

MV Konsalt d.o.o.

Revizija finansijskih iskaza i konsalting

CIVIC ALLIANCE PODGORICA

Audit Report 2016
/period January-December/

CIVIC ALLIANCE PODGORICA

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2016**

CONTENTS:

	Page
Statement of management responsibility	3
Auditors' report	4
Financial statements:	
Statement of income for the year ended 31 december 2016	5-6
Balance sheet as at 31 december 2016	6-7
Statement of cash flows as at 31 december 2016	8-9
Notes to the financial statements	10-21

“MV KONSALT” DOO

PODGORICA

This statement is given relating to the audit of financial statements Civic Alliance Podgorica as at 31.12.2016 for the purpose of expressing an opinion on whether the financial statements present fairly, in all material respects, the financial condition of Civic Alliance Podgorica as at 31. December 2016, results of operations and cash flows for the year then ended in accordance with International Accounting Standards, International Financial Reporting Standards and regulations of Montenegro.

We accept our responsibility for true and fair presentation of financial statements in accordance with International Accounting Standards, International Financial Reporting Standards and the accounting regulations of Montenegro.

According to our best knowledge and belief, hereby we certify that:

- 1 Management and persons who have a significant role in the internal control system, or persons who may have a material impact on the accounts have not been involved in illegal activities.
- 2 We put at your disposal all the books and supporting documentation and all records from meetings of the Management for the year 2016, and also period for completion of the audit.
- 3 We confirm the comprehensiveness of information provided regarding the identification of related entities.
- 4 There is no material misstatement or omission expression in the financial statements.
- 5 The Civic Alliance has acted in accordance with all aspects of contractual provisions which, if disregarded, could have a material effect on the financial statements. There was non-compliance with the requirements of the legislative and executive bodies, which, in the case of non-compliance, could have a material effect on the financial statements.
- 6 We report all incurred and contingent liabilities.
- 7 We have no plans or intentions that may materially alter accounting value or classification of assets and liabilities in the financial statements.
- 8 There were no events after the balance sheet date which would require adjustment or disclosure in the financial statements or in the notes to them.

On behalf of the management Civic Alliance,

Edina Hasanaga Cobaj, Financial - Administrative director

Podgorica, 28 February 2017

MV Konsalt d.o.o.

Revizija finansijskih iskaza i konsalting

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TO THE FINANCE ADMINISTRATIVE DIRECTOR OF CIVIC ALLIANCE PODGORICA

Auditors' report

We have audited the accompanying financial statements of Civic Alliance Podgorica which comprise the balance sheet as at 31 December 2016, income statement, statement of changes in equity and cash flow statement for the year then ended, summary of significant accounting policies and other disclosed notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and objective presentation of these financial statements in accordance with the applicable Law on Accounting and Audit of Montenegro and with International Standards on Auditing. This responsibility includes: developing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material and misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates.

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 International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation and true and objective 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 NGO „Civic Alliance“ internal control. An audit also includes evaluating the appropriateness of accounting principles 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 truly and objectively the financial position of the NGO „Civic Alliance“ Podgorica as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with the applicable Law on Accounting and Audit of Montenegro.

