



**FONDACIJA KATALIST
(FOUNDATION CATALYST)**

**Financial Statements as of 31 December 2016 and
Independent Auditor's Report**

Belgrade, May 2017

AUDIT COMPANY "CODEX AUDIT" D.O.O. BELGRADE
11070 BELGRADE, BULEVAR ZORANA ĐINĐIĆA 28/VII/25 | PHONE: +381 11 2458707; +381 64 1700153

ENTERED INTO THE REGISTER OF ECONOMIC ENTITIES - BUSINESS REGISTERS AGENCY IN BELGRADE NUMBER BD 1036/2014
COMPANY REGISTRATION NUMBER 20984376 | TAX NUMBER 108364062
BANK ACCOUNT: 170-0030019559001-04 UNICREDIT BANK A.D. BELGRADE
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FOUNDATION CATALYST, BELGRADE

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INDEPENDENT AUDITOR'S REPORT

- To the Representative, Manager and the Managing Board
of the Foundation Catalyst, Belgrade -

Opinion

We have audited the financial statements of the Foundation Catalyst, Belgrade ('the Foundation'), which comprise the statement of financial position as of December 31, 2016, and the statement of comprehensive income, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of 'the Foundation' as of December 31, 2016, and its financial performance for the year then ended in accordance with the accounting regulations of the Republic of Serbia.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in 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 the accounting regulations of the Republic of Serbia 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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.

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CODEX AUDIT

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Association'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 Association'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 Association to cease to continue as a going concern.

We communicate with those charged with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditors' signature:

Name of Auditor signing:

Sandra Jelušić, Certified Auditor

Auditors' address:

"Codex Audit" d.o.o., Belgrade 11070,
Boulevard Zorana Đinđića 28/VII/25

Date of the auditor's report:

15 May 2017

AUDIT COMPANY "CODEX AUDIT" D.O.O. BELGRADE
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FOUNDATION CATALYST, BELGRADE

INCOME STATEMENT for the period 1 January 2016 - 31 December 2016

(In RSD 000)

	<i>Note</i>	2016	2015
OPERATING REVENUE			
Revenue from donations	3.1;5	19,364	16,701
Revenue from sales of services	3.5;6	2,438	584
Revenue from membership fees		-	130
		<u>21,802</u>	<u>17,415</u>
OPERATING EXPENDITURES			
Costs of material and energy	7	(319)	(394)
Salary, salary compensations and other personal costs	8	(9,287)	(6,976)
Costs of material services	9	(1,634)	(3,971)
Depreciation	3.6;4.1	(44)	-
Costs of donations	10	(381)	(1,368)
Costs of non-material services	11	(8,969)	(6,182)
		<u>(20,634)</u>	<u>(18,891)</u>
OPERATING PROFIT / (LOSS)		<u>1,168</u>	<u>(1,476)</u>
Financial revenue	3.2.	498	311
Financial expenditure	3.2.	(96)	(50)
FINANCING PROFIT		<u>402</u>	<u>261</u>
BEFORE TAX SURPLUS OF REVENUE OVER REGULAR OPERATION EXPENDITURE		1,568	-
BEFORE TAX DEFICIT OF REVENUE OVER REGULAR OPERATION EXPENDITURE		-	(1,215)
TAX ON DIFFERENCE BETWEEN REVENUE AND EXPENDITURE	3.3.	-	-
NET SURPLUS OF REVENUE OVER EXPENDITURE		<u>1,568</u>	<u>-</u>
NET DEFICIT OF REVENUE OVER EXPENDITURE		<u>-</u>	<u>(1,215)</u>

These Financial Statements were approved by the Foundation's Management on 10th of April 2017.

