

**HELSINKI CITIZENS' ASSEMBLY BANJA LUKA**

**AUDIT REPORT**

**FINANCIAL STATEMENTS  
PREPARED IN ACCORDANCE TO  
INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**DECEMBER 31, 2012**



**REVIZIJA-AUDITING** doo Mostar  
Društvo za reviziju finansijskih izvještaja



### **INDEPENDENT AUDITORS' OPINION**

We have audited the accompanying financial statements of the Association "Helsinki Citizens' Assembly" Banja Luka which comprise the balance sheet as at December 31, 2012, the income statement, the changes in equity statement, the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes shown on pages 5 – 16.

The previous audit was performed by the same auditor whereby a positive assurance was stated.

#### ***– Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### ***– 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 International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from 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 the auditor's 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, the auditor considers internal control relevant to the Company's preparation and fair 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies 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 fairly, in all material respects, the financial position of the Association "Helsinki Citizens' Assembly" Banja Luka as of December 31, 2012, and the results of its operations, the changes in capital and cash flow for the year then ended in accordance with generally accepted accounting principles and International Financial Reporting Standards.

Mostar, January 20, 2014

Revizija-Auditing d.o.o Mostar



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Alma Turkovic, *Director*

Zoran Turković, *Certified Auditor*

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*\* Notes to the financial statements are the Management's responsibility, whereby the text in bold within the Notes is the auditor's opinion on certain issues.*

## NOTE 1 – GENERAL INFORMATION

Association “Helsinki Citizens’ Assembly” (HCP) Banja Luka is registered as a legal entity at the Municipal Court Banja Luka on 16 August 1996, according to the Law on Associations and Foundations of Republic of Srpska, Bosnia and Herzegovina.

The Association operates over the whole territory of BiH.

The main aims and activities of “Helsinki Citizens’ Assembly”, according to Statute of the Association, are:

- To strengthen and develop civil society;
- To reinforce marginalized groups, primarily women, youths and minority groups for political actions and improvement of their position in the society;
- To overcome race, religious and other constrains in building of open and democratic civil society;
- Support to development of economic, cultural, educational, political and other conditions for dominant role of citizens in making decisions based on their needs and interest;
- To strengthen cooperation with other local and international organization and institutions;
- Presentation of educational programs, literatures, knowledge and skills related to peace building, development of local society and human rights to citizens of Bosnia and Herzegovina;
- Permanent education

The registered address of the Association is:

Krfska 84  
78000 Banja Luka  
Bosnia-Herzegovina

The Associations’ bodies

- Assembly
- Management Board
- Executive manager

Ms. Dragana Dardić is executive director and is responsible for procuration.

In 2011 “Helsinki Citizens’ Assembly” employs 5 people full time and 6 persons part time, all on temporary contract basis. Employment of the staff depends on the number and volume of projects, developments and donations.

The Assembly is mainly financed by donations for project implementations.

Projects and donors for 2012:

1. Project: “X Press II – Social Inclusion Trough the Media”  
Donor: EU  
Contract no: 2011/263-083  
Implementation period: 28<sup>th</sup> Nov.2011.-27<sup>th</sup> Jun.2014  
Approved resources: 148.030 EUR
2. Project: “Mapping of Discrimination in Bosnia-Herzegovina, Documenting, Exchange of Information and Reporting”  
Donor: Fond open society  
Arbitration on donation: 066-LP-11  
Implementation period: 01<sup>st</sup> Sept.2011.-31<sup>st</sup> Oct.2012.  
Approved resources: 50.231 EUR

3. Project: "The Female Side of Politics"  
Donor: FOSI / Foundation open society Institute  
Contract no: 200 331 59  
Implementation period: 01<sup>st</sup> Oct.2011.-30<sup>th</sup> Sept.2012.  
Approved resources: 177.076 USD
  
4. Project: "The Missing Member – Legal, Economic and Psychological Empowerment of Single Parents in RS"  
Donor: FIGAP / Finansijski mehanizam za implementaciju Gender akcionog plana BiH  
Contract no: -  
Implementation period: 1<sup>st</sup> Apr.2011.-30<sup>th</sup> Jun.2012.  
Approved resources: 19.998 KM
  
5. Project: "Woman and privilege today2012"  
Donor: The Kvinna till Kvinna Foundation  
Contract no: BOH961405  
Implementation period: 1<sup>st</sup> Jan.2012.-31<sup>st</sup> Dec.2012.  
Approved resources: 25.941 KM

