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Revizija finansijskih iskaza i konsalting

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CIVIC ALLIANCE PODGORICA

Audit Report 2021
/period January-December/

CIVIC ALLIANCE PODGORICA

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2021**

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“MV KONSALT” DOO

PODGORICA

This statement is given relating to the audit of financial statements Civic Alliance Podgorica as at 31.12.2021. 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 2021, 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 2021, 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,

Milan Radović, Program director

Podgorica, 31 March 2022

Milan Radović



**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 31.12.21. The statement of comprehensive income/Income statement for the period 01.01.21. to 31.12.21., The statement of cash flows for the period 01.01.21. to 31.12.21. and Statement of changes in Equity for the period 01.01.21. to 31.12.21. 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 31.12.21. and business success and cash flows for the period 01.01.- 31.12.21 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 2021

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, 30.05.2022.

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 2021

STATEMENT OF FINANCIAL POSITION /BALANCE SHEET/
as of 31.12.2021.

Group of accounts, Account	POSITION	No.	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
	ASSETS				
00	A. UNPAID REGISTERED CAPITAL	001			
	B. FIXED ASSETS (003+008+016)	002		16,037	14,221
01	I INTANGIBLE ASSETS (004 to 007)	003		59	74
010	1. Investments in development	004			
011 i 014	2. Concessions, patents, licenses and similar rights and other intangible assets	005		59	74
012	3. Goodwill	006			
016 i 015	4. Advances for intangible assets and intangible assets in preparation	007			
	II. PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL ASSETS (009+010+011+015)	008		15,978	14,147
020 i 022	1. Land and buildings	009			
023, 027 (part)	2. Plant and Equipment	010		15,978	14,147
	3. Other installed equipment, tools and equipment (012+013+014)	011		0	0
024	3.1. Investment properties	012			
021 i 025	3.2. Biological Assets	013			
026 i 029	3.3. Other unspecified material fixed assets	014			
028 i 027	4. Advances in property, plant, equipment and biological assets and property, plant, equipment and biological assets in preparation	015			
	III LONG-TERM FINANCIAL INVESTMENTS AND LONG-TERM RECEIVABLES (017 through 023)	016		0	0
030, 039(part)	1. Shares in subsidiaries	017			
033(part), 039(part)	2. Long-term loans to parent and subsidiary legal entities	018			
031(part), 032(part), 039(part)	3. Participation in equity with legal entities (excluding subsidiaries)	019			
033(part), 039(part)	4. Long-term loans to legal entities with equity participation (excluding subsidiaries)	020			
031(part), 032(part)	5. Equity Capital, which are measured at equity	021			
032(part), 034, 035, 036, 039(part)	6. Long-term financial investments (loans and securities given)	022			
038, 039(part)	7. Other long-term investments and receivables	023			
288	C. DEFERRED TAX ASSETS	024			
	D. CURRENT ASSETS (026+031+039+043+044)	025		262,387	190,684
	I. INVENTORIES (027 do 030)	026		0	0
10	1. Inventory of materials (fabrication material, spare parts, small inventory and car tires)	027			
11	2. Work in progress	028			
12 i 13	3. Finished products and goods	029			
15	4. Advances given	030			

The accounting policies and the notes on pages 10 to 24 form an integral part of these Financial Statements

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CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