FOUNDATION CATALYST, BELGRADE

BALANCE SHEET as of 31 December 2016

(In RSD 000)

	<i>Note</i>	<u>31 December 2016</u>	<u>31 December 2015</u>
ASSETS			
Equipment	3.7;12	1,025	-
Current Assets			
Prepayments		-	17
Cash and cash equivalents	13	7,650	172
Total Assets		<u>8,675</u>	<u>189</u>
LIABILITIES			
Capital			
Prior years' retained earnings		1,568	1,089
Surplus of expenditures over the income		(126)	(1,215)
Short - Term Liabilities			
Other short-term liabilities		-	315
Deferred income	14	7,233	-
Loss exceeding equity		-	(126)
Total Liabilities		<u>8,675</u>	<u>189</u>

These Financial Statements were approved by the Foundation's Management on 10th of April 2017.

FOUNDATION CATALYST, BELGRADE

NOTES TO FINANCIAL STATEMENTS

31 December 2016

1. FOUNDATION AND ACTIVITY

Foundation Catalyst, Belgrade (hereinafter referred to as: 'the Foundation'), was founded on 14th of August 2013, as a Foundation, with the aim of achieving the objectives in the field of philanthropy.

Objectives of the Foundation are:

- Supporting the development and strengthening of philanthropy from the domestic sources in the region (the Western Balkans territory);
- Launching a series of targeted, long-term regional initiatives for the development of philanthropy;
- Finding solutions for the growing needs of this developing sector.

The main goal of 'the Foundation' is to support the development and expansion of locally-sourced philanthropy and to increase knowledge exchange within the philanthropy community in Albania, Bosnia and Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia.

The Foundation's head office is in Belgrade, 38/1/23 Takovska Street.

The founders of 'the Foundation' are Aleksandra Vesić - Antić and Nathan Koeshall.

The registered Foundation representative is Aleksandra Vesić – Antić and the registered Foundation manager is Nathan Koeshall, with the residences in Belgrade, the Republic of Serbia.

Pursuant to the Law on Legacies and Foundations ('Official Gazette of RS' no 88/2010 and 99/2011 – state law), the foundation is defined as a legal entity that has no members or fixed assets, founded for the purpose of charitable attainment of a generally-beneficial cause that is not prohibited by the Constitution or law. On 14 August 2013, the Foundation was entered into the Legacy and Foundation Register of the Republic of Serbia's Business Registers Agency, as per the Decision number BZF 371/2013.

The Foundation's registered activity is 9499 – Activities of other membership organisations and 7490 – Other professional, scientific and technical activities. The Foundation Registry Number is 28826818 and the Tax Identification Number is 108190899.

The Foundation is classified as a micro legal entity.

On 31 December 2016 the Foundation had 9 full-time employees (31 December 2015 – 6 employees).

2. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS AND ACCOUNTING METHOD

2.1. Basis for the preparation and presentation of financial statements

Legal entities (including other legal entities, associations and foundations and legacies) and sole proprietors in the Republic of Serbia are obligated to maintain business records, perform recognition and measurement of assets and liabilities, revenues and expenditure, and perform preparation, presentation, delivery and disclosure of financial statements in conformity with the Law on Accounting (hereinafter referred to as 'the Law', published in the 'Official Gazette of RS', number 62/2013).

The Foundation, as a micro legal entity is not obligated to apply the International Standards of Financial Reporting for Small and Medium-Sized Entities ('ISFR for SME').

Micro business entities, except for public companies, micro institutions, sole proprietors and other legal entities regardless of size are obligated to apply the Rulebook on recognition, valuation, presentation and disclosure of items in individual financial statements of micro and other legal entities ('Official Gazette of RS', no 118/13 and 95/14); however, they may decide to apply the International Standards of Financial Reporting for Small and Medium-Sized Entities.

