

**„ASSOCIATION RAINBOW“, ŠABAC
INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS FOR THE YEAR ENDING
DECEMBER 31, 2023**

Belgrade, May 2024

Contents:

Independent Auditor's report

Profit and Loss Statement

Balance Sheet Statement

Auditor's notes

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF "ASSOCIATION RAINBOW", ŠABAC

Slaviša Kovač, Chairman of the board of directors Association Rainbow, Šabac

Dear Mr. Kovač,

Opinion

We have audited the accompanying financial statements of the "Association Duga" (Duga = Rainbow), Šabac (hereinafter: "the Association") which comprise the balance sheet as of December 31, 2023, and the income statement for the year ending on that day.

In our opinion, the accompanying financial statements presents fairly, in all material matters, the financial position of the Association as of December 31, 2022, as well as the results of its operations, for the year ended on that date, in accordance with the accounting regulations in force. in the Republic of Serbia and the accounting policies disclosed in the Auditor's Notes to the financial statements.

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 *Responsibilities of the Auditor to audit the Financial Statement* section of our report. We are independent of the Association in accordance with the Ethics Code of Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical 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.

Emphasis of Matter

The Association keeps its record and prepares its financial statements based on the accrual accounting base of business changes and transactions, in accordance with the Law on Accounting of Republic of Serbia ("Official Gazette of Republic of Serbia" 62/2013; 30/2018;73/2022) and the Rule book on the manner of recognition, evaluation, presentation and disclosure of positions in the individual financial statements of micro and other legal entities ("Official Gazette of the Republic of Serbia"; 118/2013; 95/2014; 89/2022) and is obligated to prepare and submit basic financial statements, consisted of: Balance Sheet and Profit and Loss statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for those internal controls that it determines are necessary for the preparation of financial statements that do not contain material misstatements resulting from criminal activity or error. In preparing the financial statements, management is responsible for assessing the ability of the Association to continue as a going concern, disclosing, as appropriate, matters relating to business continuity and applying the going concern principle as an accounting basis, unless management intends to liquidate the Association. or to suspend business, or has no real possibility other than to do so. The persons authorized to manage are responsible for overseeing the financial reporting process of the Association.

AUDITOR'S REPORT TO THE BOARD OF "ASSOCIATION RAINBOW" (continued)

Responsibilities of the Auditor to audit the Financial Report

Our objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatements, 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 to ISAs will always detect a material misstatement when it exists.

Misstatements may arise from fraud or error and are considered material if, individually or as a whole, they could influence the economic decisions of users taken on the basis of this financial statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We identify and measure the risks of material misstatement of the financial statement, 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 material misstatements 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.

We have 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 Implementing Partner s Internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

We evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

Polonca Đurić



Certified Auditor
Belgrade, May 29,2024

PROFIT AND LOSS STATEMENT
Year ended December 31, 2023

(In thousands of dinars)

	Note	2023	2022
Revenues:		<u>39,268</u>	<u>34,780</u>
Revenues from the sale of goods, products and services		1,567	354
Revenues from grants	4	37,701	34,426
Non-financial revenues		-	-
Expenses:		<u>37,690</u>	<u>27,573</u>
Income from the use of own products, services and goods		-	-
Cost of material and energy	5	3,582	3,663
Wages, salaries, and other employee benefits expenses	6	27,505	16,564
Operating expenses	7	1,428	2,589
Depreciation costs	7	693	454
Donation costs		672	-
Intangible expenses	8	3,740	4,303
Operating profit		<u>1,578</u>	<u>7,207</u>
Operating loss		-	-
Financial revenues		558	30
Financial expenses		<u>262</u>	<u>39</u>
Gain from financing		296	0
Lost from financing		0	9
Expenses from adjusting the value of short-term and long term financial placements		0	5
Other revenues			101
Other expenses		6	10
Excess of revenues over expenses for the year before tax	10	1,868	7,284
Excess of expenses over revenues for the year before tax		-	-

BALANCE SHEET
As of December 31.st 2022.

