

## INDEPENDENT AUDITOR'S REPORT

### TO THE FOUNDER AND DIRECTOR OF THE EUROPEAN POLICY CENTRE ASSOCIATION, BELGRADE

#### Opinion

We have audited the enclosed financial reports of the **EUROPEAN POLICY CENTRE** association, Belgrade (hereafter "the association"), which include the balance sheet as of **31 December 2019**, profit and loss account, and notes to the association's financial reports that include a summary of relevant accounting policies.

According to our opinion, the enclosed financial reports present fairly and objectively, in all materially significant aspects, the financial position of the association up to **31 December 2019**, and the results of its operations for the year ended on that day, in accordance with the accounting regulations in force in the Republic of Serbia as well as the association's accounting policies disclosed with its financial reports.

#### Base for our opinion

We conducted our audit in accordance with the Law on Auditing (*RS Official Gazette No. 73/2019*) and the *International Standards on Auditing (ISA)*. Our responsibilities under these standards are described in greater detail in the "Auditor's responsibilities for auditing financial reports" section of this document. We are independent from the association, in accordance with the *Code of Ethics for Professional Accountants* of the International Accounting Standards Board (the *IESBA Code*) and the ethical requirements of the Republic of Serbia regarding the auditing of financial reports, and we have fulfilled the other ethical responsibilities as well, in accordance with these requirements and the *IESBA Code*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibility of the management and persons authorised to manage the association's financial reports

The association's management is responsible for the preparation of fair and objective financial reports, in accordance with the accounting regulations of the Republic of Serbia and the internal controls that the management determines necessary for the preparation of financial reports that do not contain significantly misleading statements due to error or fraud.

In preparing the association's financial reports, the management is responsible for assessing the association's ability to operate in accordance with the principle of continuity, disclosing, as appropriate, matters related to business continuity, and applying the principle of business continuity as an accounting basis, unless management intends to liquidate the association, suspend business, or has no real possibility other than to do so.

The persons authorised to manage the association are also those responsible for supervising its financial reporting process.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE FOUNDER AND DIRECTOR OF THE EUROPEAN POLICY CENTRE ASSOCIATION, BELGRADE

#### Auditor's responsibilities for auditing financial reports

- Our objective is to obtain reasonable assurance that the association's financial reports, taken as a whole, do not contain significantly misleading statements due to fraud or error, and to issue an auditor's report containing our opinions. "Reasonable assurance" indicates a high level of assurance but does not guarantee that an audit performed in accordance with the *ISA* will always reveal material misstatements if such statements exist. Misleading statements may result from criminal act or error and are considered materially significant if it is reasonable to expect that they will, individually or collectively, influence the economic decisions of recipient made based on these financial reports.

As part of an audit in accordance with the *ISA*, we apply professional judgment and maintain professional scepticism throughout the process. We also:

- Identify and assess risks from misleading material statements in financial reports due to criminal offense or error, design and perform audit procedures appropriate for those risks, and obtain sufficient number of adequate audit evidence to provide a basis for the auditor's opinion. The risk that material misstatements resulting from criminal offenses will not be identified is greater than for misstatements resulting from errors, as criminal offenses may involve association, falsification, wilful misconduct, misrepresentation, or bypasses of internal controls.
- Gain understanding of the internal controls that are relevant to the audit in terms of designing audit procedures that are appropriate in given circumstances, but not to express an opinion on the effectiveness of the association's internal control system.
- Evaluate the applied accounting policies and the extent to which management's accounting estimates and related disclosures are reasonable.
- Conclude on the appropriateness of the management's application of the principle of continuity as an accounting basis, and on the basis of audit evidence collected, whether there is material uncertainty regarding events or conditions that may cause significant doubt about the association's future, in accordance with the principle of permanence. If we conclude that there is material uncertainty in any given area, we are required to draw attention to related disclosures in the association's financial reports or to note whether there is a lack of relevant disclosures. Our conclusions are based on audit evidence gathered up to the date of the auditor's report. However, future events or conditions may result in the association ceasing to operate in accordance with the principle of permanence.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE FOUNDER AND DIRECTOR OF THE EUROPEAN POLICY CENTRE ASSOCIATION, BELGRADE

#### Auditor's responsibilities for auditing financial reports (continued)

- Evaluate the overall presentation, structure, and content of the association's financial reports, including its disclosures, and whether financial reports present relevant transactions and events in such a way as to achieve a fair presentation.

