

IEF

Correspondent Firm of RSM International Network

R 6/15

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Assembly of shareholders
Central Securities Registry, Depository and Clearing House, Belgrade

We have audited the accompanying financial statements of the Central Securities Registry, Depository and Clearing House, Belgrade, which comprise the statement of financial position as at December 31, 2014, and the statement of comprehensive income for the year then ended, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Central Securities Registry, Depository and Clearing House, Belgrade as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with accounting regulations prevailing in the Republic of Serbia, based on the Law on Accounting.

Belgrade, March 06, 2015

IEF d.o.o.

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Certified Auditor

Stanimirka Svičević
Stanimirka Svičević

FINANCIAL STATEMENTS FOR 2014

STATEMENT OF FINANCIAL POSITION

Central Securities Registry, Depository and Clearing House – Belgrade

on 31 December
(in RSD 000)

Item	<u>2014.</u>	<u>2013.</u>
FIXED ASSETS	<u>54.185</u>	<u>63.622</u>
Intangible assets	17.695	19.915
Property, plant and equipment	36.490	43.407
CURRENT ASSETS	<u>224.617</u>	<u>195.432</u>
Inventories		
Receivables	15.992	23.973
Receivables for prepaid income tax		564
Cash and cash equivalents	207.802	169.395
Prepayments and accrued income	823	1.500
A S S E T S	<u>278.802</u>	<u>259.054</u>
CAPITAL	<u>273.611</u>	<u>251.307</u>
Basic capital	190.178	190.178
Reserves	37.647	36.012
Retained profit	45.786	32.686
Loss	-	7.569
SHORT-TERM LIABILITIES	<u>2.714</u>	<u>4.146</u>
Liabilities from business operations	1.266	1.595
Liabilities for VAT and other taxes and accruals and deferred income	805	911
Liabilities for income tax	643	1.640
DEFERRED TAX LIABILITIES	2.477	3.601
L I A B I L I T I E S	<u>278.802</u>	<u>259.054</u>

STATEMENT OF COMPREHENSIVE INCOME
Central Securities Registry, Depository and Clearing House – Belgrade

on 31 December
(in RSD 000)

Positions	<u>2014.</u>	<u>2013.</u>
INCOME AND EXPENSES FROM ORDINARY OPERATING		
OPERATING INCOME	<u>158.941</u>	<u>153.741</u>
Income from sale	145.061	138.481
Other operating income	13.880	15.260
OPERATING EXPENSES	<u>130.703</u>	<u>132.683</u>
Costs of material	4.204	4.724
Costs of salaries, fringe benefits and other personal expenses	71.214	66.356
Expenses of depreciation and reservations	17.550	16.386
Other operating expenses	37.735	45.217
OPERATING PROFIT	<u>28.238</u>	<u>21.058</u>
FINANCIAL INCOME	13.154	13.305
FINANCIAL EXPENSES	53	86
EXPENSES FROM VALUE ALIGNMENT OF OTHER ASSETS WHICH ARE VALUED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME	36	42
OTHER INCOME	714	202
OTHER EXPENSES	1.000	-
PROFIT FROM ORDINARY OPERATING BEFORE TAXATION	41.017	34.437
LOSS FROM ORDINARY OPERATING BEFORE TAXATION	-	-
PROFIT FROM TERMINATING OPERATIONS	-	-
LOSS FROM TERMINATING OPERATIONS	-	-
NET PROFIT FROM TERMINATING OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICES AND EFFECTS OF ERRORS FROM PREVIOUS PERIODS	29	-
PROFIT BEFORE TAXATION	<u>41.046</u>	<u>34.437</u>
LOSS BEFORE TAXATION	-	-
TAX ON PROFIT	-	-
Tax expenses of the period	2.284	1.640
Deferred tax expense of the period	-	111
Deferred tax income of the period	1.123	-
Salaries paid to the employer	-	-
NET PROFIT	<u>39.885</u>	<u>32.686</u>
NET LOSS	-	-
NET PROFIT TO BE DESTRIIBUTED TO MINORITY SHAREHOLDERS	-	-
NET PROFIT TO BE DESTRIIBUTED TO THE OWNERS OF PARENT COMPANY	-	-
EARNINGS PER SHARE		
Base earnings per share	2	2
Diluted earnings per share (decreased)	-	-