Podgorica, 28 February 2017



»MV Konsalt« d.o.o. Podgorica

Ilinka Vuković, Certified Auditor

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

Income statement

	Note	2016.	2015.
		€	€
I Operating income		223,920	209,758
1.Sales			
2.Own products used			
3.Increase in value of inventories			
4.Decrease in value of inventories			
5.Other operating income	3a,5	223,920	209,758
II Operating expenses	3b	(223,078)	(210,262)
1.Cost of goods sold			
2.Cost of material	6	(3,945)	(3,922)
3.Wages, salaries and other personal expenses	3j, 7,8	(123,948)	(112,396)
4. Depreciation and provision costs	3g, 15	(945)	(546)
5. Other operating expenses	3c,9,10,11,12,13,14,16, 17,18	(94,240)	(93,398)
A Operating result		842	(504)
II Financial income	3a, 3e	1,010	504
III Financial expenses		1,514	
B. Financial result		(504)	504
I OTHER INCOME		1	
II OTHER EXPENSES		(339)	
C. RESULT FROM OTHER ACTIVITIES		(338)	
D. RESULT FROM OPERATING ACTIVITIES BEFORE TAX		0	0
E. NET INCOME FROM DISPOSAL OF DISCONTINUING OPERATIONS			
F. RESULT BEFORE TAX			
G. OTHER ITEMS OF RESULT/ASSOCIATED WITH CAPITAL/			
1. Changes in revaluation reserves on financial assets available for sale			
2. Changes in revaluation reserves arising from property, plant and equipment and intangible assets			
3. Changes in revaluation reserves arising from equity investments in associated companies			
4. Changes in revaluation reserve on the basis of actuarial gains (or loss) with respect to defined pension plans			
5. Changes in revaluation reserves arising from cash flow hedges			
H. INCOME TAX EXPENSE			
1. Current income tax			

The accounting policies and the notes on pages 10 to 21 form an integral part of these Financial Statements

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

2. Deferred tax income/expense			
I. NET RESULT			
J. EARNINGS PER SHARE			
1. Basic earnings per share			
2. Decreased (diluted)earning per share			

Podgorica, 28 February 2016

NGO "Civic Alliance"
Podgorica

Milena Golubović, dpl.ecc,

Edina Hasanaga Cobaj
Financial Administrative
Director

Person responsible for preparing financial statements

Balance sheet

ASSETS	Note	2016.	2015.
		€	€
A. SUBSCRIBED CAPITAL NOT PAID			
B. LONG-TERM ASSETS		4,005	4,133
I GOODWILL			
II INTANGIBLE ASSETS		357	357
III PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS		3,648	3,776
1. Property, Plant and Equipment	3f, 19	3,648	3,776
2. Investment property			
3. Biological assets			
IV LONG-TERM FINANCIAL INVESTMENT			
1. Equity investments			
2. Equity method investments			
3. Other long term financial investments			
C. DEFERED TAX ASSETS			
D. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS			
E. CURRENT ASSETS		133,211	158,027
I INVENTORIES E		17	321
II SHORT TERM RECEIVABLES, INVESTMENTS AND CASH		133,194	157,706
1. Receivables			500
2. Receivables for overpaid income tax			
3. Short - term financial investments			
4. Cash and cash equivalentents	3d,3h, 21	133,194	157,206
5. Value added tax and accruals			
F. TOTAL ASSETS		137,216	162,160
LIABILITIES			
A. EQUITY			

The accounting policies and the notes on pages 10 to 21 form an integral part of these Financial Statements

Auditors' report - pages 4.

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

I ISSUED CAPITAL			
II SUBSCRIBED CAPITAL NOT PAID			
III RESERVES			
IV POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AVAILABLE FOR SALE			
V REVALUATION RESERVES AND FOREIGN UNREALIZED LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE			
VI RETAINED EARNINGS			
VII LOSS			
VIII TREASURY SHARES AND STAKES			
B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES			
I LONG-TERM PROVISIONS			
II LONG TERM LIABILITIES			
1. Long-term loans			
2. Other long term liabilities			
C. DEFERRED TAX LIABILITIES			
D. SHORT-TERM PROVISIONS AND LIABILITIES		137,216	162,160
I SHORT TERM LIABILITIES		137,216	162,160
1. Short term financial liabilities			
2. Liabilities from assets and disposal groups available for sale			
3. Liabilities from operations	22	671	264
4. Other short-term liabilities and accruals	3i, 23	136,545	161,896
5. Liabilities for value added tax and other statutory liabilities			
6. Income tax liabilities			
II SHORT-TERM PROVISIONS			
E. TOTAL LIABILITIES AND EQUITY		137,216	162,160