We communicate to those charged with association's governance, inter alia, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we have identified during the audit.

In Belgrade, 17 July 2020.

Licensed certified auditor

Vladimir Jovanović

Rosh Audit doo Beograd

To be filled in by another legal entity		
Identification number <b>28062320</b>	Activity code <b>9499</b>	Tax identification number (PIB) <b>107277122</b>
Name <b>European Policy Centre</b>		
Registered office <b>Belgrade-Savski Venac, Svetog Nauma 7</b>		

## BALANCE SHEET

31.12.2019

in thousands of RSD

Group of accounts, account	Item	Automatic data processing (ADP)	Note number	Amount	
				Current year	Last year
1	2	3	4	5	6
	<b>ACTIVE</b>				
	<b>A. PERMANENT ASSETS (0002+0003+0009+0010+0011)</b>	0001		433	772
01	I. INTANGIBLE ASSETS	0002	1	32	172
02	II. IMMOVABLES, PLANTS AND EQUIPMENT (0004+0005+0006+0007+0008)	0003		401	600
020,021 and part of 029	1. Land	0004			
022 and part of 029	2. Construction sites	0005			
023 and part of 029	3. Facilities and equipment	0006	2	401	600
024 and part of 029	4. Investment property	0007			
02, except 020,021,022,023,024 and part of 029	5. Other properties, facilities, and equipment	0008			
03	III. BIOLOGICAL RESOURCES	0009			
04	IV. LONG-TERM FINANCIAL INVESTMENTS	0010			
05	V. LONG-TERM RECEIVABLES	0011			
	<b>B. CURRENT ASSETS (0013+0018+0019+0020+0021+ 0022+0023)</b>	0012		32,115	39,415
Class 1	I. INVENTORY (0014+0015+0016+0017)	0013		297	1,370
10	1. Materials	0014			
11 and 12	2. Work in progress, unfinished services and finished products	0015			
13	3. Goods	0016			
15	4. Advances paid for inventory and services	0017	3	297	1,370

20	II. SALES RECEIVABLES	0018			
22	III. OTHER RECEIVABLES	0019	4	3,243	371
23	IV. SHORT-TERM FINANCIAL INVESTMENTS	0020			
24	V. CASH EQUIVALENTS AND CASH	0021	5	25,926	35,642
27	VI. VALUE ADDED TAX	0022			
28	VII. ACTIVE ACCRUALS	0023	6	2,649	2,032
	<b>V. TOTAL ASSETS = OPERATING ASSETS (0001+0012)</b>	0024		32,548	40,187
88	<b>G. OFF-BALANCE SHEET ASSETS</b>	0025			
	<b>LIABILITIES</b>				
	<b>A. PLACED BIDS (0402+0403-0406) ≥ 0</b>	0401		13,066	12,686
30	I. PLACED BIDS (OWN SOURCES) OF FOUNDERS AND OTHER ENTITIES	0402			
34	II. UNASSIGNED SURPLUS OF INCOME OVER EXPENDITURES	0403	7	13,066	12,686
340	1. Unassigned surplus of income over expenditures from previous years	0404		12,686	10,795
341	2. Unassigned surplus of income over expenditures from current year	0405		380	1,891
35	III. SURPLUS OF EXPENDITURES OVER INCOME (0407+0408)	0406		0	0
350	1. Surplus of expenditures over income from previous years	0407			
351	2. Surplus of expenditures over income from current year	0408			
	<b>B. LONG-TERM PROVISIONS AND LIABILITIES (0410+0411+0414+0415+0416+0417+0418+0419)</b>	0409		19,482	27,501
40	I. LONG-TERM PROVISIONS	0410			
41	II. LONG-TERM LIABILITIES (0412+0413)	0411		0	0
413 and 414	1. Long-term loans	0412			
41 except 413 and 414	2. Other long-term liabilities	0413			
42	III. SHORT-TERM FINANCIAL LIABILITIES	0414	8	510	510
43	IV. OPERATING LIABILITIES	0415	9	788	6,557
45 and 46	V. OTHER SHORT-TERM LIABILITIES	0416	10	270	1,439
47	VI. LIABILITIES FOR VALUE ADDED TAX	0417			
48	VII. LIABILITIES FOR TAXES, CONTRIBUTIONS AND OTHER DUTIES	0418			
49	VIII. PASSIVE ACCRUALS	0419	11	17,914	18,995
	<b>V. SURPLUS OF EXPENDITURES OVER INCOME ABOVE THE LEVEL OF THE INVESTMENT (OWN RESOURCES) (0409-0024) ≥ 0 = (0402+0403-0406) ≤ 0</b>	0420		0	0
	<b>G. TOTAL EQUITY AND LIABILITIES (0401+0409-0420) ≥ 0</b>	0421		32,548	40,187