(In thousands of dinars)

	Notes	2023	2021.
ASSETS:			
Property, plant and equipment:	11	6,705	4,631
CURRENT ASSETS:			
Inventories		304	120
Short term investments	12	11,645	5,102
Cash and cash equivalents	13	21,169	25,010
TOTAL ASSETS		39,823	34.863
FUNDS AND LIABILITES			
Undistributed surplus of income over expenses	14	42,402	40,535
Excess Expenditure over revenue		5,820	5,820
Short-term financial liabilities	15	91	148
Payables	16	3,150	-
TOTAL FUNDS AND LIABILITIES		39,823	34,863

**AUDITOR'S NOTES TO FINANCIAL
STATEMENTS
December 31, 2023.**

**Association Rainbow
Šabac, Serbia**

1. GENERAL INFORMATION

Association Rainbow („Асоцијација Дуга“; hereinafter „Association“) is: a voluntary, non-political, non-profit, non-government organization that acts as an association of citizens. The Association acts on the territory of the Republic of Serbia and it was established as a non-profit organization it was registered at the Serbian Business Registers Agency. MB No 17559575, PIB No 103406590 (Tax identification number). The headquarters of the Association is on 7th October street, No. 1, Jevremovac, 15000 Šabac.

Members of Steering Committee:

Slaviša Kovač	Chairman of the board of directors
Aleksandar Prica	Director
Sandra Ilić	Deputy chairman of the board of directors
Viktor Tešić	Board Project Manager
Boro Novaković	General Secretary of the Board of Directors
Ljubica Tešić	PIR Administrator

The Association has aspects of a civil legal entity, with all the rights and responsibilities resulting from them.

The Association is required to provide an insight into their work only to the competent state authorities.

The main goal of the Association

Improving the human rights of socially vulnerable populations, namely: people of the third age, children and young people, LGBTI people, people who are in institutional accommodation and former wards of institutional accommodation in the social protection, health and justice systems, users of psychoactive substances, people engaged in sex work, young people in conflict with the law, people living with HIV/AIDS, people with disabilities and Roma through reducing violence and discrimination, education, increasing security, providing support, economic empowerment, gender equality and providing health and social services.

Specific goals

1. Advocating for the improvement of the social protection system for defined target populations.
2. Advocating for the improvement of the health care system, especially the prevention of HIV/AIDS and sexually transmitted infections for defined target populations.
3. Advocating for the improvement of the system of education, training and upbringing with the aim of reducing peer and digital violence, discrimination and improving human rights for defined target populations.
4. Advocating for increased security, reduction of violence and discrimination, family and peer violence, digital violence, promotion of the concept of security culture, reduction of gender-based violence and hate crimes for defined target populations.
5. Advocating for the improvement of multisector cooperation at the international, national, provincial and local levels in order to have a more adequate approach to solving problems for defined target populations.
6. Advocating for poverty reduction and economic empowerment for defined target populations through the development of social entrepreneurship, cooperatives and incentive measures for self-employment and employment.
7. Advocacy for sustainable development, especially through the processes of planning, initiation, participation in the creation, implementation and monitoring and evaluation of strategic documents at all levels.

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

1. GENERAL INFORMATION (CONTINUED)

In order to achieve its basic goal and specific goals, the Association will especially organize: creation and provision of health and social services, accreditation of various education programs, preparation and submission of programs and services for standardization, development of minimum standards for services, media campaigns, round tables, trainings, workshops, panel debates, outreach activities, counseling centers, shelters, safe houses, research, publication of educational material, public advocacy, business clubs, cultural and entertainment events, trips, excursions, monitoring and evaluation of the work of state bodies, collecting aid, establishing social companies, drafting guardianship documents at all levels, establishing cooperation with state institutions and other associations and other activities in accordance with binding laws and regulations.

The tables below show the overview of the projects implemented in the period from 2023. to 2021.

