



I E F

FINANCIAL STATEMENTS  
FOR 2009 AND  
INDEPENDENT AUDITOR'S REPORT

CENTRALNI REGISTAR, DEPO I KLIRING  
HARTIJA OD VREDNOSTI

BELGRADE

Belgrade, April 2010

I E F



11070 Beograd      telefon (011) 20-53-550  
Bulevar Mihajla Pupina 10 B-I/II      fax (011) 20-53-590

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"I E F" d.o.o. was founded and registered in the Registry of auditing enterprises based on the opinion of the Federal Ministry of Finance in September 2000. The actual registration as the auditing enterprise is based on the Decision of the Ministry of Finance of the Republic of Serbia No 023-02-00112/2008-16, of 7th April 2008. The member of the Chamber of Authorized Auditors, rb registration 18, is based on the Decision of the Council of the Chamber No 67/07 of 18th June 2007. Registration in the Agency for economic registries is made on 24th March 2006, registration No BD 52416. MB: 17303252; PIB: 100120147



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## INDEPENDENT AUDITOR'S REPORT on the Financial Statements

To the Board of Directors and Stockholder of  
Centralni registar, depo i kliring hartija od vrednosti a.d., Belgrade

We have audited the accompanying financial statements of Centralni registar, depo i kliring hartija od vrednosti a.d., Beograd (hereinafter the Company), which comprise the balance sheet as at December 31, 2009, and the income statement and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The Enterprise's financial statements for the year ended on 31<sup>st</sup> December 2008 were audited by another auditor who expressed the positive opinion in Report on 9 April 2009.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations prevailing in the Republic of Serbia.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from 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 entity'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 entity'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.

### *Auditor's Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2009 and the results of its operations and its cash flows for the year then ended, in accordance with accounting regulations prevailing in the Republic of Serbia.

### *Special Attention to Be Paid*

Not expressing the reservation in relation to the above mentioned we would like to call your attention to the following:

- a) In Note I.5 it is mentioned that strengthening of world financial crisis in domestic capital market was reflected in decrease of interest in trading what led to development stagnation, fall in volume of turnover and transactions in the Belgrade Stock Exchange this being cause and consequence of decrease of the Enterprise's income. At the date of the preparation of the Enterprise's financial statements for 2009 eventual additional negative effects of the crisis on the financial position and operating results of the Enterprise cannot with certainty be foreseen in the following accounting periods.

Belgrade, 8 April 2010



Authorised public accountant

*Stanimirka Svičević*  
Stanimirka Svičević

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**PART A.**

**THE 2009 FINANCIAL STATEMENTS**



BALANCE SHEET		on 31 December	
Centralni registar, depo i kliring hartija od vrednosti - Belgrade		(in RSD 000)	
Item	Notes*	2009.	2008.
<b>FIXED ASSETS</b>		<b>100.415</b>	<b>116.747</b>
Intangible assets	II.1.	25.373	33.256
Property, plant, equipment and biolog.assets	II.2.	75.042	83.491
<b>CURRENT ASSETS</b>		<b>106.579</b>	<b>138.260</b>
Inventories	II.3.	3	7
Receivables	II.4.	14.536	18.993
Receivables for prepaid income tax	II.5.	636	15.348
Cash and cash equivalents	II.6.	88.752	103.020
Value added tax (VAT) and prepayments and accrued income	II.7.	2.652	892
<b>A S S E T S</b>		<b>206.994</b>	<b>255.007</b>
<b>CAPITAL</b>	II.8.	<b>201.412</b>	<b>246.150</b>
Basic capital	II.8.	190.178	190.178
Reserves	II.8.	36.012	34.930
Retained profit	II.8.	3.725	21.042
Loss		28.503	
<b>SHORT-TERM LIABILITIES</b>		<b>2.223</b>	<b>5.982</b>
Liabilities from business operations	II.9.	2.010	5.728
Liabilities for VAT and other taxesand accruals and deferred income	II.10.	213	254
<b>DEFERRED TAX LIABILITIES</b>	II.11.	<b>3.359</b>	<b>2.875</b>
<b>L I A B I L I T I E S</b>		<b>206.994</b>	<b>255.007</b>

\*Notes refer to individual Balance sheet items and they are presented as notes to the Financial Statements



## INCOME STATEMENT

in period from 1 January to 31 December

Centralni registar, depo i kliring hartija od vrednosti - Belgrade

(in RSD 000)