	II. SHORT-TERM RECEIVABLES (032 do 035)	031		35	0
202, 203, 209(part)	1. Receivables from buyers	032			
200, 209(part)	2. Receivables from parent companies and subsidiaries	033			
201, 209(part)	3. Receivables from other related parties	034			
	4. Other receivables (036+037+038)	035		35	0
223	4.1. Prepaid corporate income tax	036			
27	4.2. Receivables on Value Added Tax	037			
21, 22, except 223	4.3. Other unmentioned receivables	038			
	III. SHORT-TERM FINANCIAL INVESTMENTS (040 do 042)	039		35	0
236(part)	1. Share in equity of subsidiaries intended for trading	040			
237	2. Redeemed own shares	041			
23 except 236(part) i except 237	3. Other short-term financial investments	042			
24	IV. CASH ON ACCOUNTS AND IN HAND	043		262,352	190,684
04	V. FIXED ASSETS FOR SALE AND ASSETS FROM DISCONTINUED OPERATIONS	044			
28 except 288	E. ACCRUALS	045			
	F. TOTAL ASSETS	046		278,424	204,905
	LIABILITIES				
	A. CAPITAL (102+103+104+105+111+116)	101		0	0
30	I. BASIC CAPITAL	102			
31	II. UNPAID SUBSCRIBED CAPITAL	103			
320	III. EMISSION PREMIUM	104			
	IV. RESERVES (106+107+108+109-110)	105		0	0
321	1. Legal reserves	106			
322(part)	2. Statutory reserves	107			
322(part)	3. Other reserves	108			
330 i potr. saldo rač. 331, 332, 333, 334, 335 i 336	4. Positive revaluation reserves and unrealized gains on financial assets and other components of other comprehensive result	109			
dugov. saldo rač. 331, 332, 333, 334, 335 i 336	5. Negative revaluation reserves and unrealized losses on financial assets and other components of other comprehensive result	110			
	VI. RETAINED EARNINGS OR LOSS (112+113-114-115)	111		0	0
340	1. Retained earnings from previous years	112			
341	2. Retained earnings for the current year	113			
350	3. Loss of previous years	114			
351	4. Loss of current year	115			
	VIII. NON-CONTROLLING INTEREST	116			
	B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES (118+123)	117		0	0
	I. LONG-TERM PROVISIONS (119 do 121)	118		0	0
404(part)	1. Provisions for employee benefits and other benefits	119			
400(part)	2. Provisions for expenses in the warranty period	120			
40, sem 400 i 404	3. Other long-term provisions	121			

The accounting policies and the notes on pages 10 to 24 form an integral part of these Financial Statements

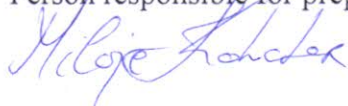
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CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

41	II. LONG - TERM LIABILITIES (122+123)	122		0	0
414, 415	1. Long-term loans	123			
41 bez 414, 415	2. Other long-term liabilities	124			
498	C. DEFERRED TAX LIABILITIES	125			
495(part)	D. LONG-TERM DEFERRED INCOME AND RECEIVED DONATIONS	126			
	E. SHORT-TERM PROVISIONS AND SHORT-TERM LIABILITIES (128+129)	127		694	402
467	I SHORT-TERM PROVISIONS	128			
	II SHORT-TERM LIABILITIES 130 do 137)	129		694	402
422(part), 423(part), 424(part), 425(part), 426 i 429(part)	1. Liabilities arising from loans and borrowings from persons other than credit institutions	130			
422(part), 423(part), 424(part), 425(part) i 429(part)	2. Loan liabilities from credit institutions	131			
430	3. Prepayments, deposits and bails	132			
433 i 434	4. Liabilities to suppliers	133		221	
439(part)	5. Liabilities on bills of exchange	134			
420 i 431	6. Liabilities to the parent and subsidiaries entities	135			
421 i 432	7. Liabilities to other related parties	136			
	8. Other operating liabilities and other short-term liabilities (138 do 142)	137		473	402
439(part)	8.1. Other operating liabilities	138			
45 i 46	8.2. Other short-term liabilities	139		473	402
47,48 except 481	8.3. Liabilities for Value Added Tax and other public revenues	140			
481	8.4. Liabilities for corporate income taxes	141			
427	8.5. Liabilities arising from assets held for sale and business that has been discontinued	142			
490, 491, 494, 495(part), 496, 497 i 499	F. ACCRUALS	143		277,730	204,503
	G. TOTAL LIABILITIES (101+117+125+126+127+142)	144		278,424	204,905

Podgorica, 31 March 2022

Miloje Konatar,
 Person responsible for preparing financial statements



NGO "Civic Alliance"
 Podgorica

Milan Radović
 Program director




CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

STATEMENT OF TOTAL RESULT /INCOME STATEMENT/
in period from 01.01.2021. to 31.12.2021

