

CIVIC ALLIANCE PODGORICA

Audit Report 2019 /period January-December/

CIVIC ALLIANCE PODGORICA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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“MV KONSALT” DOO

PODGORICA

This statement is given relating to the audit of financial statements Civic Alliance Podgorica as at 31.12.2019 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 2019, 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 2019, 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,

Boris Raonić, President

Podgorica, 28 February 2020

**TO THE FINANCIAL AND ADMINISTRATIVE DIRECTOR
OF CIVIC ALLIANCE PODGORICA**

Audit opinion

We have audited the accompanying financial statements of NGO Civic Alliance Podgorica - Statement of financial position/balance sheet as at 31.12.19. The statement of comprehensive income/Income statement for the period 01.01.19. to 31.12.19., The statement of cash flows for the period 01.01.19. to 31.12.19. and Statement of changes in Equity for the period 01.01.19. to 31.12.19 and a summary of significant accounting policies and notes to the financial statements.

In our opinion, the attached financial statements, in all material respects, present truly and objectively the financial position of the NGO Civic Alliance Podgorica on the date 31.12.19. and business success and cash flows for the period 01.01.- 31.12.19 in accordance with the accounting regulation of Montenegro.

Basis of opinion

The respective audit is harmonized with International Standards on Auditing (ISA) and in accordance with the Code of Ethics for Professional Accountants Committee on International Ethical Standard for Accountants (IESBA). Our responsibility in accordance with International Standards on Auditing (ISA) is described in the Responsibilities of the auditor for the audit of the financial statements. Independence and other ethical standards are fully meet in relation to society, in what way are filled with the required ethical responsibility in this audit.

We consider that our audit provides a reliable base of information, knowledge and assessment of the financial statements that were the subject of a given opinion.

The key audit questions

The key audit questions are questions that have been according to our professional judgment of the most importance for the audit of the financial statements of the current period. These issues are addressed in the context of the audit of the financial statements as a whole and in forming opinions about them, and not have given private opinion on financial matters.

The responsibility of management and persons authorized to manage the financial statements

Management is responsible for the preparation and true presentation of these financial statements in accordance with International Financial Reporting Standards and the accounting regulations of Montenegro, as well as the framework for internal control as management determines as necessary to enable the preparation of financial statements that are free from material misstatement material statements whether due to fraud or error. The framework is based on the provisions of national law and the application of International Accounting Standard, namely International financial reporting standard.

In preparing the financial statements, the Company's management is responsible for assessing the ability of the Company to continue in business in accordance with the business continuity principle, and, where applicable, with disclosure of facts relating to business continuity and the use of this principle as a basis for financial reporting, unless management intends to liquidate the Company or suspend its operations, or if it does not have the ability to continue operations. Persons authorized to manage are responsible for monitoring the Company's financial reporting process.

Auditor responsibility for the audit of financial statements

Our goal is to obtain a reasonable basis for a belief about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue the audit report, which contains our opinion. Reasonable grounds for believing provides a significant level of security, but does not guarantee that the audit was conducted in accordance with International Standards on Auditing can always find a material misstatement if it exists. These missions may occur due to fraud or error and will be considered material of the individual or total can influence the economic decisions of users adopted on the basis of these financial statements.

As part of the audit in accordance with ISA standards, we are conducting professional judgment and we maintain professional skepticism throughout the audit process. We also do the following:

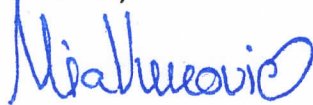
- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error prepared and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of material misstatement not being identified due to fraud is higher than due to error, because the criminal actions may include falsification of deliberate omissions, misrepresentations and bypass internal controls
- gain understanding of internal controls relevant to the audit in order to prepare the audit procedures appropriate circumstances, but not for the purpose of expressing an opinion on the internal controls of the Company
- estimate adequacy of adopted accounting policies and validity of accounting estimates made by management and related disclosures.
- except conclusion on the appropriateness of the accounting system driven in accordance with the principle of continuity of operations by the management. Also on the basis of evidence makes conclusions about the presentation of the principle of continuity of operations and whether there is vulnerability. If we determine that a material significant uncertainty as to the preservation of this principle, we are obliged to point out in this report.
- to belong to disclosures in the financial statements, or if such disclosures are not appropriate, modify our opinion on that basis. If we determine that there is material uncertainty about maintaining this principle, we are required to include in our report the related disclosures in our financial statements, or, if such disclosures are not appropriate, we modify our opinion on that basis. Our conclusions are based on the audit evidence obtained up to the date of our report, but future events or conditions may cause the Company's inability to continue operating in accordance with the principle of continuity.
- evaluate the overall presentation, structure and content of financial statements including their disclosure, and whether the financial statements are resulting from transactions and events in a manner that meets fair presentation.
- communicate with the persons authorized to manage, among other things, about the planned scope and timing of the audit, as well as, the significant audit findings including significant failures in the system of internal controls that determine the course of the audit.
- give a statement to those who are responsible for the management that we have complied with relevant ethical requirements relating to independence and that we communicate to them about all relationships and other matters that could reasonably be considered to affect our independence and

