411+0414+0415+0416+0417+ 0418+0419)	0411		0	0	0
40	I. LONG-TERM PROVISIONS	0412		0	0	0
41	II. LONG-TERM LIABILITIES (0412+0413)	0413		0	0	0
413 and 414	1. Long-term loans	0414		0	0	
41, excl. 413 and 414	2. Other long-term liabilities	0415		0	0	0
495 (part)	V. LONG-TERM DEFERRED INCOME AND RECEIVED DONATIONS	0416		0	0	0

49 (part), excl. 495	D. LONG-TERM ACCRUALS AND DEFERRED INCOME	0417		0	0	0
	E. SHORT-TERM RESERVATIONS I SHORT-TERM LIABILITIES (0419 + 0420 + 0421 + 0422 + 0423 + 0424 + 0425)	0418		78,088	114,807	0
463	I.SHORT-TERM PROVISIONS	0419		0	0	0
42	II. SHORT-TERM FINANCIAL LIABILITIES	0420		0	0	0
43	III. LIABILITIES FROM BUSINESS OPERATIONS	0421	13	988	2,458	0
45, 46, excl. 463 and 47	IV. OTHER SHORT-TERM LIABILITIES	0422	14	84	140	0
48 excl. 481	VI. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES	0423		0	0	0
481	VI. LIABILITIES FOR VALUE ADDED TAX	0424	14	3,117	1,680	0
49 (part)	VII. SHORT-TERM ACCRUALS AND DEFERRED INCOME	0425	15	73,899	110,529	0
	F. EXCESS OF EXPENDITURE OVER INCOME ABOVE THE AMOUNT OF CONTRIBUTIONS (OWN SOURCES) (0411 + 0416 + 0417 + 0418 - 0024) $\geq 0 =$ (0404 + 0408 - 0402 - 0403 - 0405) ≥ 0	0426				0
	G. TOTAL LIABILITIES (0401 + 0411 + 0416 + 0417 + 0418 - 0426)	0427		143,492	162,549	0
89	H. OFF-BALANCE SHEET LIABILITIES	0428		0	0	0

In Belgrade,

On 2025, March 26


 Legal representative
 Raša Nedeljko

The form prescribed by the Rulebook on the Content and Format of Financial Report Forms and the Content and Form of the Statistical Report Form for Other Legal Entities (“Official Gazette of the RS” no. 89/2020).

To be filled by other legal entity

Company number: **17414054**

NACE code: **9499**

TIN: **102211181**

Name: CRTA

Address: Beograd (Vračar), Bulevar kralja Aleksandra 70

INCOME STATEMENT

For the period from January 1st till December 31st, 2024

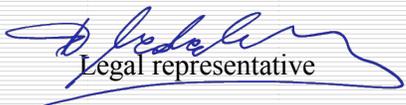
- in RSD thousands-

Group accounts, account	ITEM	EDP	Note number	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1003 + 1004 + 1005 + 1006 + 1007 - 1008 + 1009)	1001	16	384,744	287,113
60	I. INCOME FROM THE SALE OF MERCHANDISE, PRODUCTS AND SERVICES	1002	16	27,863	23,244
630 and 631	II. INCOME FROM MEMBERSHIP AND MEMBERSHIP FEES CONTRIBUTION	1003		0	0
632 and 639	III. INCOME FROM SPECIAL BUDGET REGULATIONS AND OTHER SOURCES	1004		0	0
64	IV. INCOME FROM DONATIONS, PREMIUMS, SUBVENTIONS, ETC..	1005	16	356,881	263,869
65	V. OTHER OPERATING INCOME	1006		0	0
620	VI. INCREASE OF INVENTORY VALUE	1007		0	0
621	VII. DECREASE OF INVENTORY VALUE	1008		0	0
61	VIII. INCOME OF ACTIVATION OF GOODS, PRODUCTS AND SERVICE	1009		0	0
	B. OPERATING EXPENSES (1011 + 1012 + 1013 + 1014 + 1015 + 1016 + 1017 + 1018)	1010	17	364,651	276,713
50	I. PURCHASE PRICE OF MERCHANDISE SOLD	1011		0	0
51	II. COSTS OF MATERIAL AND ENERGY	1012	17	11,677	12,011
52	III. COSTS OF SALARIES, FRINGE	1013	17	179,931	148,365