89	D. OFF-BALANCE SHEET LIABILITIES	0422		
In _____				Legal representative
Date _____ 20____. year		S.P. (place the seal)		_____

This form is mandatory pursuant to the Rulebook on the Content and Form of Financial Statements for Other Legal Entities  
(RS Official Gazette No.137/2014)

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To be filled in by another legal entity		
Identification number <b>28062320</b>	Activity code <b>9499</b>	Tax identification number (PIB) <b>107277122</b>
Name <b>European Policy Centre</b>		
Registered office <b>Belgrade-Savski Venac, Svetog Nauma 7</b>		

## PROFIT AND LOSS ACCOUNT

for the period from 01.01.2019 until 31.12.2019

in thousands of RSD

Group of accounts, account	Position	Automatic data processing (AOP)	Note number	Amount	
				Current year	Last year
1	2	3	4	5	6
	<b>INCOME AND EXPENDITURES FROM OPERATIONS</b>				
60 until 65, except 61 and 62	<b>A. OPERATING INCOME</b>	1001			
	<b>(1002+1003+1004+1005+1006)</b>			76,876	107,897
60	I. INCOME FROM GOODS, PRODUCTS AND SERVICES SOLD	1002	12	6,200	4,866
630 and 631	II. INCOME FROM MEMBERSHIP FEES AND CONTRIBUTIONS	1003			
632 and 639	III. INCOME FROM THE STATE BUDGET AND OTHER SOURCES UNDER SPECIAL REGULATIONS	1004			
64	IV. INCOME FROM DONATIONS, GRANT SUBSIDIES, AND SIMILAR SOURCES	1005	13	70,676	102,914
65	V. INCOME FROM NON-FINANCIAL ASSETS	1006			117
50 until 55, 61, 620 and 621	<b>B. BUSINESS EXPENDITURES</b>	1007			
	<b>(1008-1009-1010+1011+1012+1013+1014+1015+1016+1017+1018)</b>			76,208	105,727
50	I. COSTS OF GOODS SOLD	1008			
61	II. INCOME FROM ACTIVATION OF GOODS, PRODUCTS, AND SERVICES	1009			
620	III. INCREASE OF INVENTORY VALUE OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1010			
621	IV. DECREASE OF VALUE OF INVENTORY OF UNFINISHED AND FINISHED PRODUCTS AND UNFINISHED SERVICES	1011			
51	V. MATERIAL AND ENERGY COSTS	1012	14	976	610