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2019

where applicable, the relates measures of protection. Among the issues to communicate with those who are responsible for the management, we determine those issues that are the most important for the audit of the financial statements of the current period and are therefore a key audit issues. We describe these issues in our audit report unless a law or regulation prevents public disclosure of questions or when we decide, in very rare circumstances, the question should not be communicated in our report, as it can reasonably be expected that negative consequences of communication would outweigh the public interest benefits of such communication.

Podgorica, 15.03.2020. godine

Mia Vuković, izvršni direktor



MV Konsalt d.o.o. Podgorica,
Ulica Slobode 26, Podgorica.

Ilinka Vuković, Certified Auditor

Licenca Ministarstva finansija Crne Gore 0042



CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2019

Income statement

	Note	2019. €	2018. €
I Operating income		341,220	169,640
1.Sales			
2.Own products used			
3.Increase in value of inventories			
4.Decrease in value of inventories			
5.Other operating income	3a,5	341,220	169,640
II Operating expenses	3b	(341,270)	(169,020)
1.Cost of goods sold			
2.Cost of material	6	(3,726)	(1,396)
3.Wages, salaries and other personal expenses	3j, 7,8	(197,618)	(115,253)
4. Depreciation and provision costs	3g, 15	(3,456)	(1,246)
5. Other operating expenses	3c,9,10,11,12,13,14,16, 17,18	(136,470)	(51,125)
A Operating result		(50)	620
II Financial income	3a, 3e	1	
III Financial expeenses		(10)	
B. Financial result		(9)	
I OTHER INCOME		60	
II OTHER EXPENSES		(1)	(620)
C. RESULT FROM OTHER ACTIVITIES		59	(620)
D. RESULT FROM OPERATING ACTIVITIES BEFORE TAX		0	0
E. NET INCOME FROM DISPOSAL OF DISCONTINUING OPERATIONS			
F. RESULT BEFORE TAX		0	0
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			
2. Deferred tax income/expense			

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

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CIVIC ALLIANCE PODGORICA
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J. EARNINGS PER SHARE			
1. Basic earnings per share			
2. Decreased (diluted)earning per share			

Podgorica, 28 February 2020

NGO "Civic Alliance"
Podgorica

Miloš Konatar, dipl.ecc,
Person responsible for preparing financial statements

Boris Raonić
President

Balance sheet

ASSETS	Note	2019.	2018.
		€	€
A. SUBSCRIBED CAPITAL NOT PAID			
B. LONG-TERM ASSETS		13,662	3,552
I GOODWILL			
II INTANGIBLE ASSETS		105	150
III PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS		13,557	3,402
1. Property, Plant and Equipment	3f, 18	13,557	3,402
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		162,835	254,337
I INVENTORIESE			
II SHORT TERM RECEIVABLES, INVESTMENTS AND CASH		162,835	254,337
1. Receivables			
2. Receivables for overpaid income tax			
3. Short - term financial investments			
4. Cash and cash equivalents	3d, 3h, 20	162,835	254,337
5. Value added tax and accruals			
F. TOTAL ASSETS		176,497	257,889

LIABILITIES			
A. EQUITY			
I ISSUED CAPITAL			
II SUBSCRIBED CAPITAL NOT PAID			
III RESERVES			
IV POSITIVE REVALUATION RESERVES AND			

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2019

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		176,497	257,889
I SHORT TERM LIABILITIES		176,497	257,889
1. Short term financial liabilities			
2. Liabilities from assets and disposal groups available for sale			
3. Liabilities from operations	21		
4. Other short-term liabilities and accruals	3i, 22	176,497	257,889
5. Liabilities for value added tax and other statutory liabilities			
6. Income tax liabilities			
II SHORT-TERM PROVISIONS			
E. TOTAL LIABILITIES AND EQUITY		176,497	257,889

Podgorica, 28 February 2020

Miloš Konatar, dpl.ecc,
Person responsible for preparing financial statements

NGO "Civic Alliance"
Podgorica

Boris Raonić
President

Statement of cash flows

		2019 €	2018. €
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 do 3)	301	259,828	262,920
1. Cash receipts from customers and received advances	302		
2. Interest received from operating activities	303		
3. Other receipts from operating activities	304	259,828	262,920
II. Cash outflows from operating activities (1 do 5)	305	(337,764)	(167,710)
1. Cash paid to suppliers and payments in advance	306	(140,146)	(52,457)
2. Gross salaries and wages	307	(197,618)	(115,253)
3. Interests paid	308		
4. Income tax	309		