	BENEFITS AND OTHER PERSONAL EXPENSES				
53	IV. COST OF PRODUCTION SERVICES	1014	17	57,655	38,060
540	V. COSTS OF DEPRECIATION	1015	17	4,202	4,438
541	VI. COSTS OF PROVISIONS	1016		0	0
557	VII. COSTS OF DONATIONS	1017	17	30,717	12,258
55, excl. 557	VIII. NON-MATERIAL COSTS	1018	17	80,469	61,581
	C. OPERATING PROFIT (1001 - 1010) ≥ 0	1019		20,093	10,400
	D. OPERATING LOSS (1010 - 1001) ≥ 0	1020		0	0
66	E. FINANCIAL INCOME (1022 + 1023 + 1024 + 1025 + 1026)	1021		2,306	2,978
660	I. Financial income incurred with parent companies and subsidiaries	1022		0	0
661	F. INCOME FROM INTEREST	1023		0	0
662 and 663	III. FX GAINS AND POSITIVE EFFECTS OF CURRENCY CLAUSE AND OTHER EFFECTS OF RISK PROTECTION	1024	18	2,306	2,978
664	IV. Dividend income	1025		0	0
669	V. Other financial income	1026		0	0
56	II. FINANCIAL EXPENSES (1028 + 1029 + 1030 + 1031)	1027		2,258	2,105
560	I. Financial expenses incurred with parent companies and subsidiaries	1028		0	0
562	II. Costs of interest	1029		0	0
563, 564 and 566	III. Negative FX gains and negative effects of currency clause and other effects of risk protection	1030	19	2,258	2,105
569	IV. Other financial expenses	1031		0	0
	G. PROFIT FROM FINANCING (1021 - 1027)	1032		48	873
	H. LOSS FROM FINANCING (1027 - 1021)	1033		0	0
683 and 685	3. INCOME FROM VALUATION ADJUSTMENT OF LONG-TERM AND SHORT-TERM PLACEMENTS AND RECEIVABLES	1034		0	0

583 and 585	I. EXPENSES FROM VALUATION ADJUSTMENT OF LONG-TERM AND SHORT-TERM PLACEMENTS AND RECEIVABLES	1035		0	0
67 and 68, excl. 683 and 685	J. OTHER INCOME	1036	18	666	0
57 and 58, excl. 583 and 585	K. OTHER EXPENSES	1037	19	28	73
	L. TOTAL INCOME (1001 + 1021 + 1034 + 1036)	1038		387,716	290,091
	M. TOTAL EXPENSES (1010 + 1027 + 1035 + 1037)	1039		366,937	278,891
	N. EXCESS OF INCOME OVER EXPENSES FROM REGULAR BUSINESS BEFORE TAX (1038 - 1039) ≥ 0	1040	20	20,779	11,200
	O. EXCESS OF EXPENSES OVER INCOME FROM REGULAR BUSINESS BEFORE TAX (1039 - 1038) ≥ 0	1041		0	0
69-59	P. NET INCOME FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ERRORS	1042		0	0
59-69	Q. NET EXPENSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ERRORS	1043		0	0
	R. INCOME BEFORE TAXES (1040 - 1041 + 1042 - 1043) ≥ 0	1044	20	20,779	11,200
	S. EXPENSES BEFORE TAXES (1041 - 1040 + 1043 - 1042) ≥ 0	1045		0	0
721	T. TAX EXPENDITURES FOR THE PERIOD	1046	20	3,117	1,680
	U. NET INCOME (1044 - 1045 - 1046) ≥ 0	1047	20	17,662	9,520
	V. NET EXPENSE (1045 - 1044 + 1046) ≥ 0	1048		0	0

In Belgrade,
2025, March 26


Legal representative

Raša Nedeljkov

The form prescribed by the Rulebook on the Content and Format of Financial Report Forms and the Content and Form of the Statistical Report Form for Other Legal Entities ("Official Gazette of the RS" no. 89/2020).