Positions	Notes*	2009.	2008.
<b>A. INCOME AND EXPENSES FROM ORDINARY OPERATING</b>			
<b>I OPERATING INCOME</b>	III.1.	102.904	197.622
Income from sale		79.964	172.382
Other operating income		22.940	25.240
<b>II OPERATING EXPENSES</b>	III.1.	132.535	176.912
Costs of material		3.667	4.503
Costs of salaries, fringe benefits and other personal expenses		72.924	115.345
Expenses of depreciation and reservations		18.268	18.053
Other operating expenses		37.676	39.011
<b>III OPERATING PROFIT (I-II)</b>	III.1.		20.710
<b>IV OPERATING LOSS (II-I)</b>	III.1.	29.631	
<b>V FINANCIAL INCOME</b>	III.2.	2.851	4.618
<b>VI FINANCIAL EXPENSES</b>	III.2.	801	1.109
<b>VII OTHER INCOME</b>	III.3.	1	
<b>VIII OTHER EXPENSES</b>	III.3.	439	681
<b>IX PROFIT FROM ORDINARY OPERATING BEFORE TAXATION</b>	III.4.		23.538
<b>X LOSS FROM ORDINARY OPERATING BEFORE TAXATION</b>	III.4.	28.019	
<b>XI PROFIT FROM TERMINATING OPERATIONS</b>	III.5.		
<b>XII LOSS FROM TERMINATING OPERATIONS</b>	III.5.		
<b>B. PROFIT BEFORE TAXATION</b>	III.6.		23.538
<b>C. LOSS BEFORE TAXATION</b>	III.6.	28.019	
<b>D. TAX ON PROFIT</b>			
1. Tax expenses of the period	III.7.		544
2. Deferred tax expense of the period	III.8.	484	1.402
3. Deferred tax income of the period	III.9.		
<b>E. Salaries paid to the employer</b>	III.10.		
<b>F. NET PROFIT</b>	III.11.		<u>21.592</u>
<b>G. NET LOSS</b>	III.11.	<u>28.503</u>	
<b>H. NET PROFIT TO BE DESTRIIBUTED TO MINORITY SHAREHOLDERS</b>	III.12.		
<b>I. NET PROFIT TO BE DESTRIIBUTED TO THE OWNERS OF PARENT COMPANY</b>	III.13.		
<b>J. EARNINGS PER SHARE</b>			
1. Base earnings per share	III.14.		
2. Diluted earnings per share (decreased)	III.15.		

\* Notes refer to individual Income statement and they are presented as notes to the Financial Statements



## CASH FLOW STATEMENT

in period from 1 January to 31 December

Centralni registar, depo i kliring hartija od vrednosti - Belgrade

(in RSD 000)

Positions	Notes *	2009.	2008.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>IV.1.</b>		
I Cash inflows from operating activities		125.256	206.344
Sale and received advances		106.257	200.292
Interest received from operating activities		2.827	4.500
Other inflows from operating activities		16.172	1.552
II Cash outflows from operating activities		120.088	183.348
Payments to suppliers and given advances		45.248	53.767
Salaries and wages		72.924	115.345
Interest paid		115	
Tax on profit			13.238
Payments based on other public income		1.801	998
III Net cash inflow from operating activities		5.168	22.996
III Net cash outflow from operating activities			
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>IV.2.</b>		
I Cash inflows from investing activities			
II Cash outflows from investing activities		1.936	40.463
Purchase of intangible assets, property, plant, equipment and biological assets		1.936	40.463
III Net cash inflow from investing activities			
III Net cash outflow from investing activities		1.936	40.463
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>IV.3.</b>		
I Cash inflows from financing activities			
II Cash outflows from financing activities		16.839	99.143
Paid dividends		16.839	99.143
III Net cash inflow from financing activities			
III Net cash outflow from financing activities		16.839	99.143
<b>D. TOTAL CASH INFLOWS</b>		125.256	206.344
<b>E. TOTAL CASH OUTFLOWS</b>		138.863	322.954
<b>F. NET CASH INFLOW</b>			
<b>G. NET CASH OUTFLOW</b>		13.607	116.610
<b>H. CASH AT THE BEGINN.OF THE ACCOUNTING PERIOD</b>		103.020	220.574
<b>I. FOREIGN EXCHANGE GAINS FROM CONVERSION OR CASH</b>		25	118
<b>J. FOREIGN EXCHANGE LOSSES FROM CONVERSION OF CASH</b>		686	1.062
<b>K. CASH AT THE END OF THE ACCOUNTING PERIOD</b>		<u>88.752</u>	<u>103.020</u>

\* Notes refer to individual Cash flow statement items and they are presented as notes to the Financial Statements





## CHANGES IN EQUITY STATEMENT

Centralni registar, depo i kliring hartija od vrednosti - Belgrade

(in RSD 000)

DESCRIPTION	Notes*	Basic capital	Other basic capital	Reser.	Retained profit	Loss up to the am. of capital	Total
Balance on 01 January 2008	II.8.	92.740	24.308	26.804	180.453		324.305
Corr. of crucial imp. mistakes and accounting politic changes in last year – increase							
Corr. of crucial imp. mistakes and accounting politic changes in last year – decrease							
Corrected open. balance on 01 January 2008		92.740	24.308	26.804	180.453		324.305
Total adding in last year		73.130		8.126	21.592		102.848
Total reduces in last year					180.399		180.399
Balance on 31 December 2008	II.8.	165.870	24.308	34.930	21.646		246.754
Corr. of crucial imp. mistakes and accounting politic changes in current year – increase							
Corr. of crucial imp. mistakes and accounting politic changes in current year – decrease						604	604
Corrected open. balance on 01 January 2009		165.870	24.308	34.930	21.042		246.150
Total adding in current year				1.082		28.503	-27.421
Total reduces in current year					17.317		17.317
Balance on 31 December 2009	II.8.	165.870	24.308	36.012	3.725	28.503	201.412