52	VI. SALARY EXPENSES, SALARIES, AND OTHER PERSONNEL EXPENDITURES	1013	15	18,453	23,633
53	VII. PRODUCTION SERVICES COSTS	1014	16	5,665	26,424
540	VIII. AMORTISATION COSTS	1015	17	484	424
541	IX. BOOKING COSTS	1016			
557	X. DONATION RELATED COSTS	1017			12
55 except 557	XI. INTANGIBLE COSTS	1018	18	50,630	54,624
	<b>V. BUSINESS PROFIT (1001-1007)</b>	1019		668	2,170
	<b>G. BUSINESS LOSS (1007-1001)</b>	1020		0	0
66	I. INCOME FROM FINANCIAL ASSETS (FINANCIAL INCOME) (1022+1023+1024+1025+1026)	1021		1,771	971
660	1. Income from financial assets in parent company, subsidiaries, and other associated companies	1022			
661	2. Income from interest	1023			
662 and 663	3. Foreign exchange profits as an effect of the foreign currency clause and other hedging effects	1024	19	1,771	971
664	4. Income from dividends	1025			
669	5. Other income from financial assets	1026			
56	II. FINANCIAL EXPENDITURES (1028+1029+1030+1031)	1027		1,372	1,173
560	1. Financial expenditures incurred with parent company, subsidiaries, and other associated entities	1028			
562	2. Interest expenditures	1029			1
563, 564 and 566	3. Foreign exchange losses as the effect of the foreign currency clause and other hedging effects	1030	20	1,372	1,172
569	4. Other financial expenditures	1031			
	III. PROFIT FROM FINANCING (1021-1027)	1032		339	0
	IV. LOSS FROM FINANCING (1027-1021)	1033		0	202
683 and 685	V. INCOME FROM VALUE ADJUSTMENTS OF SHORT-TERM AND LONG-TERM INVESTMENTS AND RECEIVABLES	1034			
583 and 585	VI. EXPENDITURES FROM VALUE ADJUSTMENTS OF SHORT-TERM AND LONG-TERM INVESTMENTS AND RECEIVABLES	1035	21	899	
	VII. SURPLUS OF INCOME OVER EXPENDITURES ARISING FROM VALUE ADJUSTMENTS OF SHORT-TERM AND LONG-TERM INVESTMENTS AND RECEIVABLES	1036		0	



	VIII. SURPLUS OF EXPENDITURES OVER INCOME FROM VALUE ADJUSTMENT OF SHORT-TERM AND LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES	1037		899	
67 and 68, except 683 and 685	IX. OTHER INCOME	1038	22	449	4
57 and 58, except 583 and 585	X. OTHER EXPENDITURES	1039	23	219	99
	XI. SURPLUS OF INCOME OVER EXPENDITURES ARISING FROM FROM REGULAR BUSINESS OPERATIONS BEFORE TAXATION (1019-1020+1032-1033+1036-1037+1038-1039)	1040		398	1,873
	XII. SURPLUS OF EXPENDITURES OVER INCOME FROM REGULAR BUSINESS OPERATIONS BEFORE TAXATION (1020-1019+1033-1032+1037-1036+1039-1038)	1041		0	0
69-59	XIII. SURPLUS OF INCOME OVER EXPENDITURES EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM PREVIOUS YEARS	1042			18
59-69	XIV. SURPLUS OF EXPENDITURES OVER INCOME, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS FROM PREVIOUS YEARS	1043	24	18	
	<b>D. SURPLUS OF INCOME OVER EXPENDITURES BEFORE TAXATION (1040-1041+1042-1043)</b>	1044		380	1,891
	<b>Đ. SURPLUS EXPENDITURES OVER INCOME BEFORE TAXATION (1041-1040+1043-1042)</b>	1045		0	0
	<b>E. TAX BASE</b>				
721	I. TAX EXPENSE FOR THE PERIOD	1046			
	<b>Ž. NET SURPLUS OF INCOME OVER EXPENDITURES (1044-1045-1046)</b>	1047		380	1,891
	<b>Z. NET SURPLUS OF EXPENDITURES OVER INCOME (1045-1044+1046)</b>	10478		0	0

In \_\_\_\_\_

Legal representative

Date \_\_\_\_\_ 20\_\_\_\_\_, year

S.P. (place the seal)

\_\_\_\_\_

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## EUROPEAN POLICY CENTRE

Sv. Nauma 7, Belgrade

### NOTES TO THE FINANCIAL REPORTS

#### GENERAL INFORMATION ABOUT THE ASSOCIATION

The European Policy Centre (the association) is another form of legal entity, a non-profit organisation. The head office of association is in Belgrade, Savski Venac, Sv. Nauma 7.