STATEMENT OF CASH FLOWS

Central Securities Registry, Depository and Clearing House – Belgrade

in period from 1 January to 31 December
(in RSD 000)

Positions	<u>2014.</u>	<u>2013.</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflows from operating activities	<u>180.711</u>	<u>161.989</u>
Sale and received advances	152.947	133.434
Interest received from operating activities	13.884	13.295
Other inflows from operating activities	13.880	15.260
Cash outflows from operating activities	<u>116.607</u>	<u>116.655</u>
Payments to suppliers and given advances	44.185	49.856
Salaries and wages	71.214	66.303
Interest paid	26	-
Income tax	1.076	-
Payments based on other public income	106	496
Net cash inflow from operating activities	<u>64.104</u>	<u>45.334</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from investing activities	-	202
Sale of intangible assets, property, plant, equipment	-	202
Cash outflows from investing activities	8.113	6.912
Purchase of intangible assets, property, plant, equipment	8.113	6.912
Net cash outflow from investing activities	<u>8.113</u>	<u>6.710</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from financing activities		
Cash outflows from financing activities	17.582	-
Dividends paid	17.582	-
Net cash inflow from financing activities		
Net cash outflow from financing activities	<u>17.582</u>	-
TOTAL CASH INFLOWS	180.711	162.191
TOTAL CASH OUTFLOWS	142.302	123.567
NET CASH INFLOW	38.409	38.624
NET CASH OUTFLOW		
CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	169.395	130.769
FOREIGN EXCHANGE GAINS FROM CONVERSION OR CASH	25	10
FOREIGN EXCHANGE LOSSES FROM CONVERSION OF CASH	27	8
CASH AT THE END OF THE ACCOUNTING PERIOD	<u>207.802</u>	<u>169.395</u>

STATEMENT OF CHANGES IN EQUITY

Central Securities Registry, Depository and Clearing House - Belgrade

in period from 1 January to 31 December
(in RSD 000)

POSITION	Basic capital	Reserves	Loss	Retained profit	Total capital
Opening balance on 01 January 2013					
Account debit balance			<u>59.375</u>		
Account credit balance	<u>190.178</u>	<u>36.012</u>		<u>51.806</u>	<u>218.621</u>
Correction of material misstatements and accounting politic changes					
Changes on debit side of an account					
Changes on credit side of an account					
Corrected opening balance on 01 January 2013					
Corrections on debit side of an account			<u>59.375</u>		
Corrections on credit side of an account	<u>190.178</u>	<u>36.012</u>		<u>51.806</u>	<u>218.621</u>
Changes in the previous year					
Balance on the debit side of an account				<u>51.806</u>	
Balance on the credit side of an account			<u>51.806</u>	<u>32.686</u>	<u>32.686</u>
Ending balance of the previous year on 31 December 2013					
Account debit balance			<u>7.569</u>		
Account credit balance	<u>190.178</u>	<u>36.012</u>		<u>32.686</u>	<u>251.307</u>
Correction of material misstatements and accounting politic changes					
Changes on debit side of an account					
Changes on credit side of an account					
Corrected opening balance current year on 1 January 2014					
Corrections on debit side of an account			<u>7.569</u>		
Corrections on credit side of an account	<u>190.178</u>	<u>36.012</u>		<u>32.686</u>	<u>251.307</u>
Changes in the current year					
Balance on the debit side of an account				<u>26.785</u>	
Balance on the credit side of an account		<u>1.635</u>	<u>7.569</u>	<u>39.885</u>	<u>22.304</u>
Ending balance of the current year on 31 December 2014					
Account debit balance					
Account credit balance	<u>190.178</u>	<u>37.647</u>	-	<u>45.786</u>	<u>273.611</u>