\*Notes refer to individual statement on changes in equity items and they are presented as notes to the Financial Statements

**PART B.**

**NOTES TO THE FINANCIAL STATEMENTS**

## I. THE ENTERPRISE AND BASES FOR FINANCIAL REPORTING

### 1. The Enterprise

The stock company - Central register, depository and clearing of securities - was founded on 10th December 2003. It was registered in the Registry of economic entities with the Agency for economic registries according to the Decision BD 152/2005 of 21st January 2005. Central register, depository and clearing of securities is a closed stock company which performs the operations of unique (uniform) records of legal holders of securities and other financial instruments and the rights arising from those securities i.e. instruments, then records of rights of third parties on securities and other financial instruments and records of those parties, as well as the operations of clearing and balancing securities, and balancing payments and receipts arising from the operations with securities. Central register, depository and clearing of securities performs other operations in accordance with the Law on the market of securities and other financial instruments, and other regulations and Bylaws.

Centralni registar, depo i kliring hartija od vrednosti a.d., Trg Nikole Pašića 5 (hereinafter in the text: the Enterprise) is registered in the Registry of economic entities with the Agency of economic registries according to the Decision No BD 116154/2008. The Enterprise operates its activities under the shortened name: Centralni registar HoV a.d., Beograd, registration No 17518968 and tax identification No 103154145.

The Enterprise is registered for auxiliary activities of financial agent operations not mentioned elsewhere. The Enterprise did not have any auxiliary activities. All funds are engaged in the basic activity.

The average number of employees in the Enterprise during 2009 stated in the official statements is 34.

The Enterprise performs its activities with the capital of its founder Republic of Serbia which has 100% share in the fixed capital.

Management bodies of the Enterprise are:

- Assembly,
- Board of Directors and
- Director.

The Enterprise, according to the data included in the Registry of the Agency for economic registries according to the Decision No 152/2005 dated 21.01.2005., is represented with unlimited authority by Vida Uzelac, Director.

### 2. Bases for Preparation and Presentation of Financial Statements

The attached financial statements prepared for the period January 1st till December 31st 2009 are presented in the format as prescribed by the Bylaws on the content and format of financial statements for enterprises, cooperatives, other legal entities and entrepreneurs (the Official Gazettes of the Republic of Serbia No 114/2006, 5/2008, 119/2008 and 2/2010).

The business books, recognition and assessments of assets and liabilities, income and expenses, preparation, presentation and disclosure of financial statements are organized in accordance with legal provisions and professional regulations which assume: the Law on accounting and auditing ("The Official Gazettes of the Republic of Serbia No 46/2006 and 111/2009), International Financial Reporting Standards (IFRS), including International Auditing Standards (IAS) and Interpretations of Standards issued by the International Auditing Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC).



The Enterprise's financial statements are prepared in accordance with historical cost concept and the principle of legal entity's permanence.

In the Republic of Serbia there is no available market information nor market experience in financial instruments transactions and therefore, the fair value cannot be reliably determined in the conditions of non-existence of active market according to the requirements of IAS 32, Financial Instruments: Presentation, and IAS 39, Financial Instruments: Recognition and Measurement. As the result fair values of financial instruments in these financial statements are stated based on the agreement.

### 3. Reported Amounts and Comparable Data

The value of RSD is directly connected to the value of EUR. At the date of 31st December 2009 the market value of RSD was 95,8888 RSD for 1 EUR. During 2009 retail price growth, according to the coefficient announced by the official authority, was 10,1%. The figures in these financial statements are expressed in thousand RSD i.e. in the functional currency that is domicile currency in the Republic of Serbia.

Comparable data are the data from the financial statements of the Enterprise for the year ended on 31<sup>st</sup> December 2008 which were subject of the audit.

### 4. Significant Accounting Policies

#### a) **Fixed Assets**

Fixed assets include intangible investments and immovables, plants and equipment.

##### *Intangible Investments*

Intangible investments include Licenses for Microsoft software and computer programs for performing activities.

Initial measurement of intangible investments is made at purchase price or cost price. Subsequent measurement after initial recognition of intangible investments is made according to expense model from IAS 38, Intangible Investments, i.e. at purchase value or cost price less provisions for accumulated depreciation and impairment.

Calculation of depreciation of intangible investments is made by applying proportionate method of writing off. Remaining useful life for each intangible asset is determined by the Commission formed by Director General of the Enterprise together with Director of financial and general sector based on the relevant documentation. Director of financial and general sector, together with the Commission, verifies the remaining useful life of intangible investments at the date of the Balance Sheet. Director of financial and general sector charges a qualified staff member to assess the eventual residual value of intangible investment, when it is put into operation, in case this residual value is significant. The threshold of significance for residual value of intangible investment is RSD 20 thousand. The level of the significance threshold can be changed by the Enterprise's Board of Directors at the proposal of the Director of financial and general sector.

##### *Immovables, Plants, Equipment and Biological assets*

Immovables, Plants, Equipment and Biological Means which include plants and equipment and other immovables, plants and equipment make 36,25% of total operating assets as at 31st December 2009.