**BALANCE SHEET**

<b>(All amounts shown in BAM)</b>	<b>Note.*</b>	<b>Year ended 31st Dec.2012</b>	<b>Year ended 31st Dec. 2011</b>
<b><i>Non-current assets</i></b>			
Property, plant and equipment	3	561	1.757
		<b>561</b>	<b>1.757</b>
<b><i>Current assets</i></b>			
Given advances	4	1.396	1.850
Other short-term receivables	5	-	50
Cash and cash equivalents	6	183.486	153.042
Accruals	7	555	-
		<b>185.437</b>	<b>154.942</b>
<b>TOTAL ASSETS</b>		<b>185.998</b>	<b>156.699</b>
<b><i>RESERVES</i></b>			
Accumulated previous years' profit	8	156.690	240.350
Accumulated surplus of income over expenditures	8	27.895	-
Current year loss	8	-	(83.660)
		<b>184.585</b>	<b>156.690</b>
<b><i>Short-term liabilities</i></b>			
Short-term liabilities	9	1.413	9
		<b>1.413</b>	<b>9</b>
<b>TOTAL RESERVES AND LIABILITIES</b>		<b>185.998</b>	<b>156.699</b>

On the 28th February, the Management approved these financial statements for issuing.

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Dragana Dardić, executive manager

*\*The notes form an integral part of these financial statements*

**INCOME STATEMENT**

<b>All amounts shown in KM</b>	<b>Note.*</b>	<b>Year ended 31st Dec. 2012</b>	<b>Year ended 31st Dec. 2011</b>
Operating income	10	302.010	288.952
Operating outcome	11	(259.232)	(324.216)
<b>Operating profit (loss)</b>		<b>42.778</b>	<b>(35.264)</b>
Financial income	12	295	1.611
Financial outcome	13	-	(8.422)
Other outcome	14	(15.178)	(41.585)
<b>Profit (loss) for the period</b>		<b>27.895</b>	<b>(83.660)</b>

*\* Notes form an integral part of these financial statements.*



**CASH-FLOW STATEMENT**

	<b>Year ended 31stDec. 2012</b>	<b>Year ended 31st Dec. 2011</b>
<b>Cash inflow</b>		
Buyers and received advances	2.706.268	2.534.803
Other inflow from operating activities	1.741.156	1.508.278
<b>Cash inflow from operating activities</b>	<b>4.447.424</b>	<b>4.043.081</b>
<b>Cash outflow</b>		
Suppliers and given advances	3.513.111	3.088.542
Employee entitlement	144.999	120.369
Taxes and fees	86.771	106.122
Other outflow from operating activities	22.981	15.382
<b>Cash outflow from operating activities</b>	<b>3.767.862</b>	<b>3.330.415</b>
<b><i>Net cash-flow from operating activities</i></b>	<b><i>679.562</i></b>	<b><i>712.666</i></b>
Inflow from other long term fin. investment	11.610	-
<b>Inflow from investing activities</b>	<b>11.610</b>	<b>-</b>
<b><i>Net cash inflow from investing activities</i></b>	<b><i>11.610</i></b>	<b><i>-</i></b>
Outflow from short-term loans	-	18.333
Outflow from financial leasing	-	9.228
Outflow from paid dividends	116.731	163.750
Outflow from other long/short term liabil.	454.789	450.316
<b>Cash outflow from financial activities</b>	<b>571.520</b>	<b>641.627</b>
<b><i>Net cash outflow from financial activities</i></b>	<b><i>571.520</i></b>	<b><i>641.627</i></b>
<b>Total cash inflow</b>	<b>4.459.034</b>	<b>4.043.081</b>
<b>Total cash outflow</b>	<b>4.339.382</b>	<b>3.972.042</b>
<b><i>Net cash inflow</i></b>	<b><i>119.652</i></b>	<b><i>71.039</i></b>
Cash at the beginning of the period	133.581	62.542
Cash at the end of the period	253.233	133.581

