

CRTA BEOGRAD

**Independent Auditors' Report and
Financial Statements
Year Ended December 31, 2018**

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Translation of the Auditors' Report issued in the Serbian language

INDEPENDENT AUDITORS' REPORT

To the Management of CRTA BEOGRAD

We have audited the accompanying separate financial statements of CRTA BEOGRAD ("the Company") which comprise the separate balance sheet as at December 31, 2018, the separate income statement, a summary of significant accounting policies and notes to the financial statements.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and true and fair view of these financial statements in accordance with the accounting regulations effective in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Law on Auditing and auditing standards applicable in 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 separate financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Management of CRTA BEOGRAD

Opinion

In our opinion, financial statements give a true and fair view, in all material respects, of the financial position of CRTA BEOGRAD as at December 31, 2018, and its financial performance for the year then ended in accordance with the accounting regulations effective in the Republic of Serbia.

Other

Financial statements of the Company for the year ended December 31, 2017 were audited by another auditor who expressed an modified opinion on those statements on January 18, 2019.

Belgrade, October 22, 2019



This is a translation of the original Independent Auditor's Report issued in the Serbian language. All due care has been taken to produce a translation that is faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Serbian version of the document shall prevail.

Company number: 17414054	NACE code: 9499	TIN: 102211181
Name: CRTA		
Address: Beograd (Vračar), Topolska 22		

BALANCE SHEET

as on 31.12 2018

in RSD thousands

Group accounts, account	ITEM	EDP	Note	Total		
				Current year	Previous year	
					final 31.12.2017	initial 01.01.2017
1	2	3	4	5	6	7
	A S S E T S					
	A. NON-CURRENT ASSETS (0002+0003+0009+0010+0011)	0001	5	4,069	4,471	
01	I. INTANGIBLE ASSETS	0002	5.1	111	222	
02	II. PROPERTY, PLANT AND EQUIPMENT (0004+0005+0006+0007+0008)	0003	5.2	3,958	4,249	
020, 021 and 29 (part)	1. Land	0004		-	-	
022 and 029 (part)	2. Buildings	0005		-	-	
023 and 029 (part)	3. Plant and equipment	0006	5.2.1	3,958	4,249	
024 and 029 (part)	4. Investment property	0007		-	-	
025 and 029 (part)	5. Other property, plant and equipment	0008		-	-	
03	III. BIOLOGICAL ASSETS	0009		-	-	
04	IV. LONG-TERM FINANCIAL INVESTMENTS	0010		-	-	
05	V. LONG-TERM RECEIVABLES	0011		-	-	
	B. OPERATING ASSETS (0013+0018+0019+0020+0021+0022+0023)	0012	6	31,030	32,668	
Class 1	I. INVENTORIES (0014+0015+0016+0017)	0013	6.1	6,082	161	
10	1. Materials, spare parts, small tools and inventor.	0014		-	-	
11 and 12	2. Work in progress and services in progress, finished products	0015		-	-	
13	3. Merchandise	0016		-	-	
15	4. Advances paid for inventories and services	0017	6.1.1	6,082	161	

Group accounts, account	ITEM	EDP	Note	Total		
				Current year	Previous year	
					final 31.12.2018	initial 01.01.2017
20	II. RECEIVABLES FROM SALES	0018		-	-	
22	III. OTHER RECEIVABLES	0019	6.2	821	11,138	
23	IV. SHORT-TERM FINANCIAL INVESTMENTS	0020		-	-	
24	V. CASH AND CASH EQUIVALENTS	0021	6.3	23,061	21,369	
27	VI. VALUE ADDED TAX	0022		-	-	
28	VII. PREPAYMENTS AND ACCRUED INCOME	0023	6.4	1,066	-	
	B. TOTAL ASSETS = OPERATING ASSETS (0001+00012)	0024	5,6	35,099	37,139	
88	C. OFF-BALANCE SHEET ASSETS	0025		-	-	
	LIABILITIES					
	A. CAPITAL (0402+0403-0406)>=0	0401		-	-	
30	I. CAPITAL STOCK	0402		-	-	
34	II. RETAINED PROFIT (0404+0405)	0403		-	-	
340	1. Retained profit from previous years	0404		-	-	
341	2. Retained profit from current year	0405		-	-	
35	III. LOSS (0407+0408)	0406		-	-	
350	1. Previous year's losses	0407		-	-	
351	2. Current year loss	0408		-	-	
	B. LONG-TERM PROVISIONS AND LIABILITIES (0410+0411+0414+0415+0416+0417+ 0418+0419)	0409	7	35,099	37,139	
40	I. LONG-TERM PROVISIONS	0410		-	-	
41	II. LONG-TERM LIABILITIES (0412+0413)	0411	7.1	960	1,284	
413 and 414	1. Long-term loans	0412		-	-	
41 except 413 and 414	2. Other long-term liabilities	0413	7.1.1	960	1,284	