The association was founded on 12 September 2011.

Tax Identification Number (PIB): 107 277 122.

Association activity: 9499 - Activity of other membership organizations on a membership basis.

The European Policy Centre is a non-governmental and non-profit association, planned to exist for an indefinite period to achieve the goals of European integration.

The association was established to conduct analysis and research in the field of European integration, focusing in particular on European Union policies relevant to the accession of the Republic of Serbia to the EU; improving public policymaking and decision-making processes in the Republic of Serbia in accordance with European standards and best European practice; raising awareness in Serbia of European Union policies and European best practices; enhancing the ability of the Serbian economy to meet the Copenhagen criteria, and; applying a regulatory environment upon Serbia's accession process to the European Union.

According to the classification criteria prescribed by the Law on Accounting (*RS Official Gazette No.62/13 and 73/2019*), the association is classified as a micro legal entity for the year 2019 because it satisfies two conditions:

1. Its business income for the year 2019 amounts to 76,876 (in thousands of RSD), and.
2. Its average business assets for the year 2019 were 32,548 (in thousands of RSD).

#### BASE FOR THE PREPARATION OF FINANCIAL REPORTS

The financial reports of the European Policy Centre, Belgrade, Sv. Nauma 7, for the accounting period ending on 31 December 2019, have been prepared regarding all materially significant issues, in accordance with the *Rulebook on the Method of Recognition, Valuation, Presentation, and Disclosure of Positions in Individual Financial Reports of Micro and Other Legal Entities (RS Official Gazette No.118 / 2013, 95 / 2014, 89/2020)*, in accordance with the Law on Accounting (*RS Official Gazette No.62 / 13 and 73/2019*), and in accordance with other by-laws adopted pursuant to that law as well as selected and adopted accounting policies set out in the European Policy Centre's manual on accounting policies.

All data are presented in thousands of Serbian dinars (RSD).

## 1. INTANGIBLE ASSETS

Data regarding non-material assets can be shown as follows:

	Investments and development	Non-material investments	Patents and licenses	Advances for non-material assets	IN TOTAL
<b>PURCHASE VALUE</b>					
Initial state - 01.01.2019.		320			320
Mistake corrections and changes of accounting policies					
An increase					
Alienation and expenditures					
Revaluation					
Other					
End state - 31.12.2019.		320			320
<b>VALUE CORRECTION</b>					
Initial state - 01.01.2019.		192			192
Mistake corrections and changes of accounting policies					
Increases					
Amortisation		96			96
Impairment losses					
Losses and expenditures					
Revaluation					
Other					
End state - 31.12.2019.		288			288
<b>UNSIGNED (PRESENT) VALUE 31.12.2019.</b>		<b>32</b>			<b>32</b>

COMPARATIVE DATA FROM 31.12.2018: 128

128

## 2. REAL ESTATE, FACILITIES, AND EQUIPEMENT

	Construction properties	Plants and equipment	Other property and equipment	Investment in someone else's facilities	IN TOTAL
<b>PURCHASE VALUE</b>					
Initial state - 01.01.2019.		1,390			1,390
Mistake corrections and changes of accounting policies					
New investments		145			145
Depreciation and expenditure					
Revaluation					
Other					
End state - 31.12.2019.		1,535			1,535
<b>VALUE CORRECTION</b>					
Initial state - 01.01.2019.		746			746
Mistake corrections and changes of accounting policies					
Amortisation		388			388
Impairment losses					
Depreciation and expenditures					
Revaluation					
Other					
End state - 31.12.2019.		1,134			1,134
<b>UNSIGNED (PRESENT) VALUE 31.12.2019.</b>		<b>401</b>			<b>401</b>