By the Decision of the Republic of Serbia's Ministry of Finance on determining the translation of International Standards of Financial Reporting for Small and Medium-Sized entities ('Official Gazette of RS' no 117/2013), the translation of International Standards of Financial Reporting for Small and Medium-Sized Entities, approved and published by the International Accounting Standards Board – IASB in July 2009, was determined and published. By the transitional provisions of the Law, as well as by the above-mentioned Decision, it was prescribed that the application of International Standards of Financial Reporting for Small and Medium-Sized Entities was to begin with the financial statements prepared on 31 December 2014. Pursuant to paragraph 35.7 of International Standards of Financial Reporting for Small and Medium-Sized Entities, the Foundation performed an analysis and recognition of all assets and liabilities, whose recognition is required by International Standards of Financial Reporting for Small and Medium-Sized Entities. The performed recognition of assets and liabilities did not affect the previously reported balance of assets and liabilities.

The Foundation's Financial Statements are presented in the form prescribed by the Rulebook on form and content of financial statements for other legal entities ('Official Gazette of RS', no 137/2014). This Rulebook legally defines the forms of financial statements and content of items in forms, as well as the minimum content for the notes to financial statements.

In preparation of those financial statements, the Foundation applied accounting policies substantiated in the Note 3.

The Foundation's Financial Statements are expressed in RSD thousands. The Dinar represents the official reporting currency in the Republic of Serbia.

2.2. The first application of International Standards of Financial Reporting for Small and Medium-Sized Entities and its effects

The Foundation's Financial Statements are prepared in conformity with the accounting regulations of the Republic of Serbia and the International Standards of Financial Reporting for Small and Medium-Sized Entities.

In addition, pursuant to paragraph 35.7 of International Standards of Financial Reporting for Small and Medium-Sized Entities, an analysis and recognition have been performed of all assets and liabilities whose recognition is required by the International Standards of Financial Reporting for Small and Medium-Sized Entities.

The performed recognition of assets and liabilities, that is, the change of accounting policies, did not have effects on previously reported balances of assets and liabilities. The transition from the previously used framework of financial reporting to International Standards of Financial Reporting for Small and Medium-Sized Entities did not have an impact on financial position and financial performances reported by the Foundation.

3. THE SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Revenue from donation

The value of assets obtained through donations is initially recorded as deferred revenue under liabilities, that is, under accruals and deferred revenue in the balance sheet, which is decreased and credited to the income statement, that is, recorded under revenue in the period when the costs related to the use of assets received from donations are recorded in the income statement.

Monetary donations whose purpose is not strictly defined, and which cover one financial period and whose purpose is to cover the Foundation's costs incurred in that period, are recorded within the revenue in the financial period in which they are received.

3.2. Translation of foreign exchange amounts

Transactions effected in foreign currency are translated into RSD at the median exchange rate established at the inter-bank foreign exchange market ruling at the date of transaction.

Assets and liabilities expressed in foreign currency at the balance sheet date were translated into RSD at the median exchange rate established at the inter-bank foreign exchange market ruling at that date.

Foreign exchange gains and losses incurred in transactions in foreign currency and upon translation of balance sheet items recorded in foreign currency are charged or credited to the income statements, either as gains or losses based on foreign exchange differentials.

3.3. Income Tax and other taxes and contributions not contingent upon operating results

a) Current Income Tax

Income Tax represents the amount charged and paid pursuant to the Law on Income Tax in effect in the Republic of Serbia. Other legal entities, including foundations, pursuant to Article 1 of the Law, are subject to income tax if earning income derived from the sale of products on the market, or, providing services in exchange for compensation.

The current Income Tax represents the amount that is calculated by application of the prescribed 15% tax rate on the tax base determined in the tax balance. The tax base represents the amount of income before taxes, after deducting effects of reconciliation of revenue and expenditure, in conformity with the tax regulations of the Republic of Serbia, including deductions for the stipulated tax credits.