*Notes form an integral part of these financial statements.*

**STATEMENT OF CHANGES IN EQUITY***(All amounts shown in KM)*

TYPE OF CHANGE	OWNERS' EQUITY		
	Core capital	Accumulated undistributed profit (loss)	TOTAL
<b>On 31 stDec.2010</b>	<b>10.000</b>	<b>485.444</b>	<b>495.444</b>
	-	-	
<b>On 1st Jan.2011</b>	<b>10.000</b>	<b>485.444</b>	<b>495.444</b>
Net profit (loss) for the period	-	278.192	278.192
Disclosed dividends and other forms of appropriation of profit	-	163.764	163.764
<b>On 31st Dec.2011</b>	<b>10.000</b>	<b>599.872</b>	<b>609.872</b>
<b>On 1st Jan.2012</b>	<b>10.000</b>	<b>599.872</b>	<b>609.872</b>
Net profit (loss) for the period	-	224.016	224.016
Disclosed dividends and other forms of appropriation of profit		254.230	254.230
<b>On 31st Dec.2012</b>	<b>10.000</b>	<b>569.658</b>	<b>579.658</b>

*Notes form an integral part of these financial statements.*

## **GENERAL NOTES**

### **Accounting Policies**

The principal accounting policies adopted for the preparation of the financial statements are set out below:

- ***Period of presentation***

The total audited period is 12 months.

For this audit the annual period is from 1<sup>st</sup> January 2012 until 31<sup>st</sup> December 2012.

- ***Basis of presentation***

The financial statements of "Helsinki Citizens' Assembly" have been prepared in accordance with the International Financial Reporting Standards. The financial statements have been prepared under the historical cost convention.

- ***Property and equipment***

Property and equipment are recorded at cost. Cost represents the prices by suppliers together with all costs incurred in bringing new property and equipment into use.

Depreciation of property and equipment is designed to write off the cost of property and equipment on a straight-line basis over their estimated useful lives.

The principal depreciation rates in use are:

	<u>Depreciation Rate</u>
• Plant and equipment	10-33,33%

The inventory of all assets was made on 31<sup>st</sup> December 2012; the inventory lists are complete and accurate.

- ***Intangible assets***

Software is recognized as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Intangible assets are depreciated on a straight-line basis over the period of its expected benefit. The amortization periods adopted do not exceed five years.

- ***Inventories***

Inventories are stated at the lower of cost or net realizable value. Cost is calculated at average ponder method.

Tools and appliances are written off for 100% when consumed.

- ***Trade receivables***

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables.

- ***Cash and cash equivalents***

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, gyro account and bank balances.

- **Revenue recognition**

Sales comprise the invoiced services, net of sale taxes. The interest income is recognized when collected.

- **Donations (Deferred income)**

Donations are deferred and recognized in the income statement over the period necessary to match them with the related costs that they are intended to compensate for.

- **Expenditures**

Expenditures are recognized when incurred; the accrual system is being applied.

- **Employee Benefits**

The Association makes payments on behalf of its employees for pensions, health care and personnel tax that are calculated on the basis of gross salaries and wages. The Association pays these contributions to the Government's health and retirement funds, at the statutory rates in force during the year. The Association also makes payments directly to the employees for food allowances, travel expenses and vacancy allowances, according to the local legislation. The cost of these payments is charged to the income statement in the same period as the related salary cost.

- **Foreign Currencies**

The financial statement on expenditures is denominated in BAM. There is a fixed exchange rate: EUR 1 = BAM 1,95583.

**NOTE 3 – TANGIBLE ASSETS**

Company's tangible assets are plant and equipment. It is shown according to historical cost less depreciation

	<u>Plant and equipment</u>
<b>Gross value</b>	
<b>1st January 2012</b>	<b>35.112</b>
Increase	-
Decrease	-
<b>31st December 2012</b>	<b>35.112</b>
<b>Adjusted values</b>	
<b>1st January 2012</b>	<b>33.355</b>
Depreciation	1.194
Decrease	-
<b>31st December 2012</b>	<b>34.551</b>
<b>Net book value</b>	
<b>31st December 2012.</b>	<b>561</b>
<b>31st December 2011.</b>	<b>1.757</b>

- **Plant and equipment**

Mainly computers and computer equipment are classified as plant and equipment of the Company. There are also office furniture, air conditioning and other (more significant) equipment:

- PC Intel KM 1.562
- ESDCR – TRV 19 Camera KM 1.549
- Computer 2,0 GHz KM 1.925
- Notebook NEC Versa C160 KM 2.442
- Projector NEC VT-46 KM 2.530
- Photocopier Canon KM 1.980
- Notebook Toshiba KM 1.799

By regular annual inventory no differences were noted.