Group accounts, account	ITEM	EDP	Note	Total		
				Current year	Previous year	
					final 31.12.2018	initial 01.01.2017
42	III. SHORT-TERM FINANCIAL LIABILITIES	0414	7.2	343	340	
43	IV. LIABILITIES FROM BUSINESS OPERATIONS	0415	7.3	1,181	837	
45 and 46	V. OTHER SHORT-TERM LIABILITIES	0416	7.4	22	11	
47	VI. LIABILITIES FOR VALUE ADDED TAX	0417		-	-	
48	VII. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES	0418		-	-	
49	VIII. ACCRUALS AND DEFERRED INCOME	0419	7.5	32,593	34,667	
	B. LOSS ABOVE THE VALE OF EQUITY (0409-0024) >= 0 = (0402+0403-0406) <= 0	0420		-	-	
	C. TOTAL LIABILITIES (0401+0409-0420) >= 0	0421	7	35,099	37,139	
89	D. OFF-BALANCE SHEET LIABILITIES	0422		-	-	

Signature

Seal: CRTA

Company number: 17414054	NACE code: 9499	TIN: 102211181
Name: CRTA		
Address: Beograd (Vračar), Topolska 22		

INCOME STATEMENT

In the period from 01.01 to 31.12.2018

in RSD thousands

Group accounts, account	ITEM	EDP	Note	Total	
				Current year	Previous year
1	2	3	4	5	6
	OPERATING REVENUES AND EXPENSES				
60 to 65, exc.61&62	A. OPERATING REVENUES (1002+1003+1004+1005+1006)	1001	8	172,308	102,644
60	I. INCOME FROM THE SALE OF MERCHANDISE	1002	8.1	790	1,586
630 and 631	II. INCOME FROM	1003		-	-
632 and 639	III. INCOME FROM	1004		-	-
64	IV. INCOME FROM PREMIUMS, SUBVENTIONS, DONATIONS, ETC.	1005	8.2	171,518	101,058
65	IV. OTHER OPERATING INCOME	1006		-	-
50 to 55, 61, 620 and 621	B. OPERATING EXPENSES (1008-1009-1010+1011+1012+1013+1014+1015+1016+1017+1018)	1007	9	171,520	102,089
50	I. COST OF MERCHANDISE SOLD	1008		-	-
61	II. INCOME FROM THE OWN USE OF PRODUCTS, SERVICES AND MERCHANDISE	1009		-	-
620	III. INCREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS	1010		-	-
621	IV. DECREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS	1011		-	-
51	V. COSTS OF MATERIAL AND ENERGY	1012	9.2	4,045	1,825
52	VI. COSTS OF SALARIES, FRINGE BENEFITS AND OTHER PERSONAL EXPENSES	1013	9.3	59,982	37,962
53	VII. COST OF PRODUCTION SERVICES	1014	9.4	13,526	10,942
540	VIII. COSTS OF DEPRECIATION	1015	9.5	875	609
541	IX. COSTS OF PROVISIONS	1016		-	-
557	X. COSTS OD DONATIONS	1017		-	-
55 exc. 557	IX. NON-PRODUCTION COSTS	1018	9.6	93,092	50,751
	C. OPERATING PROFIT (1001-1007)	1019	8,9	788	555
	D. OPERATING LOSS (1007-1001)	1020		-	-