CRTA

Tax identification number: 102211181
Company registration number: 17414054
Place: Belgrade (Vračar)
Address: Bulevar kralja Aleksandara 70

**NOTES
TO THE FINANCIAL STATEMENTS
FOR THE YEAR 2024**

CRTA

NOTES TO THE FINANCIAL STATEMENT

December 31st, 2024

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- 1 GENERAL INFORMATION ABOUT THE ASSOCIATION
- 2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS
- 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES
- 4 FINANCIAL STATEMENTS DISCLOSURES

1. GENERAL INFORMATION ABOUT THE ASSOCIATION

Association CRTA Belgrade (Vračar), Bulevar kralja Aleksandra 70 was founded on July 29th, 2002. and performs its activities in the Republic of Serbia in the form of an association.

Legal representatives of the Association are:

- Vukosava Crnjanski Šabović and
- Raša Nedeljkov.

Head office: Bulevar kralja Aleksandra 70, Beograd, Vračar

Register number: 17414054

Tax identification number: 102211181

The predominant activity: 9499 – Other organisations based on membership

The average number of employees in 2024 is 37, in 2023 35.

In the year 2024, the Association was classified as a small legal entity

The Financial statement of the Association CRTA Belgrade (Vračar), Bulevar kralja Aleksandra 70 for the year that ended on December 31st, 2024. were approved for disclosure by the decision of the Association'' management on March 20th, 2025.

2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1. Basis of preparation and presentation of the financial statements and compliance with national regulations

Financial statements of the Association for the year 2024 have been prepared in accordance with the Law on Accounting ("Official Gazette of the RS", No. 73/2019 and 44/21) and other applicable accounting regulations in the Republic of Serbia.

Financial statements have been compiled in accordance with:

- The Law on Accounting ("Official Gazette of the RS", No. 73/2019 and 44/21);
- The Rulebook on the method of recognition, valuation, presentation and disclosure of positions in individual financial reports of micro and other legal entities – hereinafter referred to as: the Rulebook ("Official Gazette of the RS" No. 89/2020);
- The Rulebook on the Account Framework and the content of accounts in the Account Framework other legal entities ("Official Gazette of the RS", No. 89/20);
- The Rulebook on the content and form of the financial statement and contents and form of a statistical report for other legal entities ("Official Gazette of the RS", No. 89/20).

The attached financial statements are in all their parts harmonised with all relevant provisions of the Rulebook, as well as with by-laws.

In compiling the attached financial statements, the Association applied the accounting policies disclosed in Note 3 hereunder, which are based on the valid accounting and tax regulations of the Republic of Serbia. These policies have been applied consistently to all years presented, unless otherwise noted.

2.2. Comparative data

The comparative data in the financial statements for 2024 were taken from the financial statements for 2023.

2.3. Changes in accounting policies

There were no changes in accounting policies.

2.4. Going concern and subsequent events after the balance sheet date

The financial statements have been prepared under the assumption of the going concern of the Association, i.e. assuming that the Association will continue to operate for an indefinite period of time in the foreseeable future.

2.5. Official and functional reporting currency

Financial statements of the Association are expressed in thousands of dinars (RSD), which is the official currency in which financial reporting is performed in the Republic of Serbia. Unless otherwise stated, all amounts are expressed in thousands of dinars.

2.6. Accounting method

Financial statements have been prepared according to the original purchase value (historical cost) method, unless the Rulebook requires a different basis of valuation in the manner described in the accounting policies.

2.7. Valuation rules – basic assumptions

The financial statements have been prepared on the accrual basis of accounting (matching principle) and the going concern assumption.

Under the accrual basis of accounting, transactions and events are recognized when they occur and are recorded in the financial statements in the period to which they relate, regardless of the timing of the related cash receipts or payments.

The preparation of the financial statements required the management of the Association to make the best possible estimates and reasonable assumptions, which have an impact on the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of income and expenses for the reporting period. These estimates and assumptions are based on the information available as of the date the financial statements were authorized for issue. Actual results may differ from these estimates.