Initial measurement of real estate, plants and equipment that fulfil conditions for being recognized as fixed assets is made at purchase value or cost price. Subsequent measurement after initial recognition of real estate, plants and equipment is made according to the expense model from IAS 16, Real estate, plants and equipment, i.e. at purchase value or cost price less provisions for accumulated depreciation and impairment.

Calculation of depreciation of real estate, plants and equipment is made by applying proportionate method of writing off. The Director of financial and general sector can, for individual assets or groups of assets (such as tools and inventory which are calculatively written off), determine the depreciation calculation to be made by applying some other method.

Calculation of depreciation is made separately for each asset except for tools and inventory which are calculatively written off and for which the Director of financial and general sector can decide to be written off by groups.

The remaining useful life and residual value for each asset separately is determined by the Commission formed by the Enterprise's Director General. The Commission is obligated to verify, at the date of each Balance Sheet, the remaining useful life of assets. The threshold of significance for the residual value is determined in the amount of threshold of significance for residual value of intangible investments.

All purchases of equipment during 2009 are stated at purchase price. The purchase price includes all expenses recognized according to the provisions of IAS 16 – Immovables, plants and equipment.

Depreciation rates applied for 2009 are as follows:

<b>Depreciation groups</b>	<b>Rates</b>
Computers and computer equipment	10 - 50%
Vehicles	20%
Furniture	10%
Other equipment	25%

b) **Short Term Receivables and Investments**

Write-off of short term receivables and investments where there is probability of unrecovery, is made by indirect writing off, while in the cases when impossibility of collection is certain and documented, write-off, fully or partially, is made by direct writing off.

Likelihood of impossibility of collection in each concrete case based on documented reasons (bankruptcy, i.e. liquidation of debtor, overburdened with debts, disposal (sale) of assets, compulsory settlement, out-of-court settlement, expiry, court decision, managing body's bylaw etc.).

Short term receivables that were not collected within 60 days period since the expiry of the date for collection, are indirectly written off in the amount of 100% of nominal value of receivables, except in the case when it is explained in the proposal of the financial and general sector, that although these receivables were not collected within 60 days period since the expiry of the date for collection, these are not receivables where unrecovery is certain.

In other cases decision on indirect write-off, based on the explained proposal of the financial and general sector, is passed by Director General of the Enterprise.

The decision on direct write-off, based on the explained proposal of the financial and general sector and approval by Director General, is passed by the Enterprise's Board of Directors.

c) **Accruals (Accrued Income and Accrued Expenses)**

Accrued income is mostly consisted of calculated but not invoiced income for services rendered during the current period but which are invoiced in the subsequent period as well as expenses paid in advance.

d) **Liabilities to Banks and Suppliers**

Liabilities to suppliers and other short term operating liabilities are valued at nominal value. The liability is current if it is expected to be fulfilled in the ordinary operating cycle of the Enterprise i.e. which is due in the period of 12 months after the date of the Balance Sheet. All other liabilities are classified as long term.



e) **Income and Expenses**

Income from fees and other income are recognized at the moment of rendering services in the amount that corresponds to fair value which is received, in net amount after decrease for VAT.

Income from fees and income from membership fees are calculated in accordance with the Bylaws on tariff of Central Register subject to previous approval by the Commission for securities of the Republic of Serbia. In accordance with the Bylaws on tariff annual membership fee for the members of the Central Register is RSD 240 thousand while other fees are calculated in fixed amounts or in certain percentage of transaction value depending on the type of service and transaction amount.

Income from interest and expenses for interest are recorded in favor or charged to the accounting period to which they relate.

f) **Conversion of Foreign Exchange Means of Payment and Accounting Treatment of Exchange Differences and Effects according to Currency Clause**

Transactions performed in foreign currency are converted at the date of the transaction change into RSD at the mean exchange rate determined at the interbanking foreign exchange market. Assets and liabilities stated in foreign exchange at the Balance Sheet date are converted and stated in RSD at the mean exchange rate determined at the interbanking foreign exchange market and effective at the date of preparation of financial statements.

Realized positive or negative exchange differences resulting from conversion of business transactions in foreign currency are presented in favor or charged to Income Statement as income or expenses for exchange differences.

The Enterprise, in accordance with national regulations, accrued and stated effects of calculated agreed currency clauses and calculated foreign exchange differences for long term receivables and liabilities in foreign currency, in net amount, determined during preparation of financial statements for 2008, under accruals and not under income and expenses of the current period. At the date of fulfillment of liabilities i.e. collection of receivables, the proportionate amount of these effects will be stated under financial income and expenses of that period.

Official exchange rates for most frequently applied foreign currencies at the date of preparation of financial statements are as follows:

Currency	For	Mean exchange rate:	31.12.2009	31.12.2008
EUR	1		95,8888	88,6010
USD	1		66,7285	62,9000
CHF	1		64,4631	59,4040

g) **Reservations, Contingent Liabilities and Contingent Assets**

Reservations are recognized and made when the Enterprise has legal or agreed liability as the result of past events and when it is likely that there will be out-flows of resources for fulfillment of liability, and when the amount of liability can be reliably assessed.