Projects retrospective
For the year 2023*

Table 1

Br.	Uplatilac naziv projekta / usluge	Iznos RSD	Ukupno RSD priliva
1	Embassy of Canada / Improvement of LAP production.	2.070.193,86	2.070.193,86
2	Flutto doo	6.960,00	6.960,00
3	USAID	3.975,60	3.975,60
4	Belgrade Open School / Šabac, a city tailored to young people, tranche II	472.884,00	472.884,00
5	UNODC / support for refugees from Ukraine and migrants from Russia.	4.306.880,00	4.306.880,00
6	UNDP Swedish government City of Kruševac / Field associate II tranche	1.094.170,00	1.094.170,00
7	UNDP Swedish government Municipality of Vrnjačka Banja / Field associate II tranche	1.094.170,00	1.094.170,00
8	Municipality of Raška / prevention of HIV and PPI	140.792,28	140.792,28
9	Canadian Embassy last tranche	124.000,79	124.000,79
10	Belgrade Open School / Šabac, a city tailored to young people, tranche III	317.140,00	317.140,00
11	UNPD III final tranche of KŠ	268.655,00	268.655,00
12	UNPD III final tranche of VB	268.655,00	268.655,00
13	OSCE mission I tranche / "Improving security in the education system in Serbia".	459.600,00	459.600,00
14	Ministry of Health	2.600.622,67	2.600.622,67
15	Ministry of Health	322.989,27	322.989,27
16	Ministry of Health	2.984.911,12	2.984.911,12
17	Municipality of Raška soc. protection	883.846,50	883.846,50
18	Serbian Posts	12.000,00	12.000,00
19	Ministry of Health	3.243.976,94	3.243.976,94
20	Nišlijska mehana	45.435,00	45.435,00
21	OSCE mission II tranche / "Improving security in the education system in Serbia".	299.380,00	299.380,00

22	City Institute for Public Health Belgrade	92.890,00	92.890,00
23	Banca Intesa Invest CASH dinar	542.736,51	542.736,51

For the year 2023*

Table 1 - continued

Br.	Uplatilac naziv projekta / usluge	Iznos USD	Ukupno RSD priliva
1	World Health Organization / Support for COVID-19 immunization. First tranche	6.255,00	678.374,14
2	GRINDER – general support	970,00	103.538,96
3	M-RITE USAID FAA1 – 0	102,00	10.746,37
4	M-RITE USAID FAA1 – 1	8.898,00	943.725,44
5	M-RITE USAID FAA1 – 2	13.500,00	1.444.705,20
6	M-RITE USAID FAA1 - 3 FAA2 – 1	17.238,00	1.856.917,01
7	M-RITE USAID FAA1 - 4, 5 FAA2 – 3	35.238,00	3.903.415,45
8	M-RITE USAID FAA2 – 5	16.476,00	1.770.519,20
9	M-RITE USAID FAA2 – 2	12.357,00	1.348.853,05
10	World Health Organization / Support for COVID-19 immunization. Second tranche	14.595,00	1.569.826,52

For the year 2023*

Table 1 - continued

Br.	Uplatilac naziv projekta / usluge	Iznos EUR	Ukupno RSD priliva
1	COBATEST / Research on HIV infection in Serbia. First tranche	3.472,00	406.318,79
2	AIDS HILFE	1.488,00	174.389,88

For the year 2022*

Table 2

Nmb.	Payer/Name of the project/ Service	Payment in RSD	Amount in RSD
1	Municipality of Raška / "Prevention of HIV and PPI in the territory of the Municipality of Raška"	141.100,80	141.100,80
2	Ministry of Health of Serbia / GFATM / "Prevention of HIV and PPIs in the MSM population in the territory of Belgrade"	4.667.054,72	4.667.054,72
3	Civic initiatives - institutional grant	221.600,00	221.600,00

4	Šabac / Outreach innovative preventive service	800.000,00	800.000,00
5	Reconstruction of the women's fund / Prevention of monkeypox	150.000,00	150.000,00
6	ERA - HIV prevention	1.379.490,00	1.379.490,00
7	TRAG Foundation "Field Associate - Innovative Preventive Service"	1.410.978,00	1.410.978,00
8	BOŠ / "Šabac - a city tailored to young people"	830.530,00	830.530,00

For the year 2022*

Table 2- continued

9	Ministry of Health of Serbia / GFATM / "Prevention of HIV and PPIs in the MSM population in the territory of Belgrade"	3.895.346,27	3.895.346,27
10	Ministry of Health of Serbia / GFATM / "Prevention of HIV and PPIs in the MSM population in the territory of Belgrade"	1.334.653,73	1.334.653,73
11	UNDP Swedish Government City of Kruševac / Field Associate	1.511.925,00	1.511.925,00
12	UNDP Swedish Government Municipality of Vrnjačka Banja / Field Associate	1.511.925,00	1.511.925,00
13	City Institute for Public Health Belgrade	92.890,00	92.890,00
	Payer/Name of the project/ Service	Payment in USD	Amount in RSD
14	World Health Organization / "Support in increasing the process of immunization against the Kovid 19 pandemic"	10.188,71	1.067.755,41
15	World Health Organization / "Support in increasing the process of immunization against the Kovid 19 pandemic"	11.000,00	1.192.783,90
16	World Health Organization / "Prevention of mumps"	8.032,00	938.940,80