2.8. Recognition of financial statements elements

An asset is recognised in the balance sheet when it is probable that it will be all in flow to the Association on the basis of the use of the asset, and when the asset has acquisition value, or cost price or a reliably measurable value.

Liabilities are recognised in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation, and the amount of the obligation can be measured reliably.

Income is recognised in the income statement when an increase in economic benefits is associated with an increase in assets or a decrease in liabilities that can be measured reliably, that is, revenue recognition occurs simultaneously with the recognition of an increase in assets or a decrease in liabilities.

Expenses are recognised in the income statement when the reductions in economic benefits associated with a decrease in assets or an increase in liabilities can be measured reliably, that is, the recognition of expenses occurs at the same time as the recognition of an increase in liabilities and by reducing funds.

2.9. Impairment of property value

At each balance sheet date, the Association reviews the book value of its tangible and intangible assets to determine whether there has been an impairment loss. If such indications exist, the recoverable amount of the asset is estimated in order to determine the eventual loss. If it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the money-generating unit to which the asset belongs.

The recoverable amount is the net selling price or the value in use, whichever is higher.

If the estimated recoverable amount of an asset (or cash-generating unit) is inferior to the carrying amount, then the book value of that asset is reduced to the recoverable amount. Impairment losses are immediately recognised as an expense.

2.10. Court disputes

When measuring and recognising provisions and determining the level of exposure to potential liabilities related to existing court cases, the management of the Association shall make certain estimations. These estimations are necessary to determine the likelihood of a negative outcome and to determine the amount necessary for a final court settlement. Due to the inherent uncertainty in the valuation process, actual losses may differ from the losses initially determined by the estimation. Therefore, estimates shall be corrected when the Association receives new information, mostly with the support of internal professional services or external advisors.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATIONS

3.1 Foreign currency translation and exchange rate treatment

Transactions denominated in foreign currencies are translated into dinars at the middle exchange rate determined at the interbank foreign exchange market in Serbia, which was in force at the date of the transaction.

Assets and liabilities denominated in foreign currency at the balance sheet date are translated into dinars at the middle exchange rate established on the interbank foreign exchange market for the day.

Assets and liabilities with a currency clause are valued at the agreed exchange rate of the foreign currency on the balance sheet date.

Net positive or negative exchange rate differences, as well as positive and negative effects of the currency clause, are reported within financial income and expenses in the income statement.

Non-monetary items that are measured at historical cost expressed in a foreign currency are translated using the historical rates of exchange at the date of the initial transaction.

The official middle exchange rates of the National Bank of Serbia used for the recalculation of balance sheet positions in foreign currencies or with a currency clause, for certain major currencies on the balance sheet date, were the following:

Currency	December 31 st , 2024	December 31 st , 2023
EUR	117.0149	117.1737
USD	112.4386	105.8671
SEK	10.2	10.5963

3.2 Intangible assets, Property, Plant and Equipment

Intangible assets, property, plant and equipment are initially recognised at purchase price or cost value, that is, the cost price minus the accumulated depreciation and possible accumulated losses due to impairment, in the manner prescribed in Article 13 of the Rulebook for micro businesses and other legal entities.

After initial recognition, intangible assets, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, except for buildings and land, which are subsequently measured using the revaluation model.

Equipment is capitalized if its useful life exceeds one year and its individual value is greater than RSD 150,000.

Subsequent expenditures related to property, plant and equipment that aim to extend the useful life or increase capacity are added to the carrying amount of the asset.

Depreciation of intangible assets, property, plant and equipment is calculated on the cost of the asset, using the straight-line method over the estimated useful life of the asset, applying the following rates:

Intangible investments	10-20%
Motor vehicles	15%
Office equipment, other equipment	30%
Computers and IT equipment	30%
Other equipment	10-20%

Depreciation commences in the month following the month in which the asset is put into use.

No depreciation is charged on assets under construction until they are ready for their intended use.