Podgorica, 28 February 2017

NGO "Civic Alliance"
Podgorica

Milena Golubović, dpl.ecc,

Edina Hasanaga Čobaj
Financial Administrative
Director

Person responsible for preparing financial statements

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

Statement of cash flows

		2016. €
A. CASH FLOW FROM OPERATING ACTIVITIES		
I. Cash inflow from operating activities (1 do 3)	301	223,920
1. Cash receipts from customers and received advances	302	
2. Interest received from operating activities	303	
3. Other receipts from operating activities	304	223,920
II. Cash outflows from operating activities (1 do 5)	305	(247,085)
1. Cash paid to suppliers and payments in advance	306	(123,137)
2. Gross salaries and wages	307	(123,948)
3. Interests paid	308	
4. Income tax	309	
5. Other tax paid	310	
III. Net cash generated from operating activities (I-II)	311	(23,165)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
I. Cash inflow from investing activities (1 do 5)	312	
1. Sales of shares and stakes (net receipts)	313	
2. Sales of intangible assets, property, plant, equipment and biological assets	314	
3. Other financial investments (net receipts)	315	
4. Interests received from investing activities	316	
5. Dividends received	317	
II. Cash outflows from investing activities (1 do 3)	318	
1. Purchase of shares and stakes (net outflows)	319	
2. Purchase of intangible assets, property, plant, equipment and biological assets	320	
3. Other financial investments (net receipts)	321	
III. Net cash generated from investing activities (I-II)	322	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
I. Cash inflow from financing activities (1 do 3)	323	
1. Increase in share capital	324	
2. Long term and short term loans (net receipt)	325	
3. Other long term and short term liabilities	326	1,006
II. Cash outflows from financing activities (1 do 4)	327	
1. Purchase of treasury shares and stakes	328	
2. Long term and short term loans and other liabilities (net outflow)	329	(1,853)
3. Finance leasing	330	
4. Dividends paid	331	
III. Net cash generated from financing activities (I-II)	332	(847)
D. NET CASH FLOW (311+322+332)	333	(24,012)

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

E. CASH AT THE BEGINNING OF THE REPORTING PERIOD	334	107,206
H. CASH AT THE END OF THE REPORTING PERIOD (333+334+335-336)	337	83,194

Podgorica, 28 February 2017

NGO "Civic Alliance" Podgorica

Milena Golubović, dpl.ecc,

Edina Hasanaga Čobaj
Financial Administrative
director

Person responsible for preparing financial statements

1. Activities and Organizations

Civic Alliance (CA) Montenegro is registered as a non-governmental, non-profit foundation. Through the merger of two well established NGOs in Civic Alliance, the aim was to intensify work in supporting the rights of individual citizens towards the state system. In addition, Civic Alliance is enhancing the monitoring of judicial bodies and public administration on national and municipal level. CA work in strengthening the interaction between the citizens and public bodies, through active public advocacy and constructive critical approach.

NGO "Civic Alliance" office in Montenegro was founded in the septembar of 2011 and is based in Podgorica, st. Studenska, Lamela 9, no 5. Registry number of the organization is 179 (act 05-006/11-16479/1 on 09.09.2011.).

Concerning its nature of operations Civic Alliance is a non-profit grantmaking foundation. The office focus is on strengthening cooperation between and among local human rights NGOs in order to increase the visibility, impact and value of efforts to create a responsible, free and democratic society. Civic Alliance (CA) efficiently contributes to establishing democratic, civic and responsible society where human rights are being respected, contributes to the respect of the rule of law, development of the researching journalism and creation of public policies in the area of its expertise.

On 10 February 2017 the financial statements were approved by the Financial Administration Director, who is responsible for the operations of the company in 2016.

2. Basis of preparation of the financial statements

a) Basis of preparation and presentation of the financial statements

Financial statements presented on pages 5-9 are based on the annual accounts established in accordance with applicable regulations of Montenegro and the International Accounting Standards, Accounting and Auditing Law of Montenegro (Official Gazette of Montenegro No:69/05, 80/08 and 5/11), Profit Tax Law (Official Gazette of Montenegro No:12/02 and 40/08), Law on VAT (Official Gazette of Montenegro No:65/01, 12/02 (edited), 38/02, 72/02, 21/03, 76/05 and 16/07).