Contingencies are not recognized in financial statements. Contingencies are disclosed in notes to financial statements except if probability of out-flows of resources containing economic benefits is little.

The Enterprise does not recognize contingent assets in financial statements. Contingent assets are disclosed in notes to financial statements if in-flow of economic benefits is likely.

h) **Taxes and Contributions**

*Current Tax*

Current tax on profit is calculated and paid in accordance with the Law on tax on profit in the Republic of Serbia. Tax on profit in the amount of 10% is paid on tax basis determined by tax balance. Tax basis presented in tax balance includes profit presented in the official income statement and adjustments defined by tax regulations of the Republic of Serbia. Tax regulations of the Republic of Serbia do not foresee the possibility that tax losses from the current period could be used as the basis for return of tax paid in the previous periods. However, losses from the current period can be transferred to the account of profit from the future accounting periods but not longer than 10 years.

#### *Deferred Tax*

Deferred tax on profit is calculated for all temporary differences between tax basis of assets and liabilities and their book value. Currently effective tax rates at the date of the balance are used for calculating the amount of deferred tax. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for deducted temporary differences and for the effects of transferred loss and unused tax credits from the previous periods up to the level to which it is likely the future taxable profit will exist at charge of which deferred tax assets can be used. Book value of deferred tax assets is reexamined at the date of each balance sheet and is decreased to the extent to which it is no more certain that the level of expected profit is sufficient for total value or part of the value of deferred tax assets to be used. Deferred tax assets that are not recognized are assessed at the date of each balance sheet and are recognized to the extent to which it is certain that the level of expected future taxable benefits is sufficient for deferred tax assets to be used.

Current and deferred taxes are recognized as income and expenses and are included in net profit of the period.

#### *Taxes and Contributions that Do not Depend on the Results*

Taxes and contributions that do not depend on the results include tax on assets, and other taxes and contributions in accordance with republic and municipal regulations.

#### i) **Earnings of Employees**

##### *Taxes and contributions to funds for social security of employees*

In accordance with the regulations of the Republic of Serbia the Enterprise has the obligation to calculate and pay contributions to government funds by which social security of employees is provided. These liabilities include contributions for employees that are charged to employers and employees in the amounts calculated at rates as prescribed by relevant regulations. These contributions represent expenses of the period to which they relate.

##### *Liabilities for Severance Wages*

According to the Labor Act the Enterprise is obligated to pay compensation to employees when they are to be retired, in the amount of three average monthly earnings realized in the Enterprise or in the amount of average in the Republic of Serbia (the option that is more favorable for the employee) in the month preceding the month of retirement.

According to the opinion of the management of the Enterprise the present value of liabilities for severance wages for retirement after fulfilled conditions is not significant for financial statements as a whole and because of that reservations on this basis are not made in these financial statements.

#### 5. Global economic crisis

Global economic crisis and its unfavourable effect on domestic economic activities in Serbian market, represent the cause of great fall in stock-exchange and off-stock-exchange trading what led to decrease of volume of turnover and transactions. Strengthening of world financial crisis in domestic capital market was reflected in decrease of interest in trading this leading to development stagnation. Fall in volume of turnover and transactions in the Belgrade stock exchange is the cause and consequence of income decrease of the Enterprise. Fall of liquidity in trading has significant effect on financial position and successful operating of the Enterprise.



## 6. Financial Statements Which Are Subject of This Audit

Financial statements prepared in accordance with the provisions of the Law on accounting and auditing and documentation for preparation was subject of this audit as follows:

- Balance Sheet;
- Income Statement;
- Statement of Cash Flows;
- Statement of Changes in Capital;
- Statistics Annex.



## II. BALANCE SHEET ITEMS WITH NOTES

### 1. Intangible investment

Intangible investments in the amount of RSD 25.373 thousands relate to:

CHANGES ON INTANGIBLE INVESTMENTS			in RSD 000	
	Copy rights for model, sample, brand, stamp, trade mark	Other intangible investments	Total	
<b>Purchase value:</b>				
Balance at January 01, 2009	11.364	33.399	44.763	
Balance at December 31, 2009	11.363	33.399	44.763	
<b>Provision:</b>				
Balance at January 01, 2009	3.789	7.718	11.507	
Increase:	3.788	4.095	7.883	
Depreciation	3.788	4.095	7.883	
Balance at December 31, 2009	7.577	11.813	19.390	
<b>Present value:</b>				
Balance at December 31, 2009	3.786	21.586	25.373	

### 2. Immovables, plants, equipment and biological means with summary of changes

In special detailed accounts of equipment appropriate records of purchase value and adjustments are provided. New purchases in 2009 are stated at purchase value that includes all expenses recognized in accordance with IAS 16 – Immovables, plants and equipment. The Enterprise does not have any limitations relating to management of equipment.