An asset is derecognized from the records upon disposal or when no future economic benefits are expected from its use. Gains or losses on disposal or retirement of an asset (calculated as the difference between the net sale proceeds and the carrying amount) are recognized in the statement of profit or loss in the period in which the asset is derecognized.

3.3 Financial instruments

Classification of financial instruments

Financial instruments include long term financial placements, receivables, short term financial placements, cash and cash equivalents. The Association classifies financial instruments into one of the following categories: financial assets at fair value through the income statement, investments held to maturity, credits (loans), receivables and assets available for sale. Classification depends on intent for which the assets were acquired. The management of the Association determines classification of financial assets at initial recognition.

Financial liabilities include long-term financial liabilities, short-term financial liabilities, operating liabilities and other short-term liabilities.

Effective interest method

The effective interest method is a method of calculating the depreciated value of a financial asset or financial liabilities and the distribution of interest income and interest expense over a specified period. The effective interest rate is the interest rate that accurately discounts future cash payments or receipts during the expected life of the financial instrument or, where appropriate, during a shorter period to the net book value of the financial asset or financial liability.

Cash and cash equivalents

Cash and cash equivalents are cash on hands, funds at current and foreign currency accounts as well as short-term deposits of up to three months that are easily possible to convert to cash are subject to an insignificant risk of change in value.

Credits (loans), placements and receivables

Trade receivables, credits (loans) and other fixed or determinable payments that are not quoted in an active market are classified as loans (short-term loans) and receivables.

Loans and receivables are measured at depreciated cost using the effective interest method, minus any impairment loss. Interest income is recognized using the effective interest method, except in the case of short-term receivables, where recognition of interest income would not be substantially significant.

Impairment of financial assets

At each balance sheet date, the Association assesses whether there is objective evidence that a financial asset or group of financial assets has been impaired (except for assets carried at fair value through the income sheet). Impairment of financial assets is made when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the assets will change.

Impairment (value adjustments) of receivables is made indirectly based on the management's assessment on the reality of collection of receivables, and directly if the inability to collect is certain and documented. Changes in the value adjustment account are recorded in favour or expense of the income statement. Written off receivables are recorded in the income statement as other income.

3.4 Inventories

Inventory is valued either at cost value, that is, cost price, or net sales value, depending on which of the two is lower.

Cost value includes invoice value from suppliers, import duties, transport expenses, and other variable procurement expenses. Cost price comprises direct material costs, direct labour cost and indirect cost of production. Expenses are included in cost price based on normal level of utilization of capacities, excluding interest costs and cost of period.

Net sales value is the value at which the supplies could normally be sold on the market, after deduction of selling expenses.

3.5 Receivables

Receivables include sales receivables (domestic and foreign customers), receivables from specific operations, and other receivables (such as interest receivables, receivables from employees, receivables from government authorities and organizations, receivables arising from overpaid taxes and contributions excluding income tax, as well as receivables from donors).

Receivables are stated at the original invoiced amount, minus value corrections based on their impairments.

Write-off of short-term receivables where there is a probability of uncollectibility is done by indirect write-off, while in cases where the impossibility of collection is complete and documented write-off, in whole or in part, is done by direct write-off.

The probability of impossibility of collection is determined in each specific case based on documented reasons. Short-term receivables that have not been collected within 180 days from the expiry date for collection are indirectly written off in the amount of 100% of the nominal amount of the receivable.

Receivables in foreign currency are valued at the middle exchange rate of the National Bank of Serbia on the balance sheet date, and receivables with a currency clause are valued at the agreed exchange rate on the balance sheet date. Positive and negative exchange differences, as well as the effects of the currency clause, are recorded in favour of financial income and expenses. Definitely uncollectible receivables are directly written off against other expenses.

3.6 Receivables for overpaid income tax

They include overpaid income tax.

3.7 Prepayments and accrued income

Accruals include accrued expenses (expenses related to the future accounting period), receivables for uninvoiced income, accrued expenses based on obligations and other accruals.

3.8 Accrued costs and deferred revenues

In the scope of passive accruals, prepaid income and expenses of the current period for which no document has been received or when the payment obligation arises in the future period are reported.