COMPARATIVE DATA FROM 31.12.2018:

644

644

### 3. SUPPLIES

Data regarding supplies can be shown as follows:

	31.12.2019. in thousands of RSD	31.12.2018. in thousands of RSD
Material		
Unfinished production		
Finished products		
Advances paid for services	297	1,370
<b>IN TOTAL</b>	<b>297</b>	<b>1,370</b>

### 4. OTHER RECEIVABLES

Data regarding other receivables can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Receivables from interest and dividends		
Receivables from employees		
Receivables from government bodies and organisations		371
Receivables from buyers		
Receivables from overpaid taxes and contributions	1	
Receivables from given grants	3,242	
<b>IN TOTAL</b>	<b>3,243</b>	<b>371</b>

### 5. CASH AND CASH EQUIVALENTS

Data regarding cash and cash equivalents can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Securities - cash equivalents		

Current (business) account	5,935	4,073
Allocated funds and letters of credit		
Cash desk		
Foreign currency account	19,991	31,569
Foreign cash desk		
Other funds		
<b>IN TOTAL</b>	<b>25,926</b>	<b>35,642</b>

## 6. ACTIVE ACCRUALS

Data regarding active accruals can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Prepaid expenses	2,649	2,032
<b>IN TOTAL</b>	<b>2,649</b>	<b>2,032</b>

## 7. UNDISTRIBUTED PROFIT

Date regarding undistributed profit can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Undistributed profit from previous years	12,686	12,686
Mistake corrections and changes of accounting policies		
Other increases		
Other reductions		
Undistributed profit from current year	380	0
<b>IN TOTAL</b>	<b>13,066</b>	<b>12,686</b>

## 8. SHORT TERM BUSINESS LIABILITIES

Data regarding business liabilities can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Borrowing obligations	510	510
<b>IN TOTAL</b>	<b>510</b>	<b>510</b>

## 9. OPERATING LIABILITIES

Data regarding business obligations can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Received advances, deposits, and bail		47
Suppliers - parent and subsidiaries		
Suppliers - other related legal entities		
Domestic suppliers	788	6,510
Foreign suppliers		
Other operating liabilities		
<b>IN TOTAL</b>	<b>788</b>	<b>6,557</b>

**TOTAL % COMPLIANCE WITH SUPPLIERS IS 100%.**

## 10. LIABILITIES IN TERMS OF EARNINGS AND COMPENSATION

Data regarding other short-term obligations can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Obligations for earnings compensation		661
Obligations for employee benefits for travel expenses		525
Other obligations towards employees	270	253
<b>IN TOTAL</b>	<b>270</b>	<b>1,439</b>

## 11. PASIVE ACCRUALS

Data regarding passive accruals can be shown as follows:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Deferred income - received donations in RSD		3,337
Deferred income - received and allocated foreign currency donations	17,914	15,658
<b>IN TOTAL</b>	<b>17,914</b>	<b>18,995</b>

## EXCHANGE RATES

Official exchange rates (the official average exchange rate of the National Bank of Serbia) of foreign currencies, used for conversion into RSD equivalents in balance sheets, are as follows:

CURRENCY	31.12.2019	31.12.2018
EUR TO RSD	117.5928	118.1946
USD TO RSD	104.9186	103.3893
GBP TO RSD	137.5998	131.1816

## 12. INCOME FROM THE SALE OF SERVICES

Income from the sale of services consists of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Income from providing services in the domestic market	6,200	834
Income from the sale of services in the foreign market		4,032
Other business income		117
<b>IN TOTAL</b>	<b>6,200</b>	<b>4,983</b>



### 13. INCOME FROM DONATIONS

Income from donations consists of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Income from donations from the budget of the Republic of Serbia		
Income from donations from local government		
Income from donations from foreign governments and international organisations	70,676	102,914
Income from donations from domestic companies and other legal entities		
<b>IN TOTAL</b>	<b>70,676</b>	<b>102,914</b>