17	World Health Organization / "Support in increasing the process of immunization against the Kovid 19 pandemic"	11.000,00	1.318.948,40
	Payer/Name of the project/ Service	Payment in EUR	Amount in RSD
18	GILEAD Institutional Grant	82.221,21	9.647.294,12
19	GIZ III tranche / Outreach	7.972,74	936.159,93

For the year 2021*

Table 3

Br.	Project/ Donation	Amount RSD	Amount Rsd
01.	OSCE / "Concept of Security Culture in the World of Youth"	432.280,00	432.280,00
02.	Civic initiatives / analysis	135.912,00	135.912,00
03.	Municipality of Raska / "HIV Prevention in the Municipality of Raska"	141.092,88	141.092,88
04.	City of Sabac / "Outreach, preventive, integrated, social health method"	500.000,00	500.000,00
05.	OSCE / "Concept of Security Culture in the World of Youth"	214.010,00	214.010,00
06.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	4.550.316,00	4.550.316,00
07.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	1.543.107,21	1.543.107,21
08.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	986.576,79	986.576,79
09.	Ministry of Health GFATM / "HIV Prevention in MSM Population"	802.157,40	802.157,40

For the year 2021*

Table 3 - continued

Br.	Project/ Donation	Amount RSD	Amount Rsd
10.	City of Sabac / "Outreach, preventive, integrated, social health method"	500.000,00	500.000,00
11.	UNDP / "Outreach - piloting a good practice program in Valjevo"	434.789,58	434.789,58
12.	Chamber of Social Protection / realization of training	71.128,00	71.128,00
13.	Embassy of France / "Marking December 1 and European Testing Week"	234.450,00	234.450,00
14.	ACT - civic initiatives / "Institutional grant"	885.820,00	885.820,00
15.	UNDP / "Support to the Immunization Process in Valjevo"	1.036.934,76	1.036.934,76
16.	ERA / "Celebrating December 1st and European Testing Week"	304.449,71	304.449,71
17.	CPSU Belgrade / realization of training	60.000,00	60.000,00
18.	City Institute SW Belgrade / "Prevention of sexually transmitted infections in the MSM population"	92.890,00	92.890,00
19.	BFPE / "From my city, to my country"	235.160,00	235.160,00
20.	Youth of the Valjevo Jazz / "Celebrating December 1 in Valjevo"	28.500,00	28.500,00
21.	Ministry of Health GFATM / "Support to HIV prevention programs in the conditions of Kovid 19 pandemic"	2.905.594,85	2.905.594,85
22.	TOC / "Support in creating sustainability of HIV prevention programs"	354.258,80	354.258,80

For the year 2021*

Table 3 – continued

Br.	Project/ Donation	Amount EUR	Amount RSD
23.	GIZ COVID 19 / "Kovid 19, good practices for a more secure future"	45.807,93	5.391.593,36
24.	GIZ OUTREACH / "Outreach, a new preventive method of work in the social protection system"	23.968,00	2.810.248,00
25.	GIZ OUTREACH / "Outreach, a new preventive method of work in the social protection system"	18.565,00	2.176.746,25
26.	GILEAD / Institutional Support	20.400,00	2.390.880,00
27.	GIZ COVID 19 / "Kovid 19, good practices for a more secure future"	5.099,70	601.453,01
Br.	Project/ Donation	Amount USD	Amount RSD
28.	UNDP / "Outreach - piloting a good practice program in Valjevo"	8.097,82	811.628,30
29.	World Health Organization / "Support to increase the immunization process against the Kovid 19 pandemic"	11.410,00	1.179.794,00