The Republic of Serbia's Law on Income Tax does not stipulate that the tax losses of the current period can be used as the basis for the return of the tax paid in the previous periods. However, tax losses from the current period reported in the tax balance can be used for deduction of the tax base of future financial periods, which are not to exceed five years. Tax losses incurred before 1 January 2010 can be transferred to the account of future gains within the period not exceeding ten years.

b) Deferred Income Tax

Deferred income tax is calculated by using the method for determining liabilities as per the balance sheet, for the temporary differences arising from the difference between the assets and liabilities' tax base in the balance sheet and their book value. The effective tax rates at the balance sheet date are used for determining the deferred amount of income tax. Deferred tax

liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and the effects of transferred loss and tax credits on the tax balance, which can be transferred to the extent at which the taxable income, against which deferred tax assets can be used, will probably exist.

Deferred tax is charged or credited to income statement, except when it refers to items directly charged or credited to the capital, and in that case the deferred tax is also posted under the capital.

v) Taxes and contributions not contingent upon the operating results

Taxes and contributions not contingent upon operating results include property tax (also including the tax on received donations, Note 3.4), taxes and contributions borne by the employer, as well as the other taxes and contributions paid in accordance with the Republic, tax and general regulations. These taxes and contributions are reported under 'other operating expenditures'.

3.4. Taxes on received donations

Pursuant to Article 14, paragraph 3 of the Law on Property Taxes ('Official Gazette no. 26/01, 45/02, 80/02, 135/04, 61/07, 5/09, 101/10, 24/11, 78/11, 57/12, 47/13 and 68/14), it has been prescribed that a gift tax is paid on received monetary assets, intellectual property rights and things, unless the individual value of received assets does not exceed RSD 100,000, or the right to tax exemption is prescribed by the Law or an international treaty.

Pursuant to Article 21 of the Law on Property Taxes, the Foundation is not subject to Gift Tax, i.e. does not pay the Gift Tax for the property inherited or received as a gift, that is, for the property that serves solely for the purpose of attaining the objective for which the Foundation was founded.

Pursuant to Article 7 of the Law on Legacies and Foundations, the assets that the Foundation obtained gratuitously (voluntary contributions, gifts, donations, financial subventions, legacies, etc.), are exempted from taxes prescribed by Law.

3.5. Tax on surplus of income over the expenditures earned on the market

Pursuant to Article 44 of the Law on Income Tax ('Official Gazette no. 25/01, 80/02, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14, 142/14 and 91/15), it has been prescribed that the non-profit organization frees of income tax for the tax period in which the surplus of income over expenditure does not exceed 400,000 dinars, provided that:

- 1) not distributed the surplus to its founders, members, directors, employees or persons associated with them;
- 2) the annual amount of personal income that is paid to employees, directors and related parties does not exceed twice the amount of average annual salary per employee in the year for which the right to tax exemption, by the Republic agency in charge of statistics;
- 3) does not allocate assets to the benefit of its founders, members, directors, employees or related entities;
- 4) that there is not a monopoly or a dominant position on the market in terms of the law governing the protection of competition.

3.6. Employee benefits

a) Taxes and contributions to employee social security funds

Pursuant to regulations applied in the Republic of Serbia, the Foundation is subject to taxes and contributions paid to tax authorities and state funds providing employee social security. These liabilities include taxes and contributions borne by employer, in the amounts calculated at the rates stipulated by legal regulations. In addition, the Foundation is obligated to deduct contributions from the employee gross salaries, and pay the deducted amounts on their behalf to the funds. Taxes and contributions borne by the employer and taxes and contributions borne by employees are charged to the income statement of the period they refer to.

b) Liabilities based on severance pay

In accordance with the regulations applied in the Republic of Serbia, the Foundation is obligated to provide severance pay to its employees upon retirement in the amount of three average gross salaries earned in the Republic of Serbia in the month preceding the month of payment of severance pay, where the paid severance pay cannot be lower than one and a half average salary per employee employed in the Foundation in the month preceding the month of payment of severance pay, or, one and a half average salary earned through an economic activity in the Republic of Serbia in the month preceding the month of payment of severance pay, if more favourable for the employee.