CHANGES ON EQUIPMENT					in RSD 000	
	Equipment	Other equipment	Equipment in preparationi	Advance for equipment	Total	
<b>Purchase value:</b>						
Balance at January 01, 2009	134.790	571		1.243	136.604	
Increase:	3.179		1.005		4.184	
New purchases	3.179		1.005		4.184	
Decrease:	15.469		1.005	1.243	17.717	
Sale (disposal)	15.469				15.469	
Activation			1.005	1.243	2.248	
Balance at December 31, 2009	122.500	571			123.071	
<b>Provision:</b>						
Balance at January 01, 2009	53.113				53.113	
Increase:	10.385				10.385	
Depreciation	10.385				10.385	
Decrease:	15.469				15.469	
Sale (disposal)	15.469				15.469	
Balance at December 31, 2009	48.029				48.029	
<b>Present value:</b>						
Balance at December 31, 2009	74.471	571			75.042	



### 3. Inventories

Under inventories is presented:

	in RSD 000	
<b>Inventories</b>	<b>2009</b>	<b>2008</b>
Payments in advance for inventories	3	7
<b>Total:</b>	<b>3</b>	<b>7</b>

Supplies of material consist of that is fully written off when put into operation. The structure of material supplies is as follows:

	in RSD 000	
<b>Materials and spare parts</b>	<b>2009</b>	<b>2008</b>
Material purchase costs calculation	1.504	1.504
Materials	109	90
<b>Total:</b>	<b>1.613</b>	<b>1.594</b>
Provision materials and spare parts	(1.613)	(1.594)
<b>Total:</b>		

### 4. Receivables

In 2009 receivables in the amount of RSD 14.536 thousand are presented. Provision and write-off of uncollected receivables are made and charged to other expenses.

	in RSD 000	
<b>Receivables</b>	<b>2009</b>	<b>2008</b>
Receivables from sales	11.195	14.796
Other receivables	3.341	4.173
<b>Total:</b>	<b>14.536</b>	<b>18.969</b>
Difference between Balance Sheet and Closing Account		24
<b>Total:</b>	<b>14.536</b>	<b>18.993</b>

Receivables for sale are:

	in RSD 000	
<b>Receivables from sales</b>	<b>2009</b>	<b>2008</b>
Trade receivables - domestic	11.195	14.796
<b>Total:</b>	<b>11.195</b>	<b>14.796</b>

Presented receivables from domestic debtors include:

	in RSD 000	
<b>Trade receivables - domestic</b>	<b>2009</b>	
Uprava za trezor, Beograd		861
Beomonet, Beograd		839
BDD Alfa broker, Beograd		585
Tandem financial, Novi Sad		555
Unicredit bank Srbija, Beograd		433
Banca Intesa, Novi Sad		426
Vojvođanska banka, Novi Sad		412
Eurobank EFG štedionica, Beograd		398
East west invest, Beograd		359
Raiffeisen banka, Novi Beograd		346
Hypo Alpe Adria banka, Novi Beograd		321
Dunav Stockbroker, Beograd		299
AS financial center, Beograd		269
Komercijalna banka, Beograd		257
Other		4.835
<b>Total:</b>		<b>11.195</b>



Other receivables are presented in total amount of RSD 3.341 thousand and relate to:

	in RSD 000	
<b>Other receivables</b>	<b>2009</b>	<b>2008</b>
Receivables from employees	2.932	4.125
Other receivables - fonds	409	48
<b>Ukupno:</b>	<b>3.341</b>	<b>4.173</b>

Receivables from employees are related to:

	in RSD 000	
<b>Receivables from employees</b>	<b>2009</b>	<b>2008</b>
Business travel allowances		12
Receivables due from employees for gas vouchers	67	
Other receivables due from employees	2.865	4.113
<b>Total:</b>	<b>2.932</b>	<b>4.125</b>

#### 5. Receivables for prepaid income tax

Receivables for prepaid income tax is presented in the amount of 636 thousands.

#### 6. Cash Equivalents and Cash

Cash and convertible securities are presented in the amount of RSD 88.752 thousand and relate to:

	in RSD 000	
<b>Cash and cash equivalents</b>	<b>2009</b>	<b>2008</b>
Current (business) accounts	88.627	102.743
Foreign exchange account	125	277
<b>Total:</b>	<b>88.752</b>	<b>103.020</b>

#### 7. Tax on VAT and Accruals

Tax on VAT and accruals are presented in total amount of RSD 2.625 thousand and relate to:

	in RSD 000	
<b>Tax on VAT and accruals</b>	<b>2009</b>	<b>2008</b>
Prepayments and accrued income	2.652	892
<b>Total:</b>	<b>2.652</b>	<b>892</b>

Under accruals total amount of RSD 2.652 thousand is presented and relates to:

	in RSD 000	
<b>Prepayments and accrued income</b>	<b>2009</b>	<b>2008</b>
Prepaid insurances costs	667	494
Prepaid rents		36
Prepaid for experts journals	60	155
Other accruals (internet, guarantee, fees...)	1.925	207
<b>Ukupno:</b>	<b>2.652</b>	<b>892</b>

#### 8. Capital

Capital relate to:

	in RSD 000	
<b>Capital</b>	<b>2009</b>	<b>2008</b>
Basic and other capital	190.178	190.178
Reserves	36.012	34.930
Retained profit	3.725	21.042
Loss	28.503	
<b>Total:</b>	<b>201.412</b>	<b>246.150</b>