Group of accounts, Account	POSITION	No.	Note No.	Amount	
				Current year	Previous year
1	2	3	4	5	6
60 i 61	1. Sales revenue - net income	201			
630 i 631	2. Change in value of finished goods inventories and work in progress	202			
62	3. Revenue from the effects and goods activation	203			
	4. Other operating income (205 do 207)	204		419,891	442,540
64 i 65	a) Other operating income	205		215,388	266,042
67, 691 i 692	b) Other operating income	206		204,503	176,498
68, sem 683 i 685	c) Income from value adjustments of assets	207			
	5. Operating expenses (209+210)	208		131,679	171,400
50 i 51	a) Cost of goods sold and the cost of materials	209		7,926	8,409
53, 54 (dio) i 55	b) Other operating expenses (provisions and other operating expenses)	210		118,857	158,942
540	c) Depreciation	210a		4,896	4,049
	6. Wages expenses, wage compensation and other personal expenses (212+213)	211		288,212	264,623
52 (dio)	a) Net wage costs, wage compensation and personal expenses	212		209,104	196,479
	b) Tax and contribution costs (214 do 216)	213		79,108	68,144
52 (dio)	1/ Tax costs	214		21,055	14,190
52 (dio)	2/ Pension contribution costs	215		53,635	32,330
52 (dio)	3/ Contribution costs	216		4,418	21,624
	7. Expenses on value adjustments of assets (other than financial) (218+219)	217		0	0
580, 581, 582, 589 (dio)	a) Expenses on value adjustments of fixed assets (excluding financial assets)	218			
584, 589 (dio)	b) Expenses on value adjustments of current assets (excluding financial assets)	219			
57, 591 i 592	8. Other operating expenses	220			6,517
	I. Operating Result (201+202+203+204-208-211-217-220)	221		0	0
	9. Income from share in equity (223 do 225)	222		0	0
660 (dio)	a) Income from share in equity of subsidiaries	223			
661 (dio)	b) Income from share in equity of other related parties	224			
669 (dio)	c) Income from share in equity of unrelated legal entities	225			

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

	10. Income from other financial investments and loans (interest rates, foreign exchange differences and effects of contractual hedging) (227 do 229)	226			0
660 (dio)	a) Income from other financial investments and loans from parent and subsidiaries	227			
661 (dio)	b) Income from other financial investments and loans from other related legal entities	228			
662 (dio), 663 (dio), 664 (dio), 669 (dio)	c) Income from other financial investments and loans from unrelated legal entities	229			
	11. Other income from interest, exchange rate differences and other contractual hedging effects (231 do 233)	230			0
660 (dio)	a) Financial income from current receivables from parent and subsidiaries	231			
661 (dio)	b) Financial income from current receivables from other related legal entities	232			
662 (dio), 663 (dio), 664 (dio), 669 (dio)	c) Financial income from current receivables from unrelated legal entities	233			
	12. Value adjustment of short-term financial assets and financial investments that are part of current assets (235-236)	234			0
683, 685	a) Income from the value adjustment of short-term financial assets and financial investments that are part of current assets	235			
583, 585	b) Costs from the value adjustment of short-term financial assets and financial investments that are part of current assets	236			
	13. Interest expenses, foreign exchange differences and other contractual protection effects (238 do 240)	237			0
560	a) Interest expenses, foreign exchange differences and other effects of contractual protection based on relations with the parent and subsidiaries	238			
561	b) Interest expense, foreign exchange differences and other contractual hedging effects of relationships with other related parties	239			
562, 563, 564, 569	c) Interest expenses, foreign exchange differences and other effects of contractual protection on relationships with unrelated parties	240			
	II. Financial Result (222+226+230+234-237)	241			0
	III. Operating result before taxation (221+241)	242			0
690 – 590	IV. Net Result of operations which is suspended	243			
	V. Result before taxation (242+243)	244			0

The accounting policies and the notes on pages 10 to 24 form an integral part of these Financial Statements

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

	14. Tax expense of the period (246+247)	245		0	0
721	1. Current corporate income tax	246			
722	2. Deferred tax expenses or income for the period	247			
	15. Profit or loss after tax (244-245)	248		0	0
	VI. Gross Result of other Result items / related to capital / (250 do 257)	249		0	0
330	1. Changes in revaluation reserves on property, plant and equipment, intangible assets and biological assets	250			
331	2. Changes in unrealized gains and losses on translation of foreign financial statements	251			
332	3. Changes in unrealized gains and losses on equity investments	252			
333	4. Changes in actuarial gains and losses on defined benefit plans (or losses) in connection with defined benefit plans	253			
334	5. Changes in participation in other comprehensive affiliate result	254			
335	6. Changes in unrealized gains and losses on instruments for hedging net investment in foreign operations	255			
336	7. Changes in revaluation reserves based on cash flow hedges	256			
337	8. Other changes in unrealized gains and losses	257			
	VII. Deferred tax expenses or income of the period in connection with other items of Result / related to equity /	258			
	VIII. Net Result of other Result items / related to capital / (249-258)	259		0	0
	IX. Net Comprehensive Result	260		0	0
	X. Earnings per share	261			
	1. Basic earnings per share	262			
	2. Reduced (diluted) earnings per share	263			
	XI. Net Result belonging to the owners of the parent legal entity	264			
	XII. Net Result belonging to non-controlling participations	265			

Podgorica, 31 March 2022

Miloje Konatar,
 Person responsible for preparing financial statements

Miloje Konatar

NGO "Civic Aliance"
 Podgorica

Milan Radović
 Program director

Milan Radović



CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

CASH FLOW STATEMENT
in period from 01.01.2021. to 31.12.2021.