The Foundation did not make provisions based on the current value of future costs of severance pays, unused annual leaves and other employee compensations. The Management estimates that the amounts calculated on that basis would not have materially significant effects on the Foundation's financial statements.

3.7. Equipment

Equipment is recorded at purchase cost. The purchase cost consists of the value in a supplier's invoice, increased for the costs directly attributed to the acquisition and the costs of bringing the asset into its working condition.

Depreciation of equipment is calculated by use of the straight-line method against the equipment's purchase cost, by means of application of the following annual rates, with a view to a complete write-off of assets in the course of their useful life:

Computers and computer equipment	10 %
Furniture and other equipment	10 %
Telephone equipment	15 %

Depreciation of equipment begins upon an asset's activation.

3.8. Financial instruments

Financial assets and liabilities are recorded in the Foundation's Balance Sheet, from the moment when the Foundation becomes bound to the instrument by contractual provisions.

Financial assets cease to be recognised when the Foundation loses control over contractual rights to those instruments, which occurs when the rights to use the instruments are realised, expired, abandoned or ceded. A financial liability ceases to be recognised when the Foundation discharges the obligation or when the payment obligation stipulated by the agreement is abolished or expires.

a) Cash and cash equivalents

Cash and cash equivalents are estimated at their nominal value.

b) Operating liabilities

Accounts payable are estimated at their nominal value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING ESTIMATES

Presentation of financial statements requires from the Foundation Management to use the best possible estimates and reasonable assumptions, which have an effect on the presented values of assets and liabilities, as well as to disclose the contingent receivables and liabilities at the date of preparation of financial statements, and to disclose the revenue and expenditure during the reporting period. These estimates and assumptions are based on information available at the date of preparation of financial statements.

The key estimates and assumptions related to the future, along with other sources of estimation at the balance sheet date, are presented in the following part of the Report.

4.1. Depreciation and depreciation rates

The depreciation calculation and applied depreciation rates are based on a projected economic life expectancy of equipment and intangible assets. Once a year, the Foundation estimates the economic life expectancy based on current projections.

4.2. Deferred tax assets and liabilities

Given the activity of the Foundation as a legal entity that has no members or fixed assets, as well as the Management's estimates that calculation of deferred tax assets and liabilities based on temporary differences arising from a different recognition of intangible assets and equipment in financial statements and for the tax purposes is immaterial, the said deferred tax assets and liabilities were not calculated or reported in those financial statements.

4.3. Provisions for employee benefits

As underlined in the note 3.6.(b), pursuant to regulations in effect in the Republic of Serbia, the Foundation is obligated to provide severance pay to retiring employees, when the stipulated requirements are met. The Foundation Management estimates that current value of liabilities based on severance pay is not materially significant for the financial statements in their entirety; therefore, provisions on the basis of severance pay were not made in these financial statements.

5. REVENUE FROM DONATIONS

	In RSD 000 for the year ending on 31 December	
	2016	2015
Revenue from donations	19,364	16,701
Total	19,364	16,701

Revenue from donations earned in the total amount of 19,364 thousand RSD (in 2015: 16,701 thousand RSD), refers to monetary donations approved by Mott Foundation, The Balkan Trust for Democracy – a Project of the German Marshall Fund, US AID, TRAG Foundation, Foundation Ana i Vlade Divac, Frederick Mulder Foundation and other Donors, intended for financing several projects during 2016. The Revenue is recognised in the amount of incurred costs.

6. REVENUE FROM SALES OF SERVICES

	In RSD 000 for the year ending on 31 December	
	2016	2015
Revenue from sales of services	2,438	584
Total	2,438	584

Revenue from sales of services in the total amount of 2,438 thousand RSD (in 2015: 584 thousand RSD), refers to preparation, implementation and documentation of the workshops that took place in Bratislava and Vienna; submission of the narrative report on the percentage tax designation considered in Serbia; designing and planning the TASCO regional event on corporate social responsibility with particular focus on corporate and individual philanthropy.