Group accounts, account	ITEM	EDP	Note	Total	
				Current year	Previous year
1	2	3	4	5	6
66	I. FINANCIAL INCOME (1022+1023+1024+1025+1026)	1021	10	102	1,978
660	1. Financial income incurred with parent co. and subsidiaries	1022		-	-
661	2. Income from interest	1023	10.1	63	92
662 & 663	3. FX gains and positive effects of currency clause	1024	10.2	39	1,886
664	4. Dividend income	1025		-	-
669	5. Other financial income	1026		-	-
56	II. FINANCIAL EXPENSES (1028+1029+1030+1031)	1027	11	900	2,310
560	1. Financial expenses incurred with parent companies and subsidiaries	1028		-	-
562	2. Costs of interest	1029	11.1	46	19
563,564 & 566	3. Negative FX gains and negative of currency clause	1030	11.2	854	2,291
569	4. Other financial expenses	1031		-	-
	III. PROFIT FROM FINANCING (1021-1027)	1032		-	-
	IV. LOSS FROM FINANCING (1027-1021)	1033	10,11	798	332
683 & 685	V. INCOME FROM VALUATION ADJUSTMENT OF OTHER ASSETS AT FAIR VALUE	1034		-	-
583 & 585	VI. EXPENSES FROM VALUATION ADJUSTMENT OF OTHER ASSETS AT FAIR VALUE	1035		-	-
	VII. NET INCOME FROM VALUATION ADJUSTMENT OF OTHER ASSETS AT FAIR VALUE	1036		-	-
	VIII. NET LOSS FROM VALUATION ADJUSTMENT OF OTHER ASSETS AT FAIR VALUE	1037		-	-
67&68, ex. 683&685	IX. OTHER INCOME	1038	12	123	25
57 & 58, ex. 583 & 585	X. OTHER EXPENSES	1039	13	138	234
	XI. INCOME FROM CONTINUING OPERATIONS BEFORE TAXES (1019+1020+1032+1033+1036+1037+1038-1039)	1040	8,9,10,11, 12,13	-	14
	XII. LOSS FROM CONTINUING OPERATIONS BEFORE TAXES (1020-1019+1033+1032+1037-1036+1039-1038)	1041	8,9,10,11, 12,13	25	-
69 - 59	XIII. NET INCOME FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACC. PRINCIPLES AND PRIOR PERIOD ERRORS	1042	15	25	-
59 - 69	XIV. NET LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ERRORS	1043	14	-	14
	F. INCOME BEFORE TAXES (1040-1041+1042-1043)	1044		-	-
	G. LOSS BEFORE TAXES (1041-1040+1043-1042)	1045		-	-
	H. INCOME TAX				
721	I. TAX EXPENDITURES FOR THE PERIOD	1046		-	-
	I. NET INCOME (1044-1045-1046)	1047		-	-
	J. NET LOSS (1045-1044+1046)	1048		-	-

Signature

Seal: CRTA

CRTA

**NOTES TO THE
FINANCIAL STATEMENTS FOR THE
YEAR ENDING DECEMBER 31, 2018**

1. GENERAL INFORMATION

Full name of the association: CRTA

Head office: Topolska 21, Beograd, Vračar

Register number: 17414054

Tax identification number: 102211181

The predominate activity: 9499 – Other organisations based on membership

Date of establishment July 29, 2002

Based on data for the year ending December 31, 2018 as of December 31, 2018 entity is classified as a micro bussines.

Average number of employees for the year 2018 was 8 (2017: 7)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1. Basis of preparation of the financial statements

Financial statements for the year ending December 31, 2018 are prepared in accordance with the Law on Accounting ("Official Gazette of the RS", No. 62/2013) and other applicable accounting regulations in the Republic of Serbia.

The Company has compiled these financial statements in the format prescribed by the Ministry of Finance of the Republic of Serbia which apply for the period ending December 31, 2018.

2.2. Presentation of the financial statements

The Financial statements are presented in the format prescribed by the Rulebook on the content and form of the financial statement for companies, cooperatives, other legal entities and entrepreneurs ("Official Gazette of the RS", No. 114/2006, 119/2008, 2/2010, 101/2012, 118/2012, 3/2014, 95/2014, 144/2014).

Financial statements are expressed in thousands of dinars (RSD), unless otherwise stated.

Dinar is the official currency in which financial reporting is performed in the Republic of Serbia.

The comparative data are expressed in thousands of dinars (RSD), effective as of December 31, 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Valuation rules - basic assumptions

Financial statements are prepared based on causation principle and the business continuity principle.

On the causation principle, a transaction is recognized when it occurs and is included into financial statements for the period to which it relates, regardless of the receipt of cash payments in respect of that event.

Financial statements are prepared on the assumption that the association will operate for an indefinite period of time and that it will continue in business for the foreseeable future.

3.2. Recognition of financial statements elements

An asset is recognized 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 measurable value.

