

This is an English version of a Serbian audit report translated only for the management purposes.

**INDEPENDENT AUDITOR'S REPORT
ON FINANCIAL STATEMENTS
FOR THE YEAR 2018**

***"FOUNDATION CATALYST"
BELGRADE***

Belgrade, 25 December 2019

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INDEPENDENT AUDITOR'S REPORT

To the managing and governing bodies of »FOUNDATION CATALYST « Belgrade

Report on financial statements

We have audited the accompanying financial statements of the »FOUNDATION CATALYST « Belgrade (hereinafter referred to as "the Foundation") which include a balance sheet as of 31 December 2018, and a suitable income statement for the year then ended.

Responsibility of the management of the Foundation for financial statements

Management of the Foundation is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations of the Republic of Serbia, based on the Law on Accounting ("Official gazette of the Republic of Serbia", no. 62/2013) and for internal controls relevant to the preparation and fair presentation 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 the attached financial statements on the basis of an audit. We performed the audit in accordance with International Standards on Auditing valid in the Republic of Serbia. These standards require compliance with ethical principles and to review and make a plan in a way that allows us to make sure, in reasonable measure, that financial statements do not contain the wrong information of material importance.

Audit includes the implementation of procedures to obtain audit evidence about the amounts and information disclosed in the financial statements. Selected procedures are based on the judging of auditors, including risk assessment of the existence of materially significant errors in the financial statements, made as a result of irregularities or errors. During the evaluation of these risks, the auditor considers internal controls relevant to the composition and objective presentation of financial statements in order to design the best possible accounting procedures, but not for the purpose of expressing opinions on the efficiency of internal controls system of legal entities. Audit also includes assessing the accounting policies applied and evaluation of significant estimates carried out by management, and evaluation of general presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

To the managing and governing bodies of »FOUNDATION CATALYST « Belgrade

Positive opinion

In our opinion, financial statements give a true and fair view, in all materially significant matters, of the financial position of the Foundation as at 31 December 2018, and of the results of its operations and cash flow for the year then ended, in accordance with the accounting regulation in the Republic of Serbia, based on the Law on Accounting.

Belgrade, 25 November 2019

Miroslav Švedić

Licensed Certified Auditor



BALANCE SHEET

as of 31 12 2018

in thousands of dinars

POSITION	Note	Current year	Previous year Final balance
ASSETS			
A. NON-CURRENT ASSETS		1,542	1,278
I. INTANGIBLE ASSETS			
II. PROPERTY, PLANT AND EQUIPMENT		1,542	1,278
III. BIOLOGICAL ASSETS			
IV. LONG-TERM FINANCIAL INVESTMENTS			
V. LONG-TERM RECEIVABLES			
B. CURRENT ASSETS		3,362	1,411
I. INVENTORY		4	
II. RECEIVABLES FROM SALE			
III. OTHER RECEIVABLES		38	
IV. SHORT-TERM FINANCIAL INVESTMENTS			
V. CASH AND CASH EQUIVALENTS		3,320	1,411
VI. VALUE ADDED TAX			
VII. PREPAID EXPANSES			
V. TOTAL ASSETS = OPERATING ASSETS		4,904	2,689
G. OFF-BALANCE SHEET ASSETS			

P O S I T I O N	No.	Current year	Previous year Final balance
EQUITY AND LIABILITIES			
A. STAKE			
		3,544	
I. STAKE (OWN SOURCE) OF THE FOUNDER AND OTHER PERSONS			
II. RETAINED SURPLUS OF REVENUE OVER EXPENSES			
		5,425	1,442
III. SURPLUS OF EXPENSES OVER REVENUE			
		1,881	3,323
B. LONG-TERM PROVISIONS AND LIABILITIES			
I. LONG-TERM PROVISIONS			
II. LONG-TERM LIABILITIES			
		745	
III. SHORT-TERM FINANCIAL LIABILITIES			
			2,980
IV. ACCOUNTS PAYABLE			
		64	890
V. OTHER SHORT-TERM LIABILITIES			
VI. LIABILITIES DUE TO VAT			
		551	379
VII. LIABILITIES FOR TAXES, CONTRIBUTIONS AND OTHER DUTIES			
VII. ACCRUED EXPENSES			
			321
V. SURPLUS OF EXPENSES OVER REVENUE ABOVE THE LEVEL OF THE STAKE (OWN SOURCE)			
			1,881
G. TOTAL LIABILITIES			
		4,904	2,689
D. OFF-BALANCE LIABILITIES			

Person responsible for the preparation of fin. statements:

Director:

L.S.

