



R o s h A u d i t

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MANAGEMENT OF ASSOCIATION, EUROPEAN POLICY CENTER, BELGRADE

#### *Opinion*

We have conducted a revision of the enclosed financial reports of **European Policy Center, Belgrade** (further as Association) which comprises the balance sheet as of **December 31, 2022** and the related income statement, as well as the notes to the financial statements.

In our opinion, the financial statements present fairly and impartially, in all material matters, the financial position of the Association as of **December 31, 2022**, as well as the results of operations, changes in equity and cash flows for the year ending on that day in accordance with accounting regulations of the Republic of Serbia.

#### *Basis for an opinion*

We conducted our audit in accordance with the Audit Law ("RS Official Gazette", No. 73/2019) and International Standards on Auditing (ISA). Our responsibilities in accordance with those standards are described in more detail in the report section entitled Auditors' Responsibilities for the Audit of Financial Statements. We are independent of the Association in accordance with the IESBA Code of Ethics for Professional Accountants and the ethical requirements relevant to our audit of financial statements in the Republic of Serbia, and have fulfilled our other ethical responsibilities in accordance with with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and adequate to provide a basis for our reservation.

#### *Management's and management's responsibilities for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the accounting rules of the Republic of Serbia and for those internal controls that it deems necessary for the preparation of financial statements that do not contain material misstatement resulting from a criminal act or error.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE MANAGEMENT OF ASSOCIATION, EUROPEAN POLICY CENTER, BELGRADE

#### *Management's and management's responsibilities for the financial statements (Continued)*

In preparing the financial statements, management is responsible for assessing the ability of the Association to continue in business in accordance with the principle of continuity, disclosing, as appropriate, matters relating to business continuity and applying the principle of business continuity as an accounting basis, unless management intends to liquidate the Association or to cease business, or have no other realistic option but to do so.

Management entities are responsible for overseeing the Association's financial reporting process.

Our objective is to obtain reasonable assurance that the financial statements, taken as a whole, do not contain material misstatement resulting from a criminal act or error; and issuing an auditor's report containing our opinion. Assurance reasonably signifies a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs will always detect material misstatements if such statements exist. Misstatements may result from a criminal act or error and are considered materially material if it is reasonable to expect that they, individually or collectively, will influence the economic decisions of the users made on the basis of these financial statements.

As part of the ISA audit, we apply professional judgment and maintain professional skepticism throughout the audit. Likewise, we:

- Identify and evaluate the risk of material misstatement of the financial statements, whether due to criminal activity or error; designing and performing audit procedures appropriate to these risks; and obtaining sufficient audit evidence to provide a basis for the auditor's opinion. The risk that materially material misstatements resulting from a criminal act will not be identified is greater than the misstatement of the misstatement because the criminal act may involve association, forgery, willful omission, misrepresentation or circumvention of internal control.
- We gain an understanding of the internal controls that are relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Association's internal control system.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### TO THE MANAGEMENT OF ASSOCIATION, EUROPEAN POLICY CENTER, BELGRADE

#### *Management's and management's responsibilities for the financial statements (Continued)*

- We evaluate the accounting policies used and the extent to which accounting estimates and related disclosures made by management are reasonable.
- We conclude the appropriateness of management's application of the going concern basis of accounting and based on the audit evidence obtained; whether material uncertainty exists regarding events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention to related disclosures in the financial statements of our report or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may result in the Association ceasing to operate on a going concern basis.
- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements show the underlying transactions and events in such a way that a fair presentation is achieved.

We report to the persons responsible for management, inter alia, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Belgrade, August 18, 2023

Licensed Certified Auditor

Vladimir Jovanović



Rosh Audit d.o.o. Belgrade