Liabilities are recognised in balance sheet when it is probable that there will be an outflow from settlements of current debt and when the value of liability can be reliably measured.

Income is recognized 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 recognized 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.

3.3. 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 are translated into dinars at the middle exchange rate established on the interbank foreign exchange market for the day.

Foreign exchange gains or losses arising on foreign currency transactions and on the translation of foreign currency balance sheet items are recorded in favor or expense of the income statement.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4. Property, plant and equipment

Property, plant and equipment are initially recognized at cost value.

Cost value is the invoice value plus any costs directly attributable to bring these assets to a functional condition.

Equipment is capitalized if its useful life exceeds one year and if its individual value is greater than the value prescribed by tax regulations.

Subsequent investments in property, plant and equipment, which aim to extend their useful lives or increase their capacity, increase their carrying value.

Subsequent to initial recognition, property, plant and equipment are carried at cost value less any accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is calculated on the value of property, plant and equipment at the beginning of the year, or on the purchase value of equipment put to use during the year, using the proportional method over the estimated useful lives of assets, using the following rates:

Vehicles	10%
Computers	30%
Office furniture	15%
Other assets	10% - 15%

Depreciation starts from the following month compared to the month in which the asset is put into use.

Depreciation rates are reviewed annually to calculate depreciation that reflects the actual use of these assets in the course of business and the remaining intended useful lives.

The asset is derecognized at the time of disposal or if no future economic benefits are expected from using the asset.

Gains or losses on the sale or write-off of assets (as the difference between the sale value and the carrying amount) are recognized in the income statement of the relevant period.

3.5. Inventory

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5. Inventory (continued)

Cost value includes invoice value from suppliers, import duties, transport expenses, and other variable procurement expenses.

Cost price comprises of 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 value at which the supplies could normally be sold on market, after deduction of selling expenses.

3.6. Impairment of assets

On the day of balance sheet, the entity evaluates its tangible and intangible assets to determine whether it has encountered deduction of asset's value.

If there are such indications, entity estimates net realizable value (NRV) to determine eventual loss.

If the NRV could not be estimated, the entity estimates NRV of unit that generates cash, which the asset belongs to.

NRV is net sales or value in use, depending on which one of the two is higher.

To estimate value in use, estimated future cash flows are discounted to present value, using discount rate before tax which reflects current market's estimation of the time value of money for risks specific to such asset.

If the NRV (or the value of unit that generates cash) is lower than carrying amount, then the carrying amount is adjusted to the level of NRV.

The loss from deduction of value is recognized as expense, unless the asset was previously subject of revaluation. In this case, the portion of the loss, up to the amount of the revaluation, is recognized within other comprehensive income.

3.7. Borrowing costs

Borrowing costs relate to interest and other costs associated with borrowings. Borrowing costs directly attributable to the acquisition, construction or construction of a qualifying asset (investment) are included in the cost or cost of the asset.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTIUED)

3.8. Financial instruments

Classification of financial instruments

Financial instruments includes long term financial placements, receivables, short term financial placements, cash and cash equivalents.

The entity classifies financial instruments into 5 categories: financial assets at fair value through OCI, investments held to maturity financial, receivables and assets available for sale. Classification depends on intent for which the assets were acquired.

The entity determines classification of financial assets at inicial recognition.

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

The association classifies financial liabilities into two categories: fair value liabilities through OCI and other financial 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 carrying amount of the financial asset or financial liability.

Cash and cash equivalents

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

Loans (borrowings) and receivables

Trade receivables, loans (borrowings) 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 amortized cost using the effective interest method, less any impairment loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8. Financial instruments (continued)

Loans (borrowings) and receivables (continued)

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 material.

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 OCI).

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 (allowance) of receivables is made indirectly based on management's assessment on the reality of collection of receivables, and directly if the inability to collect is certain and documented.

Changes in the allowance account are recorded in favour or expense of the income statement. Written off receivables are recorded in the income statement as other income.

Other financial liabilities

Other financial liabilities, including loans, are initially recognized at fair value of the proceeds, deducted for transaction costs.

After initial recognition, other financial liabilities are measured at amortized cost using the effective interest method.

Interest expense is recognized in the income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTIUED)

3.9. Income tax

Current 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.

The tax base shown in the tax balance includes the profit shown in the official Income statement corrected for the permanent differences defined by the regulations on taxation of the income tax of the Republic of Serbia.