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

The Civic Alliance maintains its accounting records in accordance with legal regulations in Montenegro applicable until 31.12.2016, which are generally based on the International Financial Reporting Standards ("IFRS") and Accounting and Auditing Law of Montenegro (Official Gazette of Montenegro No:69/05 and 80/08 and 32/11).

In the preparation of these financial statements the Company applied accounting policies described in Note 3, which are based on the accounting and tax regulations of Montenegro.

b) Going concern concept

The financial statements have been prepared in accordance with the going concern concept, which assumes that the Civic Alliance will continue its operations in the future.

Financial Statements Civic Alliance have been prepared in accordance with the recommendation of the historical cost basis, except as otherwise disclosed in the accounting policies below, which will be indicated, in accordance with IFRS.

Civic Alliance accomplished reclassification and correction of all the balances in accordance with IFRS as approved by the International Accounting Standards applicable on the date of the balance sheet. Also Civic Alliance has made application and disclosure of all legal standards in compliance with IFRS.

All amounts in the financial statements for the years 2016 and 2015 are presented in Euro.

3. Basic accounting policies

The basic accounting policies applied in the preparation of the financial statements for the year 2016, were as follow:

a) Income (grants and interest income)

/I/ Income from donations is basic income, originating from foreign donors, and as such, reduced for some taxes, duties, fees, etc.

/II/ Interest income is a regular income resulting as the income from a bank while calculating positive interest rate on demand deposits in bank accounts of Civic Alliance at NLB Montenegrobanka Podgorica and Hipotekarna banka d.d. Podgorica;

b) Operating expenses

Operating expenses include all costs directly related to the execution of the basic activities of Civic Alliance.

(c) Maintenance and repair costs

Maintenance and repair of fixed assets are covered by the revenues of the current accounting period of the amount actually incurred.

d) Calculation of foreign currencies

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

/I/ Transactions in foreign currencies during the year are recalculated into EUR at the official exchange rates prevailing on the dates transaction.

/II/ All receivables and liabilities denominated in foreign currencies are converted into EUR using the exchange rates prevailing at the balance sheet date.

/III/ Gains and losses arising from the recalculation of assets and liabilities denominated in foreign currencies and recalculation of business transactions during the year are recognized as income or expense in the period in which they arise.

3. Basic accounting policies (continued)

(e) Financial income and expenses

Financial income and expenses include interest income on receivables and loans and interest expenses. Revenues and expenses are recognized in the accounting period to the contractual interest rate.

Financial income and expenses include positive and negative exchange differences arising from the conversion of foreign currency transactions and monetary assets and liabilities.

Also, the income on the basis of long-term funds invested in companies and banks are reported in the income statement as financial income in the period in which they incurred.

(f) Property and equipment

/I/ Property and equipment are stated at cost less accumulated depreciation. If there is a significant deviation of net book value of fixed assets from market value adjustment to fair value is done by assessing the compliance with the principles of assessment and international accounting standards.

/II/ Purchases of property and equipment are recorded at cost value, which comprises the invoiced value of acquired assets, plus any costs relating to putting those into use.

/III/ Reconstruction and adaptation which change the capacity or allocation of fixed assets or contribute to a significant diminishing operating costs are presented as an increase in the value of fixed assets.

/IV/ Gains on sale of fixed assets are recognized in other income. Net book value of sold and disposed fixed assets is compensated at the expense of other expenditures.

/V/ Tools and inventory are allocated in fixed assets, if the period is longer than one year, or if it was calculated depreciated.

(g) Depreciation

Depreciation is calculated for each individual asset separately, the rates are determined by the cost or revalued value of fixed assets are amortized in equal annual amounts over the estimated useful life of the asset.