### 14. MATERIAL AND ENERGY COSTS

Material costs consist of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Costs of utilities	320	276
Costs of fuel and energy	172	327
Costs of spare parts	226	
Costs of one-off write-offs of tools and inventory	258	7
<b>IN TOTAL</b>	<b>976</b>	<b>610</b>

### 15. COSTS, EARNINGS, AND OTHER PERSONAL EXPENDITURES

Earnings, salaries, and other personal expenditures consist of the following types of expenses:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Costs of earnings and earnings compensation (gross)	11,043	12,747
Costs of taxes and contributions on salaries and benefits at the expense of the employer	1,894	2,278
Costs of fees under copyright agreements	921	97

Costs of compensation to individuals based on other contracts	1,332	1,336
Other personal expenses and fees	3,263	7,175
<b>IN TOTAL</b>	<b>18,453</b>	<b>23,633</b>

## 16. COSTS OF PRODUCTION SERVICES

Costs of production services consist of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Costs of performance-based services		83
Costs of transportation services	1,001	973
Costs of postal services	55	16
Costs of equipment and properties rental	419	802
Costs of ongoing maintenance	146	250
Costs of advertising and marketing	1,835	3,384
Costs of research		1,300
Costs of other manufacturing services	2,209	19,616
<b>IN TOTAL</b>	<b>5,665</b>	<b>26,424</b>

## 17. COSTS OF AMORTISATION

Costs of amortisation consist of the following type:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Costs of depreciation	484	424
<b>IN TOTAL</b>	<b>484</b>	<b>424</b>

## 18. INTANGIBLE COSTS

Intangible costs consist of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD

Costs of non-production services	47,674	50,502
Costs of representation	2,581	3,473
Costs of insurance premiums	5	
Costs of membership fees	36	128
Payment transaction costs	246	263
Costs of taxes, taxis, and compensation	26	3
Costs of donations given		12
Other immaterial costs	62	255
<b>IN TOTAL</b>	<b>50,630</b>	<b>54,636</b>

## 19. FINANCIAL INCOME

Financial income consists of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Income from interest		
Income from exchange rate differences	1,771	971
Income from currency clause effect		1,771
Income from participation in profits of subsidiaries and joint investments		
Other financial incomes		
<b>IN TOTAL</b>	<b>1,771</b>	<b>971</b>

## 20. FINANCIAL EXPENDITURES

Financial expenditures consist of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Interest expenditures		
Negative currency rate differences	1,372	1,172
Expenditures from currency clause effect		
Expenditures from participation in profits of subsidiaries and joint investments		
Other financial expenditures		
<b>IN TOTAL</b>	<b>1,372</b>	<b>1,173</b>

## 21. EXPENDITURES FROM ADJUSTING THE VALUE OF SHORT-TERM AND LONG-TERM FINANCIAL PLACEMENTS AND RECEIVABLES

Value-adjustment expenses consist of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Expenses based on direct write-offs of receivables	899	
Other unmentioned expenses		
<b>IN TOTAL</b>	<b>899</b>	

## 22. OTHER INCOMES

Other income consists of the following:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Income from write-offs	442	
Other unmentioned income	7	4
Mistake corrections from previous years		18
<b>IN TOTAL</b>	<b>449</b>	<b>22</b>

## 23. OTHER EXPENDITURES

Other expenditures consist of the following types:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Expenditures for humanitarian purposes	92	
Other unmentioned expenditures	127	99
<b>IN TOTAL</b>	<b>219</b>	<b>99</b>

## 24. EXPENDITURES BASED ON CORRECTIONS OF MISTAKES FROM PREVIOUS YEARS

These expenditures consist of the following type:

	31.12.2019, in thousands of RSD	31.12.2018, in thousands of RSD
Corrections for mistakes from the previous year	18	
<b>IN TOTAL</b>	<b>18</b>	

The association's financial report for 2019 was prepared based on the above presented data, according to which the European Policy Centre generated a surplus of income over expenditures in the amount of RSD 379,976.45.

Person responsible for drafting financial reports

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Legal representative

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