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The attached financial statements were prepared in accordance with the Law on Accounting ("Official Gazette of RS", No. 62/2013, hereinafter: Law) and the rulebook on the method of recognition, valuation, presentation and disclosure of positions in individual reports for micro and other legal entities ("Official Gazette of RS, no. 118/130; 95/14; 89/2023"). The Association applies the Rulebook on the accounting framework and the content of accounts in the accounting framework for other legal entities ("Official Gazette of the RS, No. 73/19" hereinafter "Regulations Rulebook"). The basic accounting policies applied to compile these financial statements are listed in note 3. These policies have been consistently applied to all years presented, unless otherwise indicated. The attached financial statements represent the regular financial statements of the Association for the year 2023. Association does not have subsidiaries and does not prepare consolidated financial statements. The content and form of financial statements and the content of the forms are prescribed by the Rulebook on the accounting framework and the content and form of financial statements for other legal entities ("SL: glasnik RS", no. 73 /2022.) The account framework and the content of accounts in the account framework is prescribed by the rulebook.

2.2 Evaluation rules

The financial statements were prepared based on the principle of original (historical) values.

2.3 Official reporting currency

The financial statements of the Association are expressed in thousands of dinars (RSD), which is the functional currency of the Association and the official currency in which financial statements are submitted in the Republic of Serbia. Unless otherwise indicated, all amounts are in dinars rounded to thousands.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Real estate, plant and equipment

Items of real estate, plant and equipment are measured during initial recognition at their purchase value, i.e., cost price. Purchase value includes expenditures directly attributable to the acquisition of the asset, which includes invoice value, all costs directly attributable to bringing the asset to the location and condition necessary for the asset to function in the manner management expects, the initial estimate of the cost of dismantling, removing the asset and restoration of the area where the asset is located. After initial recognition as assets, items of real estate, plant and equipment are measured at cost less any allowance for impairment and any accumulated losses and the basis of impairment. Fixed assets are those assets whose expected useful life is longer than one year. The loss incurred during the expenditure of fixed assets is charged to other income. Depreciation is calculated evenly on the purchase value of real estate, plant and equipment using annual rates and expected useful life. With the aim of fully depreciating the assets during their useful life.

Buildings: 2.5% Plants and equipment: 15%

3.1. Real estate plant and equipment (continued)

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

**Association Rainbow,
Šabac; Serbia**

Calculation of depreciation of real estate, plant, equipment and intangible investments begins when the assets are put into use.

3.2. Basic financial instruments

The main financial instruments of the Association include cash, deposits, receivables and liabilities from business, received credits and loans.

3.2.1. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash in bank accounts. Cash in cash and in bank accounts in dinars are recorded at nominal value, and cash in foreign currency is converted at the middle exchange rate of the National Bank of Serbia on the reporting date.

3.3. Recognition of income and expenses

3.3.1. Business income

Income includes only the gross inflow of economic benefits received or claimed by the Association for its own account. As a voluntary, non-governmental and non-profit organization, it does not generate its own income. Inflows in the name of collected funds for the founder's account, which do not result in an increase in the capital of the Association, are not treated as income. The association records the collected funds as income up to the amount of incurred expenses.

Revenues are recognized in the accounting period in which they were generated according to the criteria of measurability and availability. Revenues are realized when they are generated in the accounting period and are used to cover obligations related to that accounting period. Income from government benefits that impose on the recipient conditions related to certain future results are recognized as income only when the conditions related to the result are met.

3.3.2. Business expenses

According to the accrual accounting basis of business changes and transactions, expenses are recognized in the accounting period in which they were incurred. The costs of used short-term assets are recognized at the time and in the amount of the actual costs

Business expenses include costs of materials, gross wages, production services, intangibles expenses, taxes, contributions and depreciation.

3.4. Tax treatment of non-profit organizations

In achieving its goals, the Association performs non-profit activities in accordance with the Law on accounting and the Law on Profit Tax of Legal Entities; Article 44:

December 31, 2023

A non-profit organization is exempted from paying income tax for the tax period in which it was made the excess of income over expenses does not exceed RSD 400,000, provided that:

1) does not distribute the realized surplus to its founders, members, directors, employees or persons related to them;

2) the annual amount of personal income paid to employees, directors and persons connected with them does not exceed twice the amount of the average annual salary per employee in the Republic in the year for which the right to tax exemption is determined, according to the data of the republican authority responsible for statistics;

3) does not distribute property in favor of its founders, members, directors, employees or persons connected with them;

4) that it does not have a monopoly or dominant position on the market in terms of the law regulating protection competition.