INCOME STATEMENT

for the period 01 January - 31 December 2018

in thousands of dinars			
P O S I T I O N	Note	Current year	Previous year
REVENUE FROM REGULAR ACTIVITIES			
A. OPERATING REVENUES (I to IV)		36,188	24,733
I. REVENUES FROM THE SALE OF GOODS, PRODUCTS AND SERVICES		3,141	1,485
II. REVENUE FROM MEMBERSHIPS AND MEMBERSHIP CONTRIBUTIONS			
III. REVENUE FROM SPECIAL REGULATIONS FROM THE BUDGET AND OTHER SOURCES			
IV. REVENUE FROM DONATIONS, GRANTS SUBVENTIONS, ETC.		33,047	23,248
V. REVENUE FROM NON-FINANCIAL ASSETS			
B. OPERATING EXPENSES		30,708	27,043
I. ACQUISITION COST OF GOODS SOLD			
II. REVENUE FROM OWN USE OF MERCHANDIZE			
III. INCREASE OF VALUE OF WORK-IN- PROCESS AND UNFINISHED SERVICES INVENTORY			
IV. DECREASE OF VALUE OF WORK-IN- PROCESS AND FINISHED GOODS AND UNFINISHED SERVICE INVENTORY			
V. COST OF MATERIAL AND ENERGY		167	259
VI. PAYROLL COSTS		17,144	13,164
VII. COST OF PRODUCTION SERVICES		2,756	2,864
VIII. DEPRECIATION COSTS		301	170
IX. COST OF PROVISIONS			
X. COSTS OF DONATIONS		2,824	502
XI. INTANGIBLE COSTS		7,516	10,084
V. OPERATING GAIN		5,480	
G. OPERATING LOSS			2,310
I. REVENUE FROM FINANCIAL ASSETS (FINANCIAL REVENUE)		86	13
II. FINANCIAL EXPENSES		386	1,026
III. GAIN FROM FINANCING			

IV. LOSS FROM FINANCING	300	1,013
V. REVENUE FROM RECONCILIATION OF THE VALUE OF SHORT-TERM AND LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES		
VI. EXPENSES FROM RECONCILIATION OF THE VALUE OF SHORT-TERM AND LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES		
VII. EXCESS OF REVENUE OVER EXPENSES BASED ON RECONCILIATION OF THE VALUE OF SHORT-TERM AND LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES		
VIII. EXCESS OF EXPENSES OVER REVENUE BASED ON RECONCILIATION OF THE VALUE OF SHORT-TERM AND LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES		
IX. OTHER REVENUE	245	
X. OTHER EXPENSES		
XI. EXCESS OF REVENUE OVER EXPENSES FROM REGULAR ACTIVITIES BEFORE TAXATION	5,425	
XII. EXCESS OF EXPENSES OVER REVENUE FROM REGULAR ACTIVITIES BEFORE TAXATION		3,323
XIII. EXCESS OF REVENUE OVER EXPENSES, EFFECTS FROM CHANGES IN ACCOUNTING POLICIES AND VALUE ADJUSTMENT FROM PREVIOUS YEARS		
XIV. EXCESS OF EXPENSES OVER REVENUE, EFFECTS FROM CHANGES IN ACCOUNTING POLICIES AND VALUE ADJUSTMENT FROM PREVIOUS YEARS		
D. EXCESS OF REVENUE OVER EXPENSES BEFORE TAXATION	5,425	
DJ. EXCESS OF EXPENSES OVER REVENUE BEFORE TAXATION		3,323
E. TAX ON THE DIFFERENCE BETWEEN REVENUE AND EXPENSES		
I. TAX EXPENSE OF THE PERIOD	82	
Ž. NET EXCESS OF REVENUE OVER EXPENSES	5,343	
Z. NET EXCESS OF EXPENSES OVER REVENUE		3,323

Person responsible for the preparation of fin. statements:

Director:

L.S.