7. COSTS OF MATERIAL AND ENERGY

	In RSD 000 for the year ending on 31 December	
	2016	2015
Costs of material and energy	319	394
Total	319	394

8. COSTS OF SALARIES, SALARY COMPENSATIONS AND OTHER PERSONAL EXPENSES

	In RSD 000 for the year ending on 31 December	
	2016	2015
Costs of gross salaries	7,112	4,872
Costs of taxes and contribution on salaries and fringe benefits paid by employer and fringe benefits	1,185	841
Costs of compensations based on temporary service contracts	314	895
Costs of compensations based on author's work contract	10	-
Other personal expenses and compensations	666	368
Total	9,287	6,976

9. COSTS OF MATERIAL SERVICES

	In RSD 000 for the year ending on 31 December	
	2016	2015
Costs of transport, postal and telecom services	343	535
Maintenance costs	213	277
Rental costs	989	-
Costs of advertising and marketing for the purpose of foundation activity	41	2,341
Costs of other production services	48	818
Total	1,634	3,971

10. COST OF DONATIONS

Costs of donations, in the amount of 381 thousand RSD (in 2015: 1,368 thousand RSD), refers to Contracts on donations between the Foundation and the Associations: "Dečiji centar" Zaječar, "Centar za prevenciju kriminala i postpenalnu pomoć NEOSTART", Belgrade, "Pokretni alternativni teatar omladine Smederevo – PATOS", Smederevo and "Mladi ambasadori", Niš.

11. COSTS OF NON-MATERIAL SERVICES

	In RSD 000 for the year ending on 31 December	
	2016	2015
Consulting services	2,519	5,862
Costs of services of entering in the database	2,230	-
Costs of social activities – clipping	2,028	-
Training costs	770	-
Entertainment	553	23
Web site maintenance	298	-
Accounting services	170	174
Costs of other non-material services	131	-
Legal services	125	-
Payment operation	75	43
Memberships fee, taxes	56	80
Insurance premium costs	14	-
Total	8,969	6,182

12. EQUIPMENT

<i>Purchase value:</i>	
1 January 2016	-
Purchased in 2016	1,069
31 December 2016	1,069
<i>Cumulated depreciation:</i>	
1 January 2016	-
Depreciation for 2016	44
31 December 2016	44
<i>Present value as of 31 December 2016</i>	1,025
<i>Present value as of 31 December 2015</i>	-

13. CASH AND CASH EQUIVALENTS

	31 December 2016	31 December 2015
Current accounts:		
- in RS dinar	1,008	172
- in foreign exchange	6,642	-
Total	7,650	172

14. DEFERRED INCOME

	31 December 2016	31 December 2015
Deferred revenue based on donations	7,233	-
Total	7,233	-

Movement on the account 'deferred revenue from donations' is as follows:

	31 December 2016	31 December 2015
Balance as of 1 January	-	-
Donations during the year	26,269	-
Realised donations	(19,036)	-
Balance as of 31 December	7,233	-

15. COMMITMENTS

The Foundation's commitments arising from the Agreement on Lease of Business Premises are as follows:

	31 December 2016
Not exceeding one year	-
Longer than one year, but not exceeding five years	1,447
Total	1,447

16. CONTINGENT LIABILITIES

On 31 December 2016, to the best of the Management's knowledge, the Foundation did not pursue any lawsuits as a defendant, outcome of which could have negative effects on the Foundation's activities in the following period.

17. FOREIGN EXCHANGE RATE

The median foreign exchange rates, established at the inter-bank exchange market, applied for the translation of foreign exchange items into RSD, were the following for the major foreign

currencies:

	31 December	31 December
	2016	2015
EUR	123.4723	121.6261
USD	117.1353	111.2468