To the related parties from paragraph 1, item 1) to 3) of this article are considered persons from article 59 of this law.

A non-profit organization is obliged to keep records of income and expenses, to submit a tax balance sheet and a tax return.

The rate of interest on profit for the year 2023 is 15%.

The content of the tax balance for non-profit organizations - corporate income tax payers is published in the Rulebook on the content of the tax balance for non-profit organizations - corporate income tax payers published in the Official Gazette of the RS, no. 60/14, 41/15, 53/15.

3.5. Payables

Accounts payable and other liabilities are stated at fair value upon initial recognition and are subsequently measured at amortized value.

3.6. Going concern principle

The Association's financial reports are prepared by applying the principle of going concern.

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

4. BUSINESS INCOME

	In thousands of dinars:	
	For the Year ended December 31	
	2023	2022
Revenues from the sale of goods, products and services	1,567	354
Revenues from Grants	37,701	34,426
Business income total	39,268	34,780

5. COST OF MATERIAL EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2023	2022
Costs of other materials	69	-
Cost of materials for production	2,036	1,805
Energy costs (Electricity and fuel)	1,477	1,357
Costs of one-time write-off of tools and inventory	-	501
Cost of material expenses total:	3,582	3,663

6. WAGES, SALARIES AND OTHER EMPLOYEE BENEFITS EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2023	2022
Gross salaries	8,636	6,527
Contributions	1,308	1,054
Cost of contract/part-time fees	15,072	8,448
Compensations to employees on a business trip	2,489	535
Wages, salaries, and other employee benefits Expenses total:	27.505	16.564

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

7. OPERATING EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2023	2022
Costs of transport services	309	219
Maintenance costs	555	467
Advertising and marketing costs	240	1,618
Depreciation costs	693	454
Other expenses	394	285
Operating expenses total and depreciation costs:	2,191	3,043

8. INTANGIBLE EXPENSES

	In thousands of dinars:	
	For the Year ended December 31	
	2023	2022
Costs of non-productive services	1,703	1,305
Representation costs	1,765	2,387
Insurance	71	40
Payment transaction costs	75	91
Membership fees	81	119
Other intangible expenses	45	38
Intangible expenses total:	3,740	3,980

9. DONATION COSTS

	In thousands of dinars:	
	For the Year ended December 31	
	2023	2022
Donation costs	672	323
Donation costs total:	672	323

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

10. NET EXCESS REVENUES/EXPENDITURES

	In thousands of dinars: For the Year ended December 31	
	2023	2022
Net excess of revenues over expenditures	1,868	7,284
Net excess of expenditures over revenues	-	-

11. PROPERTY, PLANT AND EQUIPMENT

	In thousands of dinars: On December 31	
	2023	2022
Property	1,869	1,926
Equipment	4,603	2,473
R.estate plant and equipment in preparation	233	233
Property, plant and equipment total:	6,705	4,631

12. FINANCIAL ASSETS VALUED AT FAIR VALUE

	In thousands of dinars: On December 31:	
	2023	2022
Short-term loans granted to legal entities	1,000 -	--
Other short-term placements	10,645	5,102
Financial assets valued at fair value total	11.645	5.102

13. CASH AND CASH EQUIVALENTS

	In thousands of dinars: On December 31	
	2023	2022
Domestic currency	319	14,185
Foreign currency accounts	20,850	10,825
Cash and cash equivalents total:	21,169	25,010

AUDITOR'S NOTES TO FINANCIAL STATEMENTS
December 31, 2023

14. DEPOSITS (OWN SOURCES) OF THE FOUNDER AND OTHER PERSONS

	In thousands of dinars: On December 31	
	2023	2022
Excess of income over expenses from regular operations	40,535	33,251
Excess of expenses over income from regular operations	<u>1,867</u>	<u>7,284</u>
	42,402	40,535

15. SHORT-TERM LIABILITIES

	In thousands of dinars: On December 31	
	2023	2022
Short-term financial liabilities	91	148

16. PAYABLES

	In thousands of dinars: On December 31	
	2023	2022
Advances received	3,150	0

17. FOREIGN EXCHANGE RATES

On December 31;

RSD :

	2023	2022
1 EUR	117,1737	117,3224
1 USD	105,8671	110,1515
1 CHF	125.5343	119,2543