Other capital stated in the amount of RSD 24.308 thousand represents the value of equipment transferred to Central register by the National Bank of Serbia without any compensation, in accordance with the Article 260 of the previously effective Law on the market of securities and other financial instruments (which was effective till the date of the beginning of implementation of the Law on the market of securities and other financial instruments, published in the Official Gazette of the Republic of Serbia No 47/2006), according to which, at the date of foundation of the Central Register, the Enterprise takes over all documentation relating to the operations with securities, equipment and information system of the National Bank of Serbia, and the employees of the National Bank of Serbia who performed those operations till the foundation of the Central Register. The mentioned amount of capital is not registered/subscribed with the Agency for economic registries of the Republic of Serbia nor till 31st December 2009 the issue of shares was made on this basis

## 9. Liabilities from business operations

Operating liabilities have the following structure:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Liabilities from business operations</b>		
Advances received	190	437
Trade payables - domestic	1.820	5.291
<b>Total:</b>	<b>2.010</b>	<b>5.728</b>

Advanced received in the amount of RSD 190 thousands relate to:

	in RSD 000
	<b>2009</b>
<b>Advances received</b>	
Pretplate emitenata	178
First Global brokers, Beograd	12
<b>Total:</b>	<b>190</b>

Largest part of liabilities to domestic suppliers relates to:

	in RSD 000
	<b>2009</b>
<b>Trade payables - domestic</b>	
Asecco see, Beograd	998
Telekom Srbija, Beograd	323
G4S Security services, Beograd	222
Elektrodistribucija Srbije, Beograd	113
Other	164
<b>Total:</b>	<b>1.820</b>

## 10. Liabilities for VAT, other public income and accrued liabilities

Under liabilities for VAT, other public income and accruals the following is presented:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Liabilities for VAT, other public income and accruals</b>		
Liabilities for Value Added Tax	213	254
<b>Total:</b>	<b>213</b>	<b>254</b>

## 11. Deferred tax liabilities

Deferred tax liabilities are presented in the amount of RSD 3.359 thousands.

### III. DESCRIPTION OF INCOME STATEMENT ITEMS WITH NOTES

#### 1. Operational income and expenses

##### a) Operational income consists of different sources of income:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Operational income</b>		
Income from sale	79.964	172.382
Other operating income	22.940	25.240
<b>Total:</b>	<b>102.904</b>	<b>197.622</b>

##### b) Operational expenses consist of:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Operating expenses</b>		
Costs of material	3.667	4.503
Costs of salaries, fringe benefits and other personal expenses	72.924	115.345
Expenses of depreciation and reservations	18.268	18.053
Other operating expenses	37.676	39.011
<b>Total:</b>	<b>132.535</b>	<b>176.912</b>

c) **Operating profit (loss)** (29.631) 20.710

#### 2. Financial income and expenses

##### a) Financial income is derived from:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Financial income</b>		
Income from interest	2.826	4.500
Forex exchange gains	25	118
<b>Total:</b>	<b>2.851</b>	<b>4.618</b>

##### b) Financial expenses are presented on the following bases:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Financial expenses</b>		
Costs of interest	115	
Forex exchange losses	686	1.109
<b>Total:</b>	<b>801</b>	<b>1.109</b>

c) **Financing profit** 2.050 3.509

#### 3. Other income and expenses

##### a) Other income results from:

	in RSD 000	
	<b>2009</b>	<b>2008</b>
<b>Other income</b>		
Collected written-off receivables	1	
<b>Total:</b>	<b>1</b>	

b) **Other expenses are as follows:**

		in RSD 000
<b>Other expenses</b>	<b>2009</b>	<b>2008</b>
Losses on writing-offs and disposals of Intangible assets and property, plant and equipment		266
Other expenses	201	415
<b>Total:</b>	<b>201</b>	<b>681</b>

**Expenses resulting from impairment of the property relate to:**

		in RSD 000
<b>Expenses resulting from impairment of the property</b>	<b>2009</b>	<b>2008</b>
Impairment - Receivables and short term investments	238	
<b>Total:</b>	<b>238</b>	

c) **Other loss** (438) (681)

4. Profit (loss) from ordinary operating before taxation (28.019) 23.538

5. Profit (loss) from terminating operations

In the current year the Enterprise did not need to present operating that was suspended. Therefore, it did not have any transactions based on those assets and as the result there were no presented net results on this basis.