POSITION	No.	Amount	
		Current year	Prevoius year
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflows from operating activities (1 do 3)	301	419,890	442,540
1. Sales and advances received	302		
2. Interest received from operating activities	303		
3. Other inflows from operating activities	304	419,890	442,540
II. Cash outflows from operating activities (1 do 5)	305	-341,510	-410,084
1. Payments to suppliers and advances made	306	-53,290	-145,461
2. Wages, sálaries and other personal expenses	307	-288,212	-264,623
3. Interest paid	308		
4. Corporate Income Tax	309		
5. Payments for other public revenues	310		
III. Net cash flow from operating activities (I-II)	311	78,380	32,456
B. CASH FLOW FROM INVESTMENT ACTIVITIES			
I. Cash inflows from investing activities (1 do 5)	312	0	0
1. Sale of shares and units	313		
2. Sale of intangible assets, properties, plant, equipment and biological assets	314		
3. Other financial placements	315		
4. Interest received from investing activities	316		
5. Dividends received	317		
II. Cash outflows from investing activities (1 do 3)	318	-6,712	-4,607
1. Buying stocks and shares	319		
2. Purchase of intangible assets, properties, plant, equipment and biol. assets	320	-6,712	-4,607
3. Other financial placements	321		
III. Net cash flow from investing activities (I-II)	322	-6,712	-4,607
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
I. Cash inflows from financing activities (1 do 3)	323	0	0
1. Increase of basic capital	324		
2. Long-term and short-term loans	325		
3. Other long-term and short-term liabilities	326		
II. Cash outflows from financing activities (1 do 4)	327	0	0
1. Acquisition of own shares and units	328		
2. Long-term and short-term loans and other liabilities	329		
3. Financial leasing	330		
4. Dividends paid	331		
III. Net Cash flow from financing activities (I-II)	332	0	0
D. NET CASH FLOW (311+322+332)	333	71,668	27,849
E. CASH AT THE BEGINNING OF THE REPORTING PERIOD	334	190,684	162,835
F. FOREIGN EXCHANGE RATE GAINS ON CASH TRANSFER	335		
G. FOREIGN EXCHANGE RATE LOSS ON CASH TRANSFER	336		
H. CASH AT THE END OF THE REPORTING PERIOD (333+334+335+336)	337	262,352	190,684

Miloje Konatar,
Person responsible for preparing financial statements

Miloje Konatar

Milan Radović
Program director

Milan Radović



The accounting policies and the notes on pages 10 to 24 form an integral part of these 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 31 March 2022. the financial statements were approved by the Executive Director, who is responsible for the operations of the company in 2021.

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:145/21), Profit Tax Law (Official Gazette of Montenegro No: 40/08, 86/09, 40/11, 14/12, 61/13, 55/16, 1466/21), 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, 46/19, 73/19, 80/20, 8/21, 59/21, 146/21).

The Civic Alliance maintains its accounting records in accordance with legal regulations in Montenegro applicable until 31.12.2021, 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.

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 2021 and 2020 are presented in Euro.

3. Basic accounting policies

The basic accounting policies applied in the preparation of the financial statements for the year 2021, 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

/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. 65/01, 12/02/ 80/04, 40/08, 86/09, 40/11, 14/12, 61/13, 55/16, 146/21) 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

/l/ 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 9.)

(k) Fair value

/l/ 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

	2021. €	2020. €
Income from donations in Income statement	215,388	266,043
Income from donations from the previous period	204,503	176,497
Total income	419,891	442,540
Deferred income from grants	277,731	204,503
Total :	697,622	647,043

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 .

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3. Basic accounting policies (continued)

The amount of actual income in 2021. of 697,621.83 which is in the income statement decreased by 419,890.88 from the liability of confrontation income and expenditure of the current year, and given the amount of 277,730.95 is credited to an account Deferred income based on received donations (kto. 4950).