Deferred revenues and donations received for the purpose determined by the contract are reported within the scope of deferred revenues.

3.9 Capital

Capital represents the remaining participation in the assets of the Association, after deducting all its liabilities. The capital of the Association includes the non-allocated profit of previous or current years.

3.10 Long-term and short-term financial liabilities

Long-term and short-term financial liabilities include loan liabilities and financial leasing liabilities.

Financial liabilities, including loan liabilities, are initially recognized at the fair value of funds received, minus transaction costs.

3.11 Business liability

They include received advances, deposits and sureties, suppliers, issued bills and checks to creditors and liabilities from specific businesses. Liabilities in dinars from business are reported in the unpaid amount. Liabilities in foreign currency are stated at the middle exchange rate on the balance sheet date, and liabilities with a currency clause are stated at the agreed exchange rate.

3.12 Other short-term liabilities

They include liabilities based on wages and salary benefits in the gross amount, liabilities based on interest and financing costs.

3.13 Employee benefits

Employee taxes and contributions for Social Security

Amounts of payments to employees are recognised as salary expenses in the income statement. The Association bears the costs of employees related to health insurance, pension insurance, unemployment insurance and the like. These amounts are reported in the income statement within salary expenses.

Costs of pensions and other benefits after retirement

Amounts of payment to employees are recognised as salary expense in the income statement.

All employees of the Association are part of the pension plan of the Republic of Serbia. All contributions that are mandatory under the Government's pension plan are reported as an expense in the period in which they are incurred. In the regular course of business, the Association makes tax payments and contributions on behalf of its employees. The Association is not involved in other forms of pension plans and has no obligations on these grounds.

Severance pay

Severance pay is paid upon termination of employment before the regular retirement date or when the employee accepts voluntary termination of employment as surplus labour in exchange for severance pay. In accordance with the provisions of the Labour Law, the Association has the obligation to pay the employee severance pay upon retirement in the amount of two average gross wages earned in the Republic of Serbia according to the last published data of the Statistical Office of the Republic of Serbia in the month preceding the month of retirement. Severance payments due in a period longer than 12 months after the balance sheet date are reduced to the present value.

3.14 Income tax

Income tax is the amount that is calculated and paid in accordance with the tax regulations of the Republic of Serbia. The final amount of the income tax liability is determined by applying a tax rate of 15% to the tax base set out in the Association's tax balance.

3.15 Revenues and expenses

Revenues from the sale of goods and services rendered are recognized in the income statement when all risks and rewards have passed to the customer. Sales revenues are recorded when the goods are delivered or the service is rendered. Revenues are recorded at invoiced value.

Revenues from services are recognised according to the degree of completion of the services. The estimation of the degree of completion is made on the basis of the ratio of incurred costs and total projected costs for the execution of those services.

Expenses are recognized based on the principle of causality (matching principle), meaning they are recorded in the same period as the revenues to which they relate.

In the business year, all revenues and expenses related to the business year are recognised, regardless of the date of their collection or payment.

4. FINANCIAL STATEMENTS DISCLOSURES

*all data are expressed in thousands of dinars (RSD).

5. Property, plants and equipment

		2024	2023
023	Plants and equipment	17169	14296
	TOTAL:	17169	14296

6. Long-term investments

		2024	2023
048	Other non-current financial assets – deposits paid	3529	0
	TOTAL:	3529	0

7. Inventories

		2024	2023
150	Paid advances	479	206
	TOTAL:	479	206

8. Receivables from sales

		2024	2023
203	Foreign trade receivables	2111	2130
	TOTAL:	2111	2130

9. Other short-term receivables

		2024	2023
224	Receivables for other taxes and contributions prepaid	11	11
228	Other short-term receivables	6489	14122
231	Short-term loans	2000	0
	TOTAL:	8500	14133

10. Cash and cash equivalents

		2024	2023
241	Bank accounts - Dinars	15128	44568
244	Bank accounts - Foreign currency	95873	86773
	TOTAL:	111.001	131341

