

INDEPENDENT AUDITOR'S REPORT

To the Manager and the Steering Board of the Citizens' Association for Democracy and Civic Education – Civic Initiatives, Belgrade

Introduction

We have audited the accompanying Financial statements of the Citizens' Association for Democracy and Civic Education – Civic Initiatives, Belgrade, Kneza Milosa street 4, (hereinafter referred to as "Association" or "Civic Initiatives") which consist of Balance Sheet as of 31 December 2014 and the related Income Statement for the year then ended which are set out on pages 3 to 4 and review of significant accounting policies and other notes to the financial statements.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Serbian accounting regulations and in accordance with the accounting policies disclosed in Notes 2 and 3 to the accompanying financial statements 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 the Serbian Law on Auditing, International Standards on Auditing (ISA) and Codex of Ethics for Professional Accountants. These regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 judgement, 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 audit opinion.

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial position of Citizens' Association for Democracy and Civic Education – Civic Initiatives, Belgrade as of 31 December 2014, the results of its operations for the year then ended, in accordance with accounting regulations of the Republic of Serbia and in accordance with the accounting policies disclosed in Notes 2 and 3 to the accompanying financial statements.

Other Matter

The Financial Statements for the period 1 January 2013 – 31 December 2013 were audited by other auditors whose report, dated 19 May 2014, expressed an unqualified (positive) opinion on those Financial Statements.

Auditors' signature:

Name of Auditor signing:

Auditors' address:

Date of signature :



Ljiljana Njegomir, Certified Auditor

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Boulevard Zorana Đinđića 28/VII/25

5 June 2015

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ENTERED INTO THE REGISTER OF ECONOMIC ENTITIES - BUSINESS REGISTERS AGENCY IN BELGRADE NUMBER BD 1036/2014
COMPANY REGISTRATION NUMBER 20984376 | TAX NUMBER 108364062
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