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

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4. Income tax	309		
5. Other tax paid	310		
III. Net cash generated from operating activities (I-II)	311	(77,936)	95,210
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	13,566	1,399
1. Purchase of shares and stakes (net outflows)	319		
2. Purchase of intangible assets, property, plant, equipment and biological assets	320	13,566	1,399
3. Other financial investments (net receipts)	321		
III. Net cash generated from investing activities (I-II)	322	(13,566)	(1,399)
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		
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		
3. Finance leasing	330		
4. Dividends paid	331		
III. Net cash generated from financing activities (I-II)	332		
D. NET CASH FLOW (311+322+332)	333	-91,502	93,811
E. CASH AT THE BEGINNING OF THE REPORTING PERIOD	334	254,337	160,526
H. CASH AT THE END OF THE REPORTING PERIOD (333+334+335-336)	337	162,835	254,337

Podgorica, 28 February 2020

NGO "Civic Alliance" Podgorica

Miloš Konatar, dipl.ecc,
Person responsible for preparing financial statements

Boris Raonić
President

1. Activities and Organizations

Civic Allince (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 Aliance" 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 journalisam and creation of public policies in the area of its expertise.

On 28 February 2020 the financial statements were approved by the Executive Director, who is responsible for the operations of the company in 2019.

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 Law of Montenegro (Official Gazette of Montenegro No:52/16), Profit Tax Law (Official Gazette of Montenegro No: 40/08, 86/09, 40/11, 14/12, 61/13 55/16), Law on VAT (Official Gazette of Montenegro No:65/01, 12/02 (edited), 38/02, 72/02, 21/03, 76/05, 04/06, 16/07, 73/10, 40/11, 9/15, 53/16, 1/17, 50/17).

The Civic Alliance maintains its accounting records in accordance with legal regulations in Montenegro applicable until 31.12.2019, which are generally based on the International Financial Reporting Standards ("IFRS") and Accounting Law of Montenegro (Official Gazette of Montenegro No: 52/16), Auditing Law of Montenegro (Official Gazette of Montenegro No: 01/17)..

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.

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FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2019

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 2019 and 2018 are presented in Euro.

3. Basic accounting policies

The basic accounting policies applied in the preparation of the financial statements for the year 2019, 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 Montenegro banka 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

/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.

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.

4. 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.

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

	2019. €	2018. €
Income from donations in Income statement	341,220.35	162,819.85
Benefit of postponed income on the donations	176,497.32	257,889.58
Income from donations	517,717.67	420,709.43
Other interest income	-	-
Income from reimbursement	60.72	6,819.78
Total :	517,778.39	427,529.21

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 of Civic Alliance .

3. Basic accounting policies (continued)

The amount of actual income in 2019 of 517,778.39 which is in the income statement decreased by 341,220 from the liability of confrontation income and expenditure of the current year, and given the amount of 176,497,32 is credited to an account Deferred income based on received donations (kto. 4950).

5. Income from donation

Donor	2019. €
Rockefeller Brothers Fund	53,963.14
UNHCR	122,361.2
COE - Conseil De L Europe	32,425.00
Internews	4,786.75
Helsinki committee Netherland	12,240.00
UNICEF	4,190.00
Minority Fund	10,600.00
Usa Embassy in Montenegro	12,177.00
income from donations from the previous period	81,392.26
Other	7,325.72
Total income from donators:	341,281.07
Transfer to deferred revenue for future activities	176,497.32
Total income:	517,778.39

Income from donators are consisted of payments being made during 2019, the year of the foreign donators and a small part of the donations from Montenegrin NGO. Leading foreign donors are Rockefeller Brothers Fund, UNHCR, BTĐ, CoE – Conseil De L Europe etc.

3. Basic accounting policies (continued)

6. Cost of material

	2019. €	2018. €
Cost of office supplies	1,710.62	352.58
Tools and inventories costs	217.20	-
Electricity costs	471.30	-
Cost of water	204.95	104.95
Cost of petrol	1,121.40	938.52
Total:	3,725.47	1,396.05

7. Wages, salaries and other personal expenses

Personal income costs	2019. €	2018. €
Net salaries	85,026.55	59.831,08
Tax from personal income	12,003.31	8,512.54
Income from contributions-employer	30,465.71	21,476.06
Income from contributions-staff	14,456.28	10,673.02
Total	141,951.85	100,492.70

As at 31 December 2019 the Company had 11 employees. (2018: 7 employees).

During 2019 all net salaries, taxes and contributions are accrued and paid as of December 2019.

