

**Association for the Fight Against Corruption**  
**“TRANSPARENCY INTERNATIONAL” IN BOSNIA AND HERZEGOVINA**  
**FINANCIAL STATEMENTS FOR YEAR 2024**  
**WITH INDEPENDENT AUDITOR’S REPORT**

**Banja Luka, March 2025**

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## INDEPENDENT AUDITOR’S OPINION

### ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION “TRANSPARENCY INTERNATIONAL” IN BOSNIA AND HERZEGOVINA BANJA LUKA

To:

- Association’s assembly and management

#### Opinion

We have audited the enclosed financial statements of the Association for the Fight against Corruption “Transparency International” in Bosnia and Herzegovina, which comprise the Balance Sheet as at 31 December 2024, the related Income Statement, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, as well as a summary of significant accounting policies and notes to the financial statements.

In our opinion, the enclosed financial statements present a true and fair view of the financial position as at 31 December 2024 and of the financial performance and cash flows for the period then ended, in accordance with International Accounting Standards and International Financial Reporting Standards.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Association in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), as well as the ethical requirements that are relevant to our audit of financial statements in Republika Srpska / Bosnia and Herzegovina, and we have fulfilled our other ethical responsibilities 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 opinion.

#### Other matters

We conducted a review of the special-purpose financial statement pertaining to the execution of the grant budget approved by the donor, the Swedish International Development Cooperation Agency (SIDA), with the numerical identifier SIDA-16792, represented by the Swedish Embassy in Sarajevo, which was implemented during the period from 1 January 2024 to 31 December 2024. The funds under audit for the first reporting period comprise the remitted amount of SEK 3,150,000.00 (equivalent to EUR 549,972.25). The planned budget for the first reporting period was BAM 513,202.38 (EUR 262,396.21) and was fully utilised, achieving 100% realisation of the total planned funds. The difference between the remitted and planned amounts

resulted from exchange rate fluctuations at the time of tranche payment (BAM 35,969.88) and bank conversion effects (BAM 800.00). The exchange rate difference (BAM 35,969.88) was carried over to the next reporting period.

In our opinion, the costs associated with the Project are presented truthfully and fairly, with each expenditure of budgeted funds appropriately documented and categorised by type, nominal value and nature. The accounting records substantiate the nominal amounts of disbursed grant funds, expenditure items and their types, and the associated payments, in accordance with the stipulations set by the grant provider.

**Key audit matters**

Key audit matters relate to assurances regarding compliance with tax regulations (calculation and payment of liabilities to the budget / funds), as well as adherence to the stipulations set by the donor, which constitute a key part of the Association’s financial operations. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon; however, we do not provide a separate opinion on these matters.

**1. Fair and true presentation of funds approved by the donor**

<p>In 2024, the Association received funding from multiple donors. In connection with receiving donations, the Association enters into contracts that clearly define the conditions that must be met regarding the justification of the received funds.</p> <p>In recording donations, the Association adhered to the relevant financial reporting and accounting standards.</p> <p>Management is confident that these transactions are accurately presented in the financial statements.</p>	<p>The audit procedures performed included a review of the contracts with donors and the requirements that the Association had to meet in order to account for the funds received.</p> <p>Using a sampling method, certain projects were selected for review to verify the justification of expenditures and their recognition in the Association’s financial statements.</p> <p>Exchange rate discrepancies were analysed, considering that certain donations were justified in currencies other than EUR (e.g. SEK, NOK, etc.).</p> <p>The cancellation of deferred income credited to the Association’s regular income was reviewed in accordance with <i>IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance</i>.</p> <p>Based on our analysis, we have obtained reasonable assurance that the balance sheet items used to track the funds received through donations, as well as their expenditure, are accurately presented.</p>
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## **Management's Responsibility for the Financial Statements**

The Association's management is responsible for the preparation and fair presentation of these financial statements, including their appropriate and timely disclosure. This responsibility encompasses the design, implementation and maintenance of appropriate accounting records in accordance with the applicable laws of Bosnia and Herzegovina and Republika Srpska, the establishment and implementation of internal controls relevant to the preparation of financial statements that are free from material misstatement, the selection and application of appropriate accounting policies, and the timely assessment of assets and equity, as required by the principles set out in International Accounting Standards and International Financial Reporting Standards.

Management's responsibility includes compliance with applicable legal regulations, including those governing accounting, tax laws and other laws relevant to the Association's financial operations.