State regulations do not provide that tax losses from the current period can be used as a basis to recover tax paid in prior periods. However, losses from the current period may be used to reduce the tax base of future accounting periods, but not longer than 5 years.

Deferred tax

Deferred income tax is calculated using the balance sheet liability method for temporary differences arising between the carrying amount of the asset and the financial statements and their corresponding tax bases used in calculating taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profits will be available for the use of deductible temporary differences.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled.

Deferred tax is charged or credited to the income statement, except when it relates to items that are credited directly to or against the other comprehensive result, in which case the deferred tax is also allocated to other comprehensive income.

Deferred tax is charged or recorded in the income statement, except when referring to positions which are recorded directly credited or charged to equity, in which case the deferred tax is also allocated to equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTIUED)

3.10. Employee benefits

Employee taxes and contributions for Social Security

In accordance with the regulations applicable in the Republic of Serbia, the association is obliged to pay tax and contributions to state social security funds that provide social security for employees.

These obligations involve the payment of contribution on behalf of employer in an amount calculated by applying the specific, legally-prescribed rates.

The Association is also obliged to suspend contributions from employees' gross salaries and to pay them, on behalf of employees, to those funds.

Contributions on behalf of employer and on behalf of employee are charged to expense as incurred.

The association is not included in other forms of pension plans and has no obligations under these grounds.

Severance payment

In accordance with the Labour Law, the association is obliged to pay the employee severance payment upon retirement in the amount of the average salary of the employee for the last three months, or in the amount of three average earnings earned in the Republic of Serbia in the month preceding the month of retirement, whichever is higher at the time of payment.

3.11. 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, net of discounts and value added tax.

Expenses are calculated on the principle of causality of income and expenses.

4. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements requires to make estimates and assumptions that may affect the presented amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the reporting period.

These estimates and assumptions are based on previous experience, current and expected operating conditions and other available information at the date of preparation of the financial statements.

Actual results may differ from the estimated amounts.

The most important areas requiring assessment and assumptions are presented below:

4.1. Useful life of property, plant and equipment

The useful life of property, plant and equipment is estimated at the end of each financial year. The estimated useful life of the equipment is based on historical experience with similar assets, as well as predicted technological advances and changes in economic and industrial factors.

If the present estimate differs from the previous estimates, changes in the records of the association are recorded in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

These changes could have a materially significant effect on the carrying value of the equipment as well as the depreciation of the current accounting period.

4.2. Impairment of assets

At the balance sheet date, the association reviews the carrying amount of tangible and intangible assets and assesses whether there are any indications of impairment of the asset.

In assessing impairment, assets that do not generate cash flows independently are allocated to the appropriate cash-generating unit.

Subsequent changes in the allocation to the cash-generating unit or the timing of cash flows may affect the carrying value of the asset in question.

BALANCE SHEET

5. FIXED ASSETS

		in thousands of RSD	
		2018	2017
5.1.	INTANGIBLE ASSETS	111	222
5.2.	PROPERTIES, PLANTS AND EQUIPMENT	3,958	4,249
5.2.1.	Plants and equipment	3,958	4,249
TOTAL FIXED ASSETS:		4,069	4,471

6. CURRENT ASSETS

6.1. INVENTORY

		in thousands of RSD	
		2018	2017
6.1.1.	Advances paid for inventory and services	6,082	161
TOTAL INVENTORY:		6,082	161

6.2. OTHER RECEIVABLES

		in thousands of RSD	
		2018	2017
6.2.1.	Receivables from employees	0	2
6.2.2.	Receivables for prepaid corporate income tax	58	58
6.2.3.	Receivables from other taxes and contributions paid	0	3
6.2.4.	Receivables for Reimbursement of Salaries	527	66
6.2.5.	Other receivables	236	11,009
TOTAL OTHER RECEIVABLES:		821	11,138

6.3. CASH AND CASH EQUIVALENTS

		in thousands of RSD	
		2018	2017
6.3.1.	Bank accounts- Dinars	23,061	12,755
6.3.2.	Bank accounts- foreign currency	0	8,614
TOTAL CASH AND CASH EQUIVALENTS:		23,061	21,369