5. Donations from 2021.

Promotion of Roma and Egyptian culture, tradition and language	Ministry of Justice, Human and Minority Rights of Montenegro	17.700,00 €
Security for Human Beings and Borders - Combating the Smuggling of Migrants in the Western Balkans	European Union	128.165,00 €
Digital Democratic Empowerment and Mobilization for a Stronger EU (DigiDEM)	European Commission ECAS	26.700,00 €
Support to migrants and local communities in Serbia, Montenegro and Northern Macedonia	Norwegian Embassy in Belgrade	1.000,00 €
Provision of legal aid to asylum seekers, refugees and persons at risk of statelessness in MNE	UNHCR	217.370,56 €
Palliative care – my care, my right	SIDA	25.490,00 €
Towards better respect for the right to use the mother tongue of minority peoples in Montenegro	Fund for the Protection and Exercise of Minority Rights	20.000,00 €
Application of minority rights - a reflection of the multiculturalism of	Ministry of Justice, Human and Minority Rights of Montenegro	14.250,00 €

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Montenegro		
For a better position of women from minority communities in Montenegrin system	Ministry of Justice, Human and Minority Rights of Montenegro	12.400,00 €
Transparent and efficient judiciary to effectively combat torture and human rights violations in accordance with negotiating chapters 23 and 24	The Balkan Trust for Democracy (BTD)	49.970,00 €
Ethical and professional reporting for students	US Embassy in Montenegro	30.070,00 \$
Increase of accountability and transparency of the government of Montenegro	Rockefeller Brothers Fund (RBF)	60.000,00 \$
ROMACTED II "Promoting good governance and Roma empowerment at local level"	Council of Europe	30.000,00 €
Seminars of the School of Political Studies	Council of Europe	27.848,00

Income from donors are consisted of payments being made during 2021 from the foreign donors and a smaller part of the donations from state institutions. Leading foreign donors are Rockefeller Brothers Fund, UNHCR, BTD, Council of Europe, European Union, etc.

3. Basic accounting policies (continued)

6. Other operating income

Donor	2021. €	2020. €
Income from donations from the previous period	204,503	176,498
Total income:	204,503	176,498

7. Cost of goods sold and the cost of materials

	2021. €	2020. €
Cost of office supplies	2,876	1,119
Tools and inventories costs	69	-
Material costs	2,664	4,182
Other costs of goods	-	1,070
Electricity costs	624	485
Cost of water	56	86
Cost of petrol	1,637	1,467
Total cost of goods sold and the cost of materials:	7,926	8,409

Material costs in amount € 2,664 relate to the maintenance and service of vehicles done by Efel Motors, Renault Alliance, Auto Čačak and Castellana. These costs are also related to the office material from Simpo and Okov.

8. Other operating expenses provisions and other operating expenses)

	2021. €	2020. €
Postal services in a country	-	27
Phone costs	3,650	2,999
Cost of maintenance services for fixed assets	866	1,194
Cost of renting office space	5,240	6,098
Advertising expenses	1,270	4,086
Utilities	257	226
Legal and notary services	803	6,648

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

Organizing conferences, seminars, workshops and study visit	26,468	38,931
Services printing publications	4,942	5,306
Other non-production services	32,052	32,590
Costs of donations and sponsorships	-	54,748
Costs of a joint project	22,258	
Representation expenses	2,245	2,004
Banking services expenses	1,225	1,130
Administrative fees	4,907	1,492
Cost of paid grants	5,000	1,463
Other operating expenses	7,674	
Total other operating expenses:	118,857	158,942

Costs of non-production services in the total amount of € 32,052.06 relate to: taxi and car rental service costs in the amount of € 6,230.00 (service of rent-a car in the period jun – december 2021 - Congress Travel), costs of professional literature in the amount of € 169.99, costs of donations and sponsorships in the amount of € 330.00, audit cost in the amount of € 1,250.00, tax on the use of motor vehicles in amount € 1,117.56, hotel service costs in amount € 6,044.14 (the amount of € 3,962.80 dated 11/02/2021 – Congres Travel, amount of € 696.60 dated 08/03/2021 - Congres Travel, amount of € 200.39 dated 24/12/2021 - Hotel Poseidon, the amount € 1,184.35 costs related to the Hotel Lukas Berane in the period January – December 2021), costs of airline tickets in the amount of € 404.08, insurance premium costs in the amount of € 86.58, vehicle registration costs in the amount of € 914.57, costs of surtax in the amount of € 506.85, as well as the cost of other non-production services in amount € 14,998.29 (these costs mainly relate to car service and maintenance, translation services, but also to graphic design services, and other services).