Management is also responsible for adhering to internal decisions rendered in accordance with the Association's regulations, which includes ensuring the full integrity of assets.

## **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error;
- Design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit 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 internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view;
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- Provide a statement that we have complied with relevant ethical requirements regarding independence, as well as regarding other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The audit process, leading to this independent auditor's report, involved the engagement of Milan Blagojević, a certified auditor with a valid licence.

No. 28/25

Banja Luka, 26 March 2025

Certified auditor:

Milan Blagojević

Auditing and Tax Counselling Firm  
ADITON d.o.o.  
Banja Luka  
Bosnia and Herzegovina

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**FINANCIAL STATEMENT FORMS FOR YEAR 2024  
BALANCE SHEET**

(Statement of Financial Position)  
as at 31/12/2024

-BAM

Account No.	ITEM	AOP Code	Note	Gross	Allowance	Net	Previous year amounts (PS)
	ON-BALANCE SHEET ASSETS A. NON-CURRENT ASSETS (002 + 008 + 015 + 016 + 017 + 022 + 034)	001		337,787	218,714	119,073	128,352
01	I INTANGIBLE ASSETS (003 through 007)	002		135,618	76,105	59,513	46,076
010, part 019	1. Research and development	003					
011, 013, part 019	2. Concessions, patents, licences and similar rights	004	1	135,618	76,105	59,513	46,076
012, part 019	3. Goodwill	005					
014, part 019	4. Other intangible assets	006					
015, 016 and part 019	5. Advances and intangible assets under preparation	007					
02	II NPROPERTY, PLANT AND EQUIPMENT (009 through 014)	008		202,169	142,609	59,560	82,276
020, part 029	1. Land	009					
021, part 029	2. Buildings	010					
022, part 029	3. Plant and equipment	011	2	202,169	142,609	59,560	73,250
023, part 029	4. Other property, plant and equipment	012					
024, part 029	5. Investment in not one's own property, plant and equipment	013				0	9,026
025, 026, part 029	6. Advances and property, plant and equipment under preparation	014					
03	III INVESTMENT PROPERTIES	015					
04	IV LEASED ASSETS	016					
05	V BIOLOGICAL ASSETS (018 through 021)	017					
050, part 059	1. Forests	018					
051, part 059	2. Plantations	019					
052, 053, part 059	3. Livestock and other biological assets	020					
055, 056 and part 059	4. Advances and biological assets under preparation	021					
06	VI LONG-TERM FINANCIAL INVESTMENTS (023 + 024 + 025 + 030 + 033)	022					
060, part 069	1. Investments in subsidiaries	023					
061, part 069	2. Investments in associates and joint ventures	024					
part 06	3. Financial assets at amortised value (026 through 029)	025					
062, part 069	3.1. Long-term loans to related legal entities	026					
063, part 069	3.2. Long-term loans – domestic	027					
064, part 069	3.3. Long-term loans - foreign	028					
065, part 069	3.4. Other financial assets at amortised cost	029					
part 06	4. Financial assets at fair value through other total results (031 + 032)	030					
066, part 069	4.1. Equity instruments	031					
067, part 069	4.2. Debt instruments	032					
068, part 069	5. Receivables from finance leases	033					

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION “TRANSPARENCY INTERNATIONAL” IN BiH FOR YEAR 2024**