8. Cost of fees for service contracts

	2019. €	2018. €
Net fee of service contract	45,039.98	6,668.14
Tax on service contract	3,070.28	405.85
Surtax on service contract	461.18	60.88
Contributions for service contract	667.82	-
Total cost of service contract and author's agreements	49,239.26	7,134.87

3. Basic accounting policies (continued)

9.Reimbursement of expenses on a business trip

	2019. €	2018. €
Reimbursement of costs of accommodation and food on a business trip	596.90	506.30
Reimbursement of costs daily allowances	6,3458.51	2,133.25
Reimbursement of costs travel expenses	539.98	689.93
Total	7,485.39	3,329.48

10.Cost of transport services

	2019. €	2018. €
Transport services in a country	-	-
Transport services abroad	-	-
Total cost of transport services	-	-

11.Cost of postal services

	2019. €	2018. €
Postal services in a country	79.50	-
Phone costs	3,123.60	3,005.85
Total cost of postal services	3,203.10	3,005.85

12.Cost of maintenance services

	2019. €	2018. €
Cost of maintenance services for fixed assets	47.20	94.40
Other costs of maintenance services	-	-
Total maintenance services	47.20	94.40

3. Basic accounting policies (continued)

13. Cost of lease

	2019. €	2018. €
Cost of renting office space	6,098.40	6,098.40
Total cost of lease	6,098.40	6,098.40

14. Advertising expenses

	2019. €	2018. €
Advertising expenses	3,523.39	281.43
Broadcast advertisement	-	-
Total advertising expenses	3,523.39	281.43

15. Depreciation

Total depreciation costs for 2019 in the amount of 1,246.15 € include depreciation calculated in accordance with Note 3 (g)

	2019. €	2018. €
Depreciation	3,456.33	1,246.15
Total depreciation costs	3,456.33	1,246.15

16. Costs of non-production services

	2019. €	2018. €
Utilities	389.99	101.04
Accounting services and audit expenses		1,000.00
Consultancy and financial intermediation		2,916.76
Organizing conferences, seminars, workshops and study visit	35,652.20	20,484.54
Services printing publications	8,095.55	4,255.89
Joint project costs	33,313.61	-
service agency reporting - MINA		-
Empirical research		-
Other non-production services		5,523.93
Total:		34,282.16

3. Basic accounting policies (continued)

17. Other operating expenses

	2019. €	2018. €
Representation expenses	3,341.65	1,428.50
Banking services expenses	853.84	424.16
Webhosting fee	20,00	-
Administrative fees	55.65	204.52
Negative exchange rate differences	10,55	-
Total:	4,742.87	2,047.18

18. Cost of paid grants

	2019. €	2018. €
Nvo 35 MM		8,400.00
Youth Initiative for Human Right		2,000.00
Nvo 4 life		-
Udruženje preduzetnika		-
Nvo Mogul 5		-
Opština Berane		-
Omladinski savez Crne Gore		-
Nvo Arhkomuna		-
Nvo Alfa Centar		-
other humanitarian requirements		-
Total		10,400.00

3. Basic accounting policies (continued)

18. Equipment

Cost	Property €	Total €
Balance as at 1 January 2019	8,135.62	8,135.62
Procurement	13,566.45	13,566.45
Balance as at 31 December 2019	21,702.07	21,702.07
Accumulated depreciation property and equipment accumulated depreciation	Property €	Total €
Balance as at 1 January 2019	4,583.30	4,583.30
Depreciation for the period	3,456.33	3,456.33
Balance as at 31 December 2019	8,039.63	8,039.63
Net book value as at 31 December 2019	13,662.44	13,662.44
Net book value as at 31 December 2018	3,552.32	3,552.32

19. Receivables

	2019. €	2018. €
Receivables from customers - domestic	-	-
Total:	-	-

Account receivables from domestic and international customers expresse the balance of 0,00 eur. All receivables in 2019 were charged and no receivables existed as at 31.12.2019. from domestic and international customers.

3. Basic accounting policies (continued)

21. Cash and cash equivalents

	2019. €	2018. €
Petty cash		
Gyro account NLB banka I (530-19969-52)	70,926.07	83,065.09
Gyro account HB banka I (520-423-67, 520-447-92)	18,408.59	83,013.95
Visa business electron card	745.11	655.83
Foreign currency account NLB EUR	20.59	20.59
Foreign currency account HB EUR	-	11,569.51
Foreign currency account HB EUR	72,734.52	76,012.29
deposited cash value	-	-
Total:	162,834.88	254,337.26

Civic Alliance 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 and Hipotekarna banka.

22. Liabilities from operations

	2019. €	2018. €
Trade payables – domestic	-	297.38
Trade payables – foreign	-	-
Liabilities for received advances	-	0
Total:	-	297.38

23. Deferred income from grants

	2019. €	2018. €
Deferred income from grants	176,497.32	257,889.58
Total:	176,497.32	257,889.58

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 2019. 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.