6. Profit (loss) before taxation (28.019) 23.538

7. Tax expenses of the period 544

8. Deferred tax expense of the period 484 1.402

9. Deferred tax income of the period

10. Salaries paid to the employer

11. Net profit (loss) (28.503) 21.592

12. Net profit belonging to minor share holders

13. Net profit belonging to the owners of the parent company

14. Basic income per share

15. Reduced income per share

#### IV. ITEMS OF CASH FLOWS STATEMENT WITH NOTES

##### 1. Cash inflows from operating activities

###### a) Cash inflows from operating activities:

	in RSD 000	
	2009.	2008.
<b>Cash inflows from operating activities</b>		
Sale and received advances	106.257	200.292
Interest received from operating activities	2.827	4.500
Other inflows from operating activities	16.172	1.552
<b>Total:</b>	<b>125.256</b>	<b>206.344</b>

###### b) Cash outflows from operating activities:

	in RSD 000	
	2009.	2008.
<b>Cash outflows from operating activities</b>		
Payments to suppliers and given advances	45.248	53.767
Salaries and wages	72.924	115.345
Interest paid	115	
Tax on profit		13.238
Payments based on other public income	1.801	998
<b>Total:</b>	<b>120.088</b>	<b>183.348</b>

###### c) Net inflow from operating activities

	5.168	22.996
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##### 2. Cash flows from investing activities

###### a) Cash inflows from investing activities:

Cash inflows from investing activities in the examined period were not realized.

###### b) Cash outflows from investing activities:

	in RSD 000	
	2009.	2008.
<b>Cash outflows from investing activities</b>		
Purchase of intangible assets, property, plant, equipment and biological assets	1.936	40.463
<b>Total:</b>	<b>1.936</b>	<b>40.463</b>

###### c) Net outflow from investing activities

	(1.936)	(40.463)
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##### 3. Cash flows from financing activities

###### a) Cash inflow from financing activities:

Cash inflows from financing activities in the examined period were not realized.

###### b) Cash outflows from financing activities:

	in RSD 000	
	2009.	2008.
<b>Cash outflows from financing activities</b>		
Paid dividends	16.839	99.143
<b>Total:</b>	<b>16.839</b>	<b>99.143</b>

###### c) Net cash outflow from financing activities

	((16.839))	(99.143)
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4.	Cash at the beginning of the accounting period	103.020	220.574
5.	Foreign exchange gains from conversion of cash	25	118
6.	Foreign exchange losses on conversion of cash	686	1.062
7.	Cash at the end of the accounting period	88.752	103.020

## V. EVENTS AFTER THE BALANCE SHEET DATE

Till the end of the audit of financial statements for 2009 there were no events that could affect the fairness of the Enterprise's financial statements for 2009.

## VI. NOTES RELATING TO RISKS

### 1. Tax risks

Tax regulations of the Republic of Serbia are often interpreted in different ways and are frequently changed. Interpretations of effective tax regulations by tax authorities for some transactions and activities of the Enterprise may be different from interpretations of responsible staff of the Enterprise. Because of this some transactions can be contested by tax authorities so that some additional amount of tax or interest, which may be significant, can be determined. The expiry period of tax obligation is five years i.e. the tax authority has the right to determine payments of unfulfilled liabilities within five years period since the obligation is incurred.

### 2. Risks from court disputes

Certain court disputes were initiated against the Enterprise based on which, according to the analysis of the available legal documentation and information obtained from the republic public attorney's office, expert services and legal advisers, it is not expected that material losses might occur for the Enterprise.

Belgrade, 08. April 2010. godine

IEF d.o.o.

Beograd, Bulevar Mihajla Pupina 10 B-I/II



Authorised public accountant

*Stanimirka Svičević*  
Stanimirka Svičević



I E F d.o.o.  
Bulevar Mihajla Pupina 10 B-I/II  
11070 Beograd

30th March 2010.

### **S T A T E M E N T**

on the presented financial statements of the Enterprise Centralni registar, depo i kliring hartija od vrednosti a.d., Belgrade for 2009

1. The financial statements for 2009, accounting records based on which they are prepared, and other records and information, with necessary explanations attached to the annual accounts, are available for audit purposes.

2. As the general manager I am fully aware of my responsibility to provide:

- reliable accounting records and accurate financial statements prepared on the basis of these records;
- true, fair and legal presentation of the state and changes in assets, liabilities, capital and financial results in the financial statements for 2009.

3. For the audit of the financial statements I put at your disposal all accounting records with the note that they fairly reflect business changes that occurred during the accounting period. I hereby certify that all income and expenses are fully and correctly calculated and recorded in business books and other documents in the corresponding accounting period, and in accordance with law provisions and general acts of the Enterprise Centralni registar, depo i kliring hartija od vrednosti a.d., Belgrade on the policy that regulates these issues. All other records and appropriate information are available to you, together with necessary explanations attached to the annual accounts, including the minutes from managing bodies and management that might affect accuracy and fairness of presented financial statements. There is no information of significance for the audit of financial statements that is inaccessible.

4. I have no knowledge of any violations of regulations, instructions of competent authorities and institutions, and general acts of the Enterprise Centralni registar, depo i kliring hartija od vrednosti a.d., Belgrade that may result in paying any significant fines, penalties or losses.

Since the date of the preparation of these financial statements till the date of writing this letter the circumstances have not been changed neither the events occurred that would require any adjustments in the annual accounts or in the explanations attached to the annual accounts intended for management bodies or other users of financial statements.

5. I hereby certify that all the data and information consisted in the presented summaries, annexes and information, and in the explanations relating to certain issues for preparation of audit report, and all other information, are carefully prepared, and are not ambiguous or confusing, and are considered and adopted by the management of the Enterprise Centralni registar, depo i kliring hartija od vrednosti a.d., Belgrade.

General director  
Vida Uzelac