**BELGRADE CENTRE FOR SECURITY POLICY, Belgrade**

**Financial statements for the Year 2016**
**and Independent Auditor's Report**

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PKF d.o.o., Beograd

PKF
Accountants &
business advisers

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MANAGING BOARD OF BELGRADE CENTRE FOR SECURITY POLICY**

We have audited the accompanying financial statements of the association BELGRADE CENTRE FOR SECURITY POLICY, Belgrade (hereinafter: Association) which comprise Balance Sheet as of December 31st 2016 and the Income Statement, for the year than ended.

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

The management of the Association is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the Law on Accounting of the Republic of Serbia, as well as those internal controls that the management determines as necessary in preparing financial reports that do not contain material misstatements .

### *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. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, 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 purposes 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.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the association BELGRADE CENTRE FOR SECURITY POLICY, Belgrade, as of December 31st 2016, 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.

Belgrade, June 28th 2017

PRIVREDNO DRUŠTVO ZA REVIZIJU, KONSALTING I RAČUNOVODSTVENE USLUGE DOO
PKF
BEOGRAD

Slobodan Škurtić
Certified auditor

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BELGRADE CENTRE FOR SECURITY POLICY, Belgrade

**INCOME STATEMENT**
**FOR THE YEAR 2016 and 2015**
**(In RSD 000)**

| | 2016 | 2015 |
|---|---|---|
| **OPERATING INCOME** | | |
| Income from sales of goods, products and services | 3,465 | 3,892 |
| Income from premiums, subventions, donations etc | 50,351 | 67,127 |
| Income from non - financial assets | - | - |
| **OPERATING EXPENSES** | | |
| Costs of material | 423 | 676 |
| Costs of fuel and energy | 41,787 | 37,122 |
| Costs of production services | 1,606 | 4,464 |
| Costs of depreciation | 272 | 242 |
| Donation costs | - | 9,133 |
| Non - production costs | 10,776 | 18,676 |
| **OPERATING PROFIT/LOSS** | **(1,048)** | **706** |
| Financial income | 1,151 | 152 |
| Financial expenses | 133 | 838 |
| **FINANCIAL PROFIT/LOSS** | **1,018** | **(686)** |
| Other income | 45 | 2 |
| Other expenses | 15 | 22 |
| **OTHER PROFIT/LOSS** | **30** | **20** |
| **NET SURPLUS OF REVENUES OVER EXPENDITURES** | | |
| **NET SURPLUS OF EXPENDITURES OVER REVENUES** | | |

Financial statements were approved for publication on June 29th 2017 and signed by the legal representative of Belgrade Centre for Security Policy, Belgrade.

Sonja Stojanović Gajić

Director

БЕОГРАДСКИ ЦЕНТАР ЗА БЕЗБЕДНОСНУ ПОЛИТИКУ БЦБП БЕОГРАД

Sonja Stojanović Gajić

**BALANCE SHEET**
**AS OF DECEMBER 31st 2016**
**(IN RSD 000)**

| | 2016 | 2015 |
|---|---|---|
| **ASSETS** | | |
| NON CURRENT ASSETS | | |
| Intangible assets | 433 | 591 |
| Property, plant and equipment | 247 | 362 |
| **Total non-current assets** | **680** | **953** |
| CURRENT ASSETS | | |
| Advance payments | 886 | 1,107 |
| Other receivables | 11,950 | 2,188 |
| Cash and cash equivalents | 13,557 | 24,749 |
| Prepayments and accrued income | - | - |
| **Total current assets** | **26,393** | **28,044** |
| **TOTAL ASSETS** | **27,073** | **28,997** |
| **EQUITY AND LIABILITIES** | | |
| CURRENT LIABILITIES | | |
| Liabilities from business operations | 47 | 45 |
| Other short-terms liabilities | 6 | - |
| Accruals and deferred income | 27,020 | 28,952 |
| **Total current liabilities** | **27,073** | **28,997** |
| **TOTAL EQUITY AND LIABILITIES** | **27,073** | **28,997** |

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Sonja Stojanović Gajić

Director

БЕОГРАДСКИ ЦЕНТАР ЗА БЕЗБЕДНОСНУ ПОЛИТИКУ
БЦБП
БЕОГРАД

**BELGRADE CENTRE FOR SECURITY POLICY. Belgrade**

## REPRESENTATION LETTER

This representation letter is provided in connection with your audit of the financial statements of "BELGRADE CENTRE FOR SECURITY POLICY, Belgrade for the period ended December 31th, 2016 for the purpose of expressing an opinion as to whether the financial statements are presented fairly; in all material respects, in accordance with International Financial Reporting Standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

***Financial Statements***

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation of the financial statements in accordance with International Financial Reporting Standards; in particular the financial statements are presented fairly, in all material respects in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- All events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosure, have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole.

***Information Provided***

We have provided you with:

- Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware

Signed on behalf of BELGRADE CENTRE FOR SECURITY POLICY, Belgrade

Sonja Stojanović Gajić

Director
June 29th 2017

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