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

Depreciation is calculated starting from next month for newly acquired assets, or the calculation of the value of fixed assets, as determined at the end of last year, for other fixed assets.

3. Basic accounting policies (continued)

The applicable rates of depreciation are as follows:

Fixed assets group	Useful life	Depreciation rate	Recognized rate in the income tax
	(year)	(%)	(%)
Equipment	3,33 – 6,66	15-30	15-30

In accordance with Article 13, paragraph 6. Corporate Income Tax Law ("Official Gazette of Montenegro" no. 65/2001) a depreciation of buildings for tax purposes is calculated by using the proportional method, and for all other fixed assets using the digressive method.

h) Cash and cash equivalents

Cash and cash equivalents are recognized at nominal value.

For the purposes of the balance of cash flows Cash consists of cash on hand, funds in the account, deposits with banks and highly liquid investments with maturity of three months

(i) Taxes and contributions

/a/ *Income tax- current tax*

/I/ considering the nature of activities and operations of Civic Alliance as a non-profit organization does not have the obligation to pay income tax, and as such it is tax free. The difference between reported income and expenses in the income statement is transferred each year to the account of deferred revenue from donations received (4950).

/b/ *Income tax - deferred tax assets / liabilities*

/I/ Tax effects relating to temporary differences between the bases on which the individual assets and liabilities are recognized for tax purposes and the carrying amount of the assets and liabilities reported in the financial statements, are presented as deferred tax assets or deferred tax liabilities.

/II/ Deferred tax assets / liabilities are measured at the tax rates that are expected to be received during the period when the asset is realized or the liability is settled.

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

3. Basic accounting policies (continued)

/c/ Taxes, contributions and other legal obligations that do not depend on the results of operations

Taxes, contributions and other legal obligations, which do not depend on the results of operations including property taxes and other taxes and fees and are paid according to various national and local regulations. These taxes and contributions are included in the income statement within other operating expenses.

The Tax Authorities has the right to control taxes retroactively for five years.

(j) Employee Benefits

/I/ Contributions for social security of employees

In accordance with regulations prevailing in Montenegro, the Company has an obligation to pay contributions to state funds which provide social security of employees. These obligations involve the payment of contributions on behalf of employer according to prescribed rates. In addition, the Company has an obligation to pay contributions on behalf of employees as withheld amounts from gross salaries and in employees' benefit pay it to those funds. These contributions are payable on behalf of employee and employer are charged to expenses in the period in which they occur. (Note 7.)

(k) Fair value

/I/ The policy of the Civic Alliance is to disclose information about fair values of assets and liabilities for which published market information exists and when the fair value differs from book value.

4. Income

	2016. €	2015. €
Income from donations in Income statement	223,919.91	209,757.89
Benefit of postponed income on the donations	136,545.22	161,896.00
Incam from donations	360,465.13	371,653.89
Other interest income	1,010.20	503.95
Income from reimbursement		8,454.39
Total :	361,475.33	380,612.23

A method of recording and disclosure of donations is regulated by International Accounting Standard 20.

Income from donations should be recorded according to the principle of confrontation with expenditure for the period during which the donation is made. The difference between confronted income and expenditure, i.e. donations received in a higher amount from the expenses, should be

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

registered to the benefit of postponed income on the donations basis, which has been done in the general ledger of Civic Alliance .

3. Basic accounting policies (continued)

The amount of actual income in 2016 of 361,464.30 which is in the income statement decreased by 136,545.22 from the liability of confrontation income and expenditure of the current year, and given the amount of 136,545.22 is credited to an account Deferred tax assets arising from donations (kto. 4950).