**BALANCE SHEET**  
(Statement of Financial Position)  
as at 31/12/2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Gross	Allowance	Net	Previous year amounts (PS)
07 and 08	VII OTHER LONG-TERM ASSETS AND ACCRUALS	034					
090	B. DEFERRED TAX ASSETS	035					
	C. CURRENT ASSETS (037 + 044)	036		510,595	0	510,595	806,790
10 through 15	I INVENTORIES, NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS ASSETS (038 through 043)	037		20,681	0	20,681	22,334
100 through 109	1. Materials on stock	038					
110 through 119	2. Work in progress, semi-finished products and services in progress	039					
120 through 129	3. Finish products on stock	040					
130 through 139	4. Goods on stock	041					
140 through 149	5. Non-current assets held for sale and discontinued operations assets	042					
150 through 159	6. Prepayments	043	3	20,681		20,681	22,334
	II SHORT-TERM ASSETS EXCLUDING INVENTORIES AND NON-CURRENT ASSETS HELD FOR SALE (045 + 052 + 061 + 064 + 065)	044		489,914	0	489,914	784,456
	1. Short-term receivables (046 through 051)	045	4	28,823	0	28,823	8,421
200, part 209	1.1. Trade receivables – associated legal entities	046					
201,202, 203, part 209	1.2. Domestic trade receivables	047		506		506	506
204, part 209	1.3. Foreign trade receivables	048		1,438		1,438	1,438
group 21, except 214	1.4. Receivables from specific business operations	049					
group 22, except 224	1.5. Other short-term receivables	050		23,279		23,279	4,061
224	1.6. Receivables for overpaid corporate income tax	051		3,600		3,600	2,416
	2. Short-term financial investments (053 + 058 + 059 + 060)	052					
	2.1. Financial assets at amortised cost (054 through 057)	053					
230, part 238	a) Short-term loans to related legal entities	054					
231, part 238	b) Short-term domestic loans	055					
232, part 238	c) Short-term foreign loans	056					
233, part 238	d) Other financial assets at amortised cost	057					
235 and 236	2.2. Financial assets at fair value through profit or loss	058					
234, 239	2.3. Receivables from finance leases	059					
214	2.4. Derivative financial assets	060					
24	3. Cash equivalents and cash (062 + 063)	061		461,091	0	461,091	776,035
240, part 249	3.1. Cash equivalents	062					
241 through 249	3.2. Cash	063	5	461,091		461,091	776,035
270 through 279	4. Value-added tax	064					

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION “TRANSPARENCY INTERNATIONAL” IN BiH FOR YEAR 2024**

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**BALANCE SHEET**  
(Statement of Financial Position)  
as at 31/12/2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Gross	Allowance	Net	Previous year amounts (PS)
280 through 289	5. Short-term accruals	065					
	D. ON-BALANCE SHEET ASSETS (001 + 035 + 036)	066		848,382	218,714	629,668	935,142
880 through 888	E. OFF-BALANCE SHEET ASSETS	067					

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**BALANCE SHEET**  
(Statement of Financial Position)  
as at 31/12/2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	ON-BALANCE SHEET LIABILITIES A. EQUITY (102 - 110 + 113 - 114 + 115 + 119 + 122 - 123 + 124 - 128+ 131)	101	6	130,341	216,885
30	I SHARE CAPITAL (103 + 106 + 107 + 108 + 109)	102			
300	1. Equity capital – ordinary shares (104 + 105)	103			
	1.1. Equity capital – ordinary shares	104			
	1.2. Equity capital – preferred (priority) shares	105			
302	2. Stakes in limited liability companies	106			
304	3. Stakes	107			
305	4. Capital owned by state	108			
309	5. Other shared capital	109			
31	II REPURCHASED OWN SHARES AND SUBSCRIBED CAPITAL UNPAID (111 + 112)	110			
310	1. Repurchased own shares and stocks	111			
311	2. Subscribed capital unpaid	112			
320	III ISSUING PREMIUMS	113			
321	IV ISSUING LOSS	114			
part 32	V RESERVES (116 through 118)	115			
322	1. Legal reserves	116			
323	2. Statutory reserves	117			
329	3. Other reserves	118			
part 33	VI REVALUATION RESERVES (120 + 121)	119			
330	1. Revaluation reserves for property, plant, equipment and intangible assets	120			
331 and 334	2. Other revaluation reserves	121			
332	VII POSITIVE EFFECTS OF VALUATION OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	122			
333	VIII NEGATIVE EFFECTS OF VALUATION OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	123			
34	IX RETAINED EARNINGS (125 through 127)	124		216,885	216,885
340 or 342	1. Prior years retained earnings / Unallocated surplus of income over expenditure in previous years	125		216,885	189,786
341 or 343	2. Current year retained earnings / Unallocated surplus of income over expenditure in the current year	126			27,099
344	3. Net income of entrepreneurs	127			
35	X LOSS (129 + 130)	128		86,544	0
350 or 352	1. Previous years loss / Surplus of expenses over revenues from previous years	129			
351 or 353	2. Current year loss / Surplus of expenses over revenues for the current year	130		86,544	
	XI NON-CONTROLLING INTERESTS	131			
	B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES (133 + 137 + 145)	132		478,419	687,658
part 40	I LONG-TERM PROVISIONS (134 through 136)	133			
400	1. Provisions for costs incurred during the warranty period	134			
404	2. Provisions for employee salaries and other benefits	135			
401, 402, 403, part 409	3. Other long-term provisions	136			
	II LONG-TERM LIABILITIES (138 through 144)	137			

