RSM Serbia d.o.o., Beograd

BELGRADE CENTRE FOR SECURITY POLICY
BELGRADE

Financial Statements for 2019 in accordance
with accounting regulations prevailing in the
Republic of Serbia
and
Independent auditor's report

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RSM Serbia d.o.o. Beograd

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Independent auditor's report

To the Assembly of Belgrade Centre for Security Policy, Belgrade

Opinion

We have audited the financial statements of Belgrade Centre for Security Policy, Belgrade (the Entity) which comprise the statements of financial position as at December 31, 2019, and the statements of income and comprehensive income for the year then ended.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Belgrade Centre for Security Policy, Belgrade as at December 31, 2019, and its financial performance for the year then ended in accordance with accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance 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 responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting, 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 Entity'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 Entity or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The engagement partner responsible for the audit resulting in this independent auditor's report is Srđan Simić.

Belgrade, June 08, 2020

RSM
RSM Serbia d.o.o.
Beograd-Novi Beograd

Srđan Simić, Certified Auditor

Engagement Partner

Belgrade Centre for Security Policy - Belgrade

STATEMENT OF FINANCIAL POSITION

on 31 December 2019

(in RSD 000)

Item	Notes*	31.12.2019.	31.12.2018.
FIXED ASSETS		**106**	**294**
INTANGIBLE ASSETS		53	180
PROPERTY, PLANT AND EQUIPMENT		53	114
Land			
Buildings			
Plant and equipment		53	114
Investment property			
Other property, plant and equipment			
NATURAL ASSETS			
LONG-TERM FINANCIAL INVESTMENTS			
LONG-TEARM RECEIVABLES			
CURRENT ASSETS		**21.763**	**21.956**
INVENTORIES		2.109	2.185
Material			
Work and services in progress and finished goods			
Merchandise			
Advances paid for inventories and services		2.109	2.185
RECEIVABLES FROM SALES			66
OTHER RECEIVABLES		1.828	653
SHORT-TERM FINANCIAL INVESTMENTS			
CASH AND CASH EQUIVALENTS		17.826	19.052
VALUE ADDED TAX (VAT)			
PREPAYMENTS AND ACCRUED INCOME			
ASSETS		**21.869**	**22.250**
OFF-BALANCE SHEET ASSETS			
STAKES			
STAKES (OWN SOURCES)			
RETAINED SURPLUS OF REVENUES OVER THE EXPENDITURES			
Retained surplus of revenues over the expenditures from previous year			
Retained surplus of revenues over the expenditures from current year			
RETAINED SURPLUS OF EXPENDITURES OVER THE REVENUES			
Surplus of expenditures over the revenues from previous year			
Surplus of expenditures over the revenues from current year			
LONG-TERM PROVISIONS AND LIABILITIES		**21.869**	**22.250**
LONG-TERM PROVISIONS			
LONG-TERM LIABILITIES			
Long-term loans			
Other long-term liabilities			
SHORT-TERM FINANCIAL LIABILITIES			
LIABILITIES FROM BUSINESS OPERATIONS		247	95
OTHER SHORT-TERM LIABILITIES			650
LIABILITIES FOR VALUE ADDED TAX (VAT)			
LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS, AND OTHER DUTIES			
ACCRUALS AND DEFERRED INCOME		21.622	21.505
EXCESS OF EXPENDITURE OVER INCOME ABOVE THE ROLE (OWN RESOURCES)			
LIABILITIES		**21.869**	**22.250**
OFF-BALANCE SHEET LIABILITIES			

*Notes refer to individual positions and they are presented as notes to the Financial Statements

These financial statements were approved for publication on 04 June, 2020 and were signed by the legal representative Belgrade Centre for Security Policy - Belgrade

БЕОГРАДСКИ ЦЕНТАР ЗА БЕЗБЕДНОСНУ ПОЛИТИКУ
БЦБП
БЕОГРАД

Igor Bandović

Legal Representative

STATEMENT OF COMPREHENSIVE INCOME

for year ended 31 December 2019

(in RSD 000)

Item	Notes*	2019.	2018.
INCOME AND EXPENSES FROM ORDINARY OPERATING			
OPERATING INCOME		**49.014**	**44.196**
INCOME FROM SALE GOODS, PRODUSCTS AND SERVICES		1.001	3.237
INCOME FROM MEMBERSHIP FEES			
SPECIAL REGULATION INCOME FROM BUDGET AND OTHER SOURCES			
INCOME FROM PREMIUMS, SUBVENTIONS, DAONATIONS, ETC.		48.013	40.959
INCOME FROM NON-FINANCIAL ASSETS			
OPERATING EXPENSES		**48.813**	**42.543**
COST OF GOODS SOLD			
INCOME FROM UNDERTAKING OF OUTPUTS AND GOODS FOR OWN PURPOSES			
INCREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS			
DECREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS			
COSTS OF MATERIAL		1.207	209
COSTS OF FUEL AND ENERGY		35.063	29.670
COSTS OF PRODUCTION SERVICES		2.529	1.875
COSTS OF DEPRECIATION		188	188
COSTS OF LONG-TERM PROVISIONS			
COSTS OF GRANTS			
NON-PRODUCTION COSTS		9.826	10.601
OPERATING PROFIT		201	1.653
OPERATING LOSS			
FINANCIAL INCOME		82	106
Financial income incurred with parent companies, subsidiaries and other associated companies			
Income from interest		80	104
FX gains and income from the effects of currency clause		2	2
Dividend income			
Other financial income from financial assets			
FINANCIAL EXPENSES		191	172
Financial expenses from transactions with related parties			
Costs of interest		1	
FX losses and losses for currency clause effects		190	172
Other financial expenses			
PROFIT FROM FINANCIAL ACTIVITIES (FINANCIAL PROFIT)			
LOSS FROM FINANCIAL ACTIVITIES (FINANCIAL LOSS)		109	66
REVENUES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMANT OF COMPREHENSIVE INCOME			
EXPENSES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMANT OF COMPREHENSIVE INCOME			
SURPLUS OF REVENUES OVER THE EXPENDITURES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMANT OF COMPREHENSIVE INCOME			
SURPLUS OF EXPENDITURES OVER THE REVENUES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMANT OF COMPREHENSIVE INCOME			
OTHER INCOME		12	
OTHER EXPENSES		104	1.587
SURPLUS OF REVENUES OVER THE EXPENDITURES FROM ORDINARY OPERATING BEFORE TAXATION			
SURPLUS OF EXPENDITURES OVER THE REVENUES FROM ORDINARY OPERATING BEFORE TAXAT			
SURPLUS OF REVENUES OVER THE EXPENDITURES,THE EFFECTS OF CHANGE IN ACCOUNTING POLICES AND EFFECTS OF ERRORS FROM PREVIOUS PERIODS			
SURPLUS OF EXPENDITURES OVER THE REVENUES, THE EFFECTS OF CHANGE IN ACCOUNTING POLICIES AND EFFECTS OF ERRORS FROM PREVIOUS PERIODS			
SURPLUS OF REVENUES OVER THE EXPENDITURES BEFORE TAXATION			
SURPLUS OF EXPENDITURES OVER THE REVENUES BEFORE TAXATION			
TAX ON DIFFERENCE BETWEEN REVENUES AND EXPENDITURES			
Current Tax			
NET SURPLUS OF REVENUES OVER THE EXPENDITURES			
NET SURPLUS OF EXPENDITURES OVER THE REVENUES			

*Notes refer to individual positions and they are presented as notes to the Financial Statements