5. Income from donation

		2016.
		€
01/2016	Osce Mission to Montenegro	2,490.00
03/2016	Royal Norwegian Embassy	2,070.19
03/2016	Rockefeller Brothers Fund	53,778.02
04/2016	Ambasada savezne republike roma	12,305.00
05/2016	CDT-Centar za demokratsku tranziciju	1,400.00
06/2016	EGAM European Grassroots Antiracist Movement	268.50
07/2016	Ambassade de Suisse	4,650.00
07/2016	CS Mott Foundation	31,532.91
2016.	CoE – Conseil De L Europe	30,810.00
01/2016	Association of judges	200.00
08/2016	Commission for allocation of revenue from games of chance	10,000.00
09/2016	US Department Of State Charleston	24,064.81
09/2016	Ministry of Foreign Affairs The Hague	22,125.00
11/2016	EAD - Europejska Akademia Dyplomacji	1,378.50
11/2016	Association of prosecutors	1,496.20
Total income from donators:		198,569.13
Transfer from deferred income from previous years		25,350.78
Total income:		223,919.91

Income from donators are consisted of payments being made during 2016, the year of the foreign donators and a small part of the donations from Montenegrin NGO. Leading foreign donors are Rockefeller Brothers Fund, CS Mott Foundation, CoE – Conseil De L Europe itd.

3. Basic accounting policies (continued)

6. Cost of material

	2016. €	2015. €
Cost of office supplies	1,842.02	1,300.59
Tools and inventories costs	700.31	928.78
Cost of water	162.67	135.69
Cost of electricity	94.12	233.58
Cost of petrol	1,145.82	1,126.87
Total:	3,944.94	3,725.51

7. Wages, salaries and other personal expenses

Personal income costs	2016. €	2015. €
Net salaries	58,649.19	51,703.90
Tax from personal income	8,341.78	7,039.54
Income from contributions-employer	21,156.03	18,551.48
Income from contributions-staff	10,507.97	9,204.07
Total	98,654.97	86,498.99

As at 31 December 2016 the Company had 9 employees. (2015: 8 employees).

During 2016 all net salaries, taxes and contributions are accrued and paid as of December 2016.

8. Cost of fees for service contracts

	2016. €	2015. €
Net fee of service contract	20,721.83	22,053.14
Tax on service contract	1,403.57	1,758.23
Surtax on service contract	210.66	227.52
Contributions for service contract	153.70	251.08
Total cost of service contract and author's agreements	22,489.76	24,289.97

3. Basic accounting policies (continued)

9.Reimbursement of expenses on a business trip

	2016. €	2015. €
Reimbursement of costs of accommodation and food on a business trip	-	111.60
Reimbursement of costs daily allowances	2,106.00	1,029.30
Reimbursement of costs travel expenses	697.50	465.68
Total	2,803.50	1,606.58

10.Cost of transport services

	2016. €	2015. €
Transport services in a country	1,492.50	499.75
Transport services abroad	1,093.28	3,540.52
Total cost of transport services	2,585.78	4,040.27

11.Cost of postal services

	2016. €	2015. €
Postal services in a country	70.36	357.26
Phone costs	3,562.57	4,062.41
Total cost of postal services	3,632.93	4,419.67

12.Cost of maintenance services

	2016. €	2015. €
Cost of maintenance services for fixed assets	135.92	622.82
Other costs of maintenance services	420.00	-
Total maintenance services	555.92	622.82

3. Basic accounting policies (continued)

13. Cost of lease

	2016. €	2015. €
Cost of renting office space	2,998.80	-
Total cost of lease	2,998.80	-

14. Advertising expenses

	2016. €	2015. €
Advertising expenses	735.20	600.40
Broadcast advertisement	1,157.95	238.00
Total advertising expenses	1,893.15	838.40

15. Depreciation

Total depreciation costs for 2016 in the amount of 944.53 € include depreciation calculated in accordance with Note 3 (g)

	2016. €	2015. €
Depreciation	944.53	545.72
Total depreciation costs	944.53	545.72

16. Costs of non-production services

	2016. €	2015. €
Utilities	164.19	151.56
Accounting services and audit expenses	1,000.00	2,400.00
Cost of language school	910.00	270.00
Consultancy and financial intermediation	3,585.00	4,103.08
Organizing conferences, seminars, workshops and study visit	35,929.25	39,438.18
Printing services	7,190.07	3,115.89
Recording, production broadcasting service	5,928.00	3,790.00
Cost for project interviews and publishing	4,185.02	465.00
Other non-production services	666.18	399.20