6. CURRENT ASSETS (CONTINUED)

6.1. PREPAYMENTS AND ACCRUED INCOME

		in thousands of RSD	
		2018	2017
6.4.1.	Prepaid costs	954	
6.4.2.	Other accruals	112	
TOTAL PREPAYMENTS AND ACCRUED INCOME:		1,066	0

		in thousands of RSD	
		2018	2017
TOTAL CURRENT ASSETS:		31,030	32,668

7. LONG-TERM RESERVATIONS AND LIABILITIES

7.1. LONG-TERM LIABILITIES

		in thousands of RSD	
		2018	2017
7.1.1.	Other long-term liabilities	960	1,284
TOTAL LONG-TERM LIABILITIES:		960	1,284

7.2. SHORT-TERM FINANCIAL LIABILITIES

		in thousands of RSD	
		2018	2017
7.2.1.	Current portion of long-term liabilities	343	338
7.2.2.	Other short-term financial liabilities	0	2
TOTAL SHORT-TERM FINANCIAL LIABILITIES:		343	340

7.3. LIABILITIES FROM BUSINESS OPERATIONS

		in thousands of RSD	
		2018	2017
7.3.1.	Trade payables - domestic	1,181	714
7.3.2.	Trade payables - foreign	0	123
TOTAL LIABILITIES FROM BUSINESS OPERATIONS:		1,181	837

7. LONG-TERM RESERVATIONS AND LIABILITIES (CONTINUED)

7.1. OTHER SHORT-TERM LIABILITIES

		in thousands of RSD	
		2018	2017
7.4.1.	Liabilities to employees	10	0
7.4.2.	Other liabilities	12	11
TOTAL OTHER SHORT-TERM LIABILITIES:		22	11

7.2. ACCRUALS AND DEFERRED INCOME

		in thousands of RSD	
		2018	2017
7.5.1.	Deferred income from donations		
7.5.2.	Deferred income and donations received	32,593	34,667
TOTAL ACCRUALS AND DEFERRED INCOME:		32,593	34,667

		in thousands of RSD	
		2018	2017
TOTAL LONG- TERM RESERVATIONS AND LIABILITIES:		35,099	37,139

INCOME STATEMENT

8. OPERATING INCOME

		in thousands of RSD	
		2018	2017
8.1.	Revenue from services	790	1,586
8.2.	Donation income	171,518	101,058
TOTAL OPERATING INCOME:		172,308	102,644

9. OPERATING EXPENSES

		in thousands of RSD	
		2018	2017
9.1.	Income from the activation of goods, products and services	0	0
9.2.	Material costs and energy	4,045	1,825
9.3.	Cost of salaries, wage compensation and other personal expenses	59,982	37,962
9.4.	Production services expenses	13,526	10,942
9.5.	Depreciation and amortization expense	875	609
9.6.	Non-production expenses	93,092	50,751
TOTAL OPERATING EXPENSES:		171,520	102,089

10. FINANCIAL INCOME

		in thousands of RSD	
		2018	2017
10.1.	Interest income	63	92
10.2.	Foreign exchange gains and gains for currency clause effects	39	1,886
TOTAL FINANCIAL INCOME:		102	1,978

11. FINANCIAL EXPENSES

		in thousands of RSD	
		2018	2017
11.1.	Interest expenses	46	19
11.2.	Foreign exchange losses and losses for currency clause effects	854	2,291
TOTAL FINANCIAL EXPENSES:		900	2,310

12. OTHER INCOME

		in thousands of RSD	
		2018	2017
12.1.	Other income	123	25
TOTAL OTHER INCOME:		123	25

13. OTHER EXPENSES

		in thousands of RSD	
		2018	2017
13.1.	Other expenses	138	234
TOTAL OTHER EXPENSES:		138	234

14. SURPLUS OF INCOME OVER EXPENSES

		in thousands of RSD	
		2018	2017
14.1.	Retained earnings from earlier years that are not materially significant	0	14
TOTAL SURPLUS OF INCOME OVER EXPENSES:		0	14

15. SURPLUS OF EXPENSES OVER INCOME

		in thousands of RSD	
		2018	2017
15.1.	Expenditures from earlier years that are not materially significant	25	0
TOTAL SURPLUS OF EXPENSES OVER INCOME:		25	0

16. FOREIGN EXCHANGE RATES

The official rates for currencies that are relevant to the operations of the company and used to convert foreign currency balance sheet positions into dinars are as follows:

CURRENCY	31.12.2018.	31.12.2017.
EUR	118.1946	118.4727
USD	103.3893	99.1155
GBP	131.1816	133.4302
SEK	11.5202	12.0240

Belgrade, June 20, 2019

Signature

Seal: CRTA