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**BALANCE SHEET**  
(Statement of Financial Position)  
as at 31/12/2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
411	1. Liabilities to associated legal entities	138			
413	2. Long-term loans – domestic	139			
414	3. Long-term loans - foreign	140			
412	4. Liabilities from issued debt instruments	141			
415, 416	5. Long-term liabilities from financial leasing	142			
418	6. Other long-term financial liabilities at amortized cost	143			
part 409, 410, 419	7. Other long-term liabilities, including accruals	144			
408	III DEFERRED INCOME AND GRANTS RECEIVED	145	7	478,419	687,658
407	C. DEFERRED TAX LIABILITIES	146			
42 through 49	D. SHORT-TERM LIABILITIES AND SHORT-TERM PROVISIONS (148 + 155 + 161 + 162 + 163 + 164 + 165 + 166 + 167 + 168)	147	8	20,908	30,599
42	1. Short-term financial liabilities (149 through 154)	148			
420	1.1. Short-term liabilities to associated legal entities	149			
421 through 424	1.2. Short-term loans and short-term liabilities for issued securities	150			
425 and 426	1.3. Short-term liabilities from financial leasing	151			
427	1.4. Short-term liabilities at fair value through profit and loss	152			
428	1.5. Derivative financial liabilities	153			
429	1.6. Other liabilities at amortised cost	154			
43	2. Liabilities from operations (156 through 160)	155		13,223	19,948
430 and 436	2.1. Received advances, deposits and caution money	156			
431	2.2. Trade payables – associated entities	157			
432, 433, 434	2.3. Domestic trade payables	158		13,223	19,948
435	2.4. Foreign trade payables	159			
437, 439	2.5. Other liabilities from operations	160			
440 through 449	3. Liabilities from specific operations	161			
450 through 458	4. Liabilities for salaries and allowances	162			309
460 through 469	5. Other liabilities	163		105	
470 through 479	6. Value-added tax	164		1,341	10,200
48 except 481	7. Liabilities for other taxes, contributions and duties	165		142	142
481	8. Profit tax liabilities	166			
49, except 496	9. Short-term accruals	167		6,097	
496	10. Short-term provisions	168			
	E. ON-BALANCE SHEET LIABILITIES (101 + 132 + 146 + 147)	169		629,668	935,142
890 through 898	F. OFF-BALANCE SHEET LIABILITIES	170			

Licensed person:  
Jadranka Volak

Person authorised to represent:  
Boris Divjak

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**INCOME STATEMENT**

(Statement of Comprehensive Income in the Period)

from 1 January to 31 December 2024

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	A. OPERATING INCOME AND EXPENSES -I OPERATING INCOME (202 + 206 + 210 + 214 – 215 + 216 – 217 + 218)	201	9	2,045,098	1,702,617
60	1. Income from sales of merchandise goods (203 through 205)	202			
600, part 605	1.1. Income from sale of merchandise goods to associated legal entities	203			
601, 602, 603, part 605	1.2. Income from sale of merchandise goods on domestic market	204			
604, part 605	1.3. Income from sale of merchandise goods on foreign market	205			
61	2. Income from sale of products (207 through 209)	206			
610, part 615	2.1. Income from sale of products to associated legal entities	207			
611, 612, 613, part 615	2.2. Income from sale of products on domestic market	208			
614, part 615	2.3. Income from sale of products on foreign market	209			
62	3. Income from provision of services (211 through 213)	210		55,507	109,934
620, part 625	3.1. Income from services provided to associated legal entities	211			
621, 622, 623, part 625	3.2. Income from services provided on domestic market	212		55,507	106,590
624, part 625	3.3. Income from services provided on foreign market	213			3,344
630	4. Increase in value of products in stock	214			
631	5. Decrease in value of products in stock	215			
640 and 641	6. Increase in the value of investment properties and biological assets that are not subject to depreciation	216			
642 and 643	7. Decrease in the value of investment properties and biological assets that are not subject to depreciation	217			
650 through 659	8. Other operating income	218		1,989,591	1,592,683
	II OPERATING EXPENSES (220 + 221 + 222 + 223 + 226 + 227 + 234 + 235 + 236)	219	10	2,117,264	1,671,485
500 through 502	1. Cost of goods sold	220			
510 through 512	2. Material costs	221		25,302	28,612
513	3. Fuel and energy costs	222		8,351	11,498
52	4. Expenses for salaries, allowances and other personal income (224 + 225)	223		1,161,043	985,781
520 and 523	4.1. Gross salaries and gross allowances	224		946,320	812,959
524 through 529	4.2. Expenses for other personal income	225		214,723	172,822
530 through 539	5. Services expenses	226		255,153	184,197
54	6. Depreciation and provisioning expenses (228 + 233)	227		45,323	41,165
540	6.1. Depreciation expenses (229 through 232)	228		45,323	41,165
part 540	a) Depreciation of property, plant and equipment	229		45,323	41,165
part 540	b) Depreciation of investment properties	230			
part 540	c) Depreciation of leased assets	231			
part 540	d) Depreciation of other assets	232			
541	6.2. Provisioning expenses	233			
55 except 555 and 556	7. Immaterial expenses (excluding taxes and contributions)	234		616,169	417,760
555	8. Tax expenses	235		5,002	1,664
556	9. Contributions expenses	236		921	808
	B. OPERATING PROFIT (201 – 219)	237			31,132
	C. OPERATING LOSS (219 – 201)	238	11	72,166	
66	D. FINANCIAL INCOME AND EXPENSES -I FINANCIAL INCOME (240 through 243)	239		1,084	693