11. VAT and prepayments and accrued income

		2024	2023
280	Prepaid costs	703	443
	TOTAL:	703	443

12. Capital (EDP 0401)

		2024	2023
340	Retained profit from previous years	47742	38222
341	Retained profit from current year	17662	9520
	TOTAL:	65404	47742

13. Liabilities for received advances and payables to suppliers

		2024	2023
431	Trade payables - domestic	971	2091
432	Trade payables - foreign	0	352
439	Other liabilities from business operations	17	16
	TOTAL:	988	2458

14. Other short-term liabilities

		2024	2023
479	Liabilities for VAT on difference between calculated VAT and previous taxes	84	140
481	Liabilities for income tax	3117	1680
	TOTAL:	3201	1820

15. Accruals and deferred income

		2024	2023
495	Deferred grant income of the future periods	73899	110529
	TOTAL:	73899	110529

16. Revenues

		2024	2023
603	Revenues from sale of services	27863	23244
642	Income from donations from abroad	306452	244908
643	Income from donations from domestic legal entities	50372	18864
644	Income from donations from individuals	57	97
	TOTAL:	384744	287113

17. Expenses

		2024	2023
512	Costs of other material (overhead)	6973	6203
513	Cost of fuel and energy	1019	569
514	Write offs - inventory	3685	5239
520	Costs of salaries and fringe benefits (gross)	93077	78211
521	Costs of taxes and contributions on salaries and fringe benefits charged to employer	14083	11806
522	Costs of remunerations according to temporary service contracts	0	1020
523	Costs of remunerations according to author's contracts	39717	33760
524	Costs of remunerations according to temporary and provisional contracts	11099	6174
529	Other personal expenses remunerations	21955	17393
530	Costs of services used in production process of own costs capitalized	6435	3364
531	Transport services costs	8970	9189
532	Maintenance costs	2035	1093
533	Rental costs	22016	17051
535	Advertising costs	13272	6657
536	Costs of researching activities	3705	34
539	Costs of other services	1221	672
540	Depreciation costs	4202	4438
550	Costs of non-production services	69612	54717
551	Representation costs	9090	5567
552	Costs of insurance premiums	696	512
553	Costs of payment operations	616	518
554	Costs of membership fees	269	35
555	Tax costs	91	182
557	Costs of donations	30717	12257
559	Other non material costs	96	52
	TOTAL:	364651	276713

18. Financial and other revenues

		2024	2023
662	Income from interest	208	82
663	FX Gains	2098	2896
670	Gains on disposals of Intangible assets and property, plants and equipment	666	0
	TOTAL:	2972	2978

19. Financial and other expenditures

		2024	2023
563	FX losses	2258	2105
577	Expenditure of the disposal of goods	0	3
579	Other expenses	28	70
	TOTAL:	2286	2178

20. Operating Result	2024	2023
1. Net operating result	20779	11200
2. Income tax liabilities	3117	1680
3. Current year's net income	17662	9520

In the process of calculating the income tax, the prescribed tax rate is applied to the difference between the income generated from market activities and the corresponding expenses.

21. POTENTIAL ASSETS AND LIABILITIES

In accordance with Article 22 of the Law on Accounting, the Association reconciled receivables with debtors. Reconciliation of receivables was carried out with the balance as of December 31st, 2024.

In accordance with Article 22 of the Law on Accounting, the Association reconciled its liabilities with creditors. Reconciliation of obligations was carried out with the balance as of December 31st, 2024.

In the process of reconciling with business partners, no unconsolidated receivables were identified.

The Association has no given guarantees nor any other potential liabilities.

On December 31th 2024 the Association appears as a defendant in two lawsuits with a total value of RSD 11000 thousand, excluding court costs and interest costs.

For ongoing disputes, the total value of which is RSD 11,000 thousand the management expects a positive outcome, on that basis the Association has not made any reservations.

22. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After the reporting date, two projects funded by USAID were discontinued. The discontinuation has no impact on the financial statements for the year 2024. There were no other significant events after the reporting date, including new legal proceedings, enforcement of mortgages or guarantees, status changes, or any other material events.

Belgrade (Vračar), March 20th, 2025

Legal representative



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