Advertising expenses in the total amount of € 1,270.22 relate to advertising and boosting of publications and posts via social media Facebook and Instagram. These costs are also related to maintenance of Google accounts.

Legal and notary services in the total amount of € 803 relate to engagement and representation for persons at risk of statelessness.

Organizing conferences, seminars, workshops and study visit in the total amount of € 26,468.20 relate to Congress Travel (€ 1,952.00; € 13,452.00; 400.00; 1869.82) and Mastermind (€ 2.202,00; € 1,220.00; € 4,413.00).

Costs of a joint project in the total amount of € 22,258.09 relate to payments to project partners, as well as return of unspent project funds to the donors.

Administrative fees in the total amount of € 4,907.05 relate to court fees and other administrative fees and taxes.

9. Depreciation

CIVIC ALLIANCE PODGORICA
FINANCIAL STATEMENTS FOR THE YEAR ENDEED 31 DECEMBER 2021

	2021. €	2020. €
Depreciation	4,896	4,049
Total Depreciation:	4,896	4,049

Total depreciation costs for 2020 in the amount of 4,048.57 € include depreciation calculated in accordance with Note 3 (g)

10 . Wages expenses, wage compensation and other personal expenses

	2021. €	2020. €
Net salaries	140,028	106,002
Net fee of service contract	52,043	81,713
Per diem expenses for a business trip	4,418	1,965
Net wage costs and personal expenses	196,489	189,680
Tax from personal income	18,819	14,190
Tax on service contract	4,145	6,799
Tax costs	22,964	20,989
Pension contribution costs	42,969	32,330
Pension contribution costs	42,969	32,330
Contribution costs	25,790	21,624
Contribution costs	25,790	21,624
Total tax and contribution	91,723	74,943
Total wages expenses, wage compensation and other personal expenses	288,212	264,623

As at 31 December 2021 the Civic Alliance had 17 employees. (2020: 14 employees). In 2021, all salaries are calculated and paid. The costs of contracted services in the amount of € 52,043 include the costs of consulting services for the purposes of implementation of projects, writing studies and other strategic documents for organisation needs.

11. Equipment

Cost	software	vehicles	equipment	Total €
Balance as at 1 January 2021	357	10,000	15,952	26,309
Procurement			6,712	6,712
Balance as at 31 December 2021	357	10,000	22,664	33,021
Accumulated depreciation property and equipment accumulated depreciation				Total €
Balance as at 1 January 2021	284	2,844	8,960	12,088
Depreciation for the period	14	1,143	3,739	4,896
Balance as at 31 December 2021	298	3,987	12,699	16,984
Net book value as at 31 December 2021	59	6,013	9,965	16,037
Net book value as at 31 December 2020	73	7,156	6,991	14,221

During 2021, the Civic Alliance procured computer equipment in the amount of € 3,789 and other equipment in the amount of € 2,923.

12. Receivables

Account receivables from domestic and international customers express the balance of 0,00 eur. All receivables in 2021 were charged and no receivables existed as at 31.12.2021. from domestic and international customers.

3. Basic accounting policies (continued)

13. Cash and cash equivalents

	2021. €	2020. €
Petty cash		
Gyro account NLB banka (530-19969-52)	53,514	53,746
Gyro account HB banka (520-423-67, 520-447-92)	151,430	107,171
Visa bissiness electron card	366	331
Foreign currency account NLB EUR	21	21
Foreign currency account HB EUR	57,021	29,415
Total:	262,352	190,684

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 assets in foreign currency accounts and assets in bank accounts and all of them are in NLB Montenegrobanka Podgorica and Hipotekarna banka.

13. Short-term provisions and short-term liabilities

	2021. €	2020. €
Other operating liabilities and other short-term liabilities	694	402
Total:	694	402

Other operating liabilities and other short-term liabilities in amount of € 694 relate to net salary liabilities (€ 473) and liabilities to suppliers (€ 221).

3. Basic accounting policies (continued)

14. Deferred income from grants

	2021. €	2020. €
Deferred income from grants	277,730	204,503
Total:	277,730	204,503

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.

15. Litigation

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

16. External control

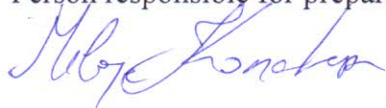
In 2021. Civic Alliance was not a subject of external control.

17. Events after the balance sheet date

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

Podgorica, 31. March 2022.

Miloje Konatar,
Person responsible for preparing financial statements



NGO "Civic Alliance"
Podgorica

Milan Radović
Program director