**INCOME STATEMENT**  
(Statement of Comprehensive Income in the Period)  
from 1 January to 31 December 2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
660, 661	1. Interest income	240		54	35
662	2. Foreign exchange gains	241		1,030	658
663	3. Income from currency clause	242			
669	4. Other financial income	243			
56	II FINANCIAL EXPENSES (245 through 248)	244		6,431	3,942
560, 561	1. Interest expenses	245			13
562	2. Foreign exchange losses	246		6,431	3,929
563	3. Expenses due to currency clause	247			
569	4. Other financial expenses	248			
	E. PROFIT FROM REGULAR OPERATION (237 + 239 - 244) or (239-244-238)	249			27,883
	F. LOSSES FROM REGULAR OPERATION (238 + 244 -239) or (244-239-237)	250		77,513	
67	G. OTHER PROFITS AND LOSSES -1 OTHER INCOME AND GAINS (252 through 260)	251		208	5,402
670, 570 net	1. Net income from sale of intangible assets, property, plant and equipment	252			
671, 571 net	2. Net income from sale of investment property	253			
672, 572 net	3. Net income from sale of biological assets	254			
673, 573 net	4. Net income from sale of non-current assets held for sale and discontinued operations assets	255			
674, 574 net	5. Net income from sale of financial assets and investments in associated legal entities	256			
675, 575 net	6. Net income from sale of materials	257			
676	7. Surpluses	258			
677, 679	8. Other income and gains	259	12	208	5,402
678, 577	9. Net income from derivative financial instruments	260			
57	II OTHER EXPENSES AND LOSSES (262 through 270)	261		9,239	33
570, 670 net	1. Net losses from the disposal of intangible assets, property, plant and equipment	262			
571, 671 net	2. Net losses from the disposal of investment property	263			
572, 672 net	3. Net losses from the disposal of biological assets	264			
573, 673 net	4. Net losses from the disposal of non-current assets held for sale and discontinued operations assets	265			
574, 674 net	5. Net losses from the disposal of financial assets and investments in associated legal entities	266			
575, 675 net	6. Net losses from sale of materials	267			
576	7. Deficits	268			
577, 678 net	8. Net losses from derivative financial instruments	269			
578, 579	9. Other expenses and losses	270	13	9,239	33
	H. GAIN FROM OTHER INCOME AND EXPENSES (251 - 261)	271			5,369
	I. LOSS FROM OTHER INCOME AND EXPENSES (261 - 251)	272		9,031	