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2016

Total:	59,557.71	54,133.71
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3. Basic accounting policies (continued)

17. Other operating expenses

	2016. €	2015. €
Representation expenses	2,425.82	1,611.47
Banking services expenses	2,093.29	897.40
IT and web services	2,201.50	62.00
Webhosting fee	787.06	1,250.27
Administrative fees	178.00	271.84
Total:	7,685,67	4,092.98

18. Cost of paid grants

	2016. €
Nvo 35 MM	12,000.00
Nvo 4 life	500.00
Udruženje preduzetnika	500.00
Nvo LGBT Progres	500.00
Nvo Mogul 5	500.00
Nvo Aisec	500.00
Nvo Alfa Centar	500.00
other humanitarian requirements	100.00
Total	15,300.00

3. Basic accounting policies (continued)

19. Equipment

Cost	Property €	Total €
Balance as at 1 January 2016	5,542.50	5,542.50
Procurement	816.60	816.60
Balance as at 31 December 2016	5,881.10	5,881.10
Accumulated depreciation property and equipment	Property	Property
Accumulated depreciation	€	€
Balance as at 1 January 2016	1,228.87	1,228.87
Depreciation for the period	944.53	944.53
Balance as at 31 December 2016	2,223.40	2,223.40
Net book value as at 31 December 2016	3,647.70	3,647.70
Net book value as at 31 December 2016	3,775.70	3,775.70

20. Receivables

	2016. €	2015. €
Receivables from customers - domestic	-	-
Total:		

Account receivables from domestic and international customers expresse the balance of 0,00 eur. All receivables in 2016 were charged and no receivables existed as at 31.12.2013 from domestic and international customers.

3. Basic accounting policies (continued)

21. Cash and cash equivalents

	2016. €	2015. €
Petty cash	1.08	
Gyro account NLB banka I (530-19969-52)	43,169.12	57,551.18
Gyro account HB banka I (520-423-64)	26,938.07	35,665.71
Visa bissiness electron card	564.59	413.65
Foreign currency account NLB EUR	20.59	62.58
Foreign currency account HB EUR	12,500.27	13,512.74
deposited cash value	50,000.00	50,000.00
Total:	133,193.72	157,205.86

Civic Aliance has got above stated bank accounts at NLB Montenegrobanka and Hipotekarna banka. Some of the bank accounts are in USD and some of them are in EUR. All bookkeeping information about bank accounts are denominated in EUR, and a conversion was made during recording in the books, with rates of exchange prevailing at that date.

According to the obtained confirmation during the audit, from NLB Montenegrobanka Podgorica, state of assets does not differ. This state reflects the actual state of the funds, which consists of funds on hand, assets in foreign currency accounts and assets in bank accounts and all of them are in NLB Montenegrobanka Podgorica.

22. Liabilities from operations

	2016. €	2015. €
Trade payables – domestic	671.57	264,00
Trade payables – foreign	0	0,00
Liabilities for received advances	0	0,00
Total:	671.57	264,00

23. Deferred income from grants

	2016. €	2015. €
Deferred income from grants	136,545.00	161,896.00
Total:	136,545.00	161,896.00

A method of recording and disclosure of donations is regulated by International Accounting Standard 20.

Income from donations should be recorded according to the principle of confrontation with expenditure for the period during which the donation is made. The difference between confronted income and expenditure, i.e. donations received in a higher amount from the expenses, should be registered to the benefit of postponed income on the donations basis, which has been done in the general ledger Civic Alliance .

On account Deferred tax income credited to the amount of reported income as reported in the current year.

24. Litigation

According to management statement there were no litigations and the Civic Alliance does not expect significant changes in their operations.

25. External control

In 2016. Civic Alliance was not a subject of external control.

26. Events after the balance sheet date

According to management statement there were no relevant events after the balance sheet.