**NOTE 4 – GIVEN ADVANCES**

<i>(All amounts shown in KM)</i>	<u>2012</u>	<u>2011</u>
Given advances	1.396	1.850
	<b>1.396</b>	<b>1.850</b>

**NOTE 5 – OTHER SHORT-TERM RECEIVABLES**

<i>(All amounts shown in KM)</i>	<b>2012</b>	<b>2011</b>
Other short-term receivables	-	50
	<b>-</b>	<b>50</b>

**NOTE 6 – CASH AND CASH EQUIVALENTS**

<i>(All amounts shown in KM)</i>	<b>2012</b>	<b>2011</b>
Giro account – domestic currency	181.627	152.057
Giro account – foreign currency	492	-
Cash in hand	1.367	985
	<b>183.486</b>	<b>153.042</b>

**NOTE 7 - ACCRUALS**

<i>(All amounts shown in KM)</i>	<b>2012</b>	<b>2011</b>
Expenses paid in advance	555	-
	<b>555</b>	<b>-</b>

**NOTE 8 - EQUITY**

<i>(All amounts shown in KM)</i>	<b>2010</b>	<b>2011</b>
Accumulated profit (previous years)	156.690	240.350
Accumulated surplus of income over expenditures	27.895	-
Current year's loss	-	(83.660)
	<b>184.585</b>	<b>156.690</b>

**NOTE 9 – SHORT-TERM LIABILITIES**

<i>(All amounts shown in KM)</i>	<b>2012</b>	<b>2011</b>
Short-term liabilities	1.413	9
	<b>1.413</b>	<b>9</b>

Short-term liabilities, in total 1.413, refer to:

- Payables KM 213
- Earnings and benefits KM 1.120
- Other liabilities KM 4
- Taxes and fees KM 76

**NOTE 10 – OPERATING INCOME**

<i>(All amounts shown in KM)</i>	<b>2012</b>	<b>2011</b>
Other operating income	302.010	288.952
	<b>302.010</b>	<b>288.952</b>

Helsinki Citizens' Assambly Banja Luka is a non-profit, non-governmental organization which earns their income mainly by domestic and (mostly) foreign donations as well as by membership fees and budget affluence.

In 2012 operating income earnd from (larger amounts)::

1. VAT return KM 6.452
2. Donations:
  - Euepean Commision KM 87.948
  - Fond open society in B&H KM 26.538
  - Fond open society institute / FOSI KM 133.134
  - The Kvinna till Kvinna Foundation KM 25.941
  - Friedenskreis Halle Germany KM 1.056
  - European Commision KM 1.877
  - Telekomunikacije RS a.d. Banja Luka KM 3.000
  - UniCredit banka KM 3.000
3. Membership fees KM 930
4. Budget KM 9.744 (City Banja Luka)
5. Other income KM 9.744 (Finansijski mehanizam za implementaciju Gender akcionog plana BiH / FIGAP)

**NOTE 11 OPERATING OUTCOME**

<i>(All amounts shown in KM)</i>	<b>2012</b>	<b>2011</b>
Operating outcome	259.232	324.216
	<b>259.232</b>	<b>324.216</b>

Operating outcome in amount of 259.232 refer to (larger amounts):

- Small inventory, office supplies KM 5.747
- Electricity, KM 2.792
- Employees' gross income KM 136.043
- Transport KM 6.111
- Temporary contracts 46.801
- Rent KM 6.287
- Postal services KM 4.368
- Amortization KM 1.195
- Accountancy services KM 6.552
- Presentation costs KM 31.862

**NOTE 12 – FINANCIAL INCOME**

( All amounts shown in KM )	<b>2012</b>	<b>2011</b>
Financial income	295	1.611
	<b>295</b>	<b>1.611</b>

**NOTE 13 – FINANCIAL OUTCOME**

(All amounts shown in KM )	<b>2012</b>	<b>2011</b>
Financial outcome	-	8.422
	-	<b>8.422</b>

**NOTE 14 – OTHER OUTCOME**

(All amounts shown in KM )	<b>2012</b>	<b>2011</b>
Other outcome	15.178	41.585
	<b>15.178</b>	<b>41.585</b>

Other outcome in amount of KM 15.178 refer to:

- Humanitarian expenses KM 15.128
- Other outcome KM 50

**NOTE 15 – OTHER NOTES**

By checking all relevant juridical, financial and accounting documents, we have audited the financial statements for 2012 on the basis of:

- The complete set of financial statements for 2012, verified by AFIP
- Entire analytical and synthetical registers
- Entire juridical, economic, accounting and financial documentation requested by the auditor

Audit of financial statements was performed by Mr. Zoran Turković (licence no. 3070172105), certified auditor.

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