## INCOME STATEMENT

(Statement of Comprehensive Income in the Period)  
from 1 January to 31 December 2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
68	J. INCOME AND EXPENSES FROM ASSET VALUE ADJUSTMENTS, I INCOME FROM ASSET VALUE ADJUSTMENTS (274 + 281)	273			
part 68	1. Net gains from the adjustment of assets (excluding financial assets) (275 through 280)	274			
680, 580 net	1.1. Net gains from the reduction of previously recognised losses due to impairment of intangible assets	275			
681, 581 net	1.2. Net gains from the reduction of previously recognised losses due to impairment of property, plant and equipment	276			
682, 582 net	1.3. Net gains from the reduction of previously recognised losses due to impairment of investment properties valued at cost	277			
683, 583 net	1.4. Net gains from the reduction of previously recognized losses due to impairment of biological assets valued at cost	278			
685, 585 net	1.5. Net gains from value adjustment for materials and goods on stock	279			
688, part 689, 588, part 589 net	1.6. Net gains from value adjustment for non-current assets held for sale, discontinued operations assets and other non-financial assets	280			
part 68	2. Net gains from value adjustment for financial assets (282 through 285)	281			
684, 584 net	2.1. Net gains from value adjustment for long-term financial assets	282			
686, 585 net	2.2. Net gains from value adjustment for short-term financial assets (excluding receivables from buyers)	283			
687, 587 net	2.3. Net gains from the reduction of previously recognised credit-impaired assets due to impairment of receivables from buyers.	284			
part 689, part 589 net	2.4. Net gains from value adjustment for other financial assets	285			
58	II EXPENSES FROM ASSET VALUE ADJUSTMENTS (287 + 294)	286			
	1. Expenses from the adjustment of assets (excluding financial assets) (288 through 293)	287			
580, 680 net	1.1. Net losses due to impairment of intangible assets	288			
581, 681 net	1.2. Net losses due to impairment of property, plant and equipment	289			
582, 682 net	1.3. Net losses due to impairment of investment properties valued at cost	290			
583, 683 net	1.4. Net losses due to impairment of biological assets valued at cost	291			
585, 685 net	1.5. Net losses from value adjustment for materials and goods on stock	292			
588, part 589, 688, part 689 net	1.6. Net losses from value adjustment for non-current assets held for sale, discontinued operations assets and other non-financial assets	293			
	2. Losses from value adjustment for financial assets (295 through 298)	294			
584, 684 net	2.1. Net losses from value adjustment for long-term financial assets	295			
586, 686 net	2.2. Net losses from value adjustment for short-term financial assets (excluding receivables from buyers)	296			
587, 687 net	2.3. Net losses from value adjustment for receivables from buyers	297			

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**INCOME STATEMENT**

(Statement of Comprehensive Income in the Period)

from 1 January to 31 December 2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
part 589, part 689 net	2.4. Net losses from value adjustment for other financial assets	298			
	K. GAIN FROM ASSET VALUE ADJUSTMENTS (273 - 286)	299			
	L. LOSS FROM ASSET VALUE ADJUSTMENT (286 - 273)	300			
690 and 691	M. Income from changes in accounting policies and corrections of errors from previous years	301			
590 and 591	N. Expenses from changes in accounting policies and corrections of errors from previous years	302			
	Share of profit of associates and joint ventures accounted for using the equity method	303			
	Share of loss of associates and joint ventures accounted for using the equity method	304			
	TOTAL INCOME (201+239+251+273+301+303)	305		2,046,390	1,708,712
	TOTAL EXPENSES (219+244+261+286+302+304)	306		2,132,934	1,675,460
	O. PROFIT AND LOSS BEFORE TAXES, 1. Profit before taxes (305-306)	307			33,252
	2. Loss before taxes (306-305)	308		86,544	
721	P. CURRENT AND DEFERRED INCOME TAX. - 1. Tax expenses of the reporting period	309			6,153
	2. Deferred tax expenses (311+312)	310			
722	2.1. Effect of a decrease in deferred tax assets	311			
724	2.2. Effect of an increase in deferred tax liabilities	312			
	3. Deferred tax income (314 + 315)	313			
723	3.1. Effect of an increase in deferred tax assets	314			
725	3.2. Effect of a decrease in deferred tax liabilities	315			
	Q. NET PROFIT AND NET LOSS FOR THE REPORTING PERIOD, 1. Net profit for the current year (307-308-309-310+313)	316			27,099
	2. Net loss for the current year (308-307+309+310-313)	317		86,544	
726	R. Interim dividends and other forms of net profit distribution during reporting period	318			
	Share of net profit/loss attributable to majority owners	319			
	Share of net profit/loss attributable to minority owners	320			
	Basic earnings per share	321			
	Diluted earnings per share	322			
	Average number of employees based on hours worked	323		21	20
	Average number of employees based on end-of-month headcount	324		21	20
	A. NET PROFIT OR NET LOSS FOR THE REPORTING PERIOD	400	14	-86,544	27,099
	1. Items that may be reclassified to profit or loss ( $\pm 402 + 403 \pm 404 \pm 405 \pm 406 \pm 407$ )	401			
Change in 332 and 333	1.1. Increase/(decrease) in fair value of debt instruments at fair value through other comprehensive income	402			
Change in 331	1.2. Effects arising from hedging transactions	403			
	1.3. Share of other comprehensive income of associates and joint ventures accounted for using the equity method	404			
	1.4. Gains or losses on translation of foreign operations' financial statements	405			
Change in 339, part	1.5. Other items that may be reclassified to profit or loss	406			
	1.6. Deferred income tax relating to these items	407			

## INCOME STATEMENT

(Statement of Comprehensive Income in the Period)  
from 1 January to 31 December 2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	2. Items that will not be reclassified to profit or loss ( $\pm 409 \pm 410 \pm 411 \pm 412 \pm 413 \pm 414$ )	408			
Change in 330	2.1. Revaluation of property, plant, equipment and intangible assets	409			
Change in 332 and 333	2.2. Increase/(decrease) in fair value of equity instruments through other comprehensive income	410			
Change in 339, part	2.3. Actuarial gains (losses) on defined benefit plans	411			
	2.4. Share of other comprehensive income of associates and joint ventures accounted for using the equity method	412			
Change in 339, part	2.5. Other items that will not be reclassified to profit or loss	413			
	2.6. Deferred income tax relating to these items	414			
	B. OTHER PROFIT/LOSS FOR THE PERIOD ( $\pm 401 \pm 408$ )	415			
	C. TOTAL PROFIT / (LOSS) ( $400 \pm 415$ )	416		-86,544	27,099
	Share of total profit/loss attributable to majority owners	417			
	Share of total profit/loss attributable to minority owners	418			

Licensed person:  
Jadranka Volak

Person authorised to represent:  
Boris Divjak

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**CASH FLOW STATEMENT**

(Statement of Cash Flow)

for the period covering 1 January 2024 to 31 December 2024

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	A. CASH FLOW FROM OPERATING ACTIVITIES -I Cash inflows from operating activities (502 through 505)	501		2,255,089	1,594,839
	1. Inflows from sale and advances – domestic	502			128,623
	2. Inflows from sale and advances – foreign	503			
	3. Inflows from premiums, subsidies and grants, etc.	504			
	4. Other inflows from operating activities	505		2,255,089	1,466,216
	II Cash outflows from operating activities (507 through 512)	506		2,079,772	1,722,966
	1. Payments to suppliers and given advances – domestic	507		910,047	576,485
	2. Payments to suppliers and given advances – foreign	508			
	3. Payment of interests	509			
	4. Payments for employee salaries, allowances and other employee benefits	510		1,161,043	1,064,494
	5. Payment of income tax	511		1,183	982
	6. Other payments from operating activities	512		7,499	81,005
	III Net inflow of cash from operating activities (501 - 506)	513		175,317	
	IV Net outflow of cash from operating activities (506 - 501)	514			128,127
	B. CASH FLOWS FROM INVESTING ACTIVITIES -I Cash inflows from investing activities (516 through 530)	515		54	35
	1. Cash inflows from the sale of shares and interests in subsidiaries, associates and joint ventures	516			
	2. Cash inflows from the sale of property, plant and equipment	517			
	3. Cash inflows from the sale of investment property	518			
	4. Cash inflows from the sale of biological assets	519			
	5. Cash inflows from the sale of intangible assets	520			
	6. Cash inflows from the sale of non-current assets held for sale	521			
	7. Cash inflows from financial assets at fair value through other comprehensive income	522			
	8. Cash inflows from financial assets at fair value through profit or loss	523			
	9. Cash inflows from other financial assets at amortised cost	524			
	10. Cash inflows from leases (principal)	525			
	11. Cash inflows from leases (interest)	526			
	12. Cash inflows from interest	527		54	35
	13. Cash inflows from dividends and share in profit	528			
	14. Cash inflows from derivative financial instruments	529			
	15. Other cash inflows from investing activities	530			
	II Cash outflows from investing activities (532 through 541)	531		45,069	42,777
	1. Cash outflows for the purchase of shares and interests in subsidiaries, associates and joint ventures	532			
	2. Cash outflows for the purchase of property, plant and equipment	533		45,069	42,777
	3. Cash outflows for the purchase of investment property	534			
	4. Cash outflows for the purchase of biological assets	535			
	5. Cash outflows for the purchase of intangible assets	536			
	6. Cash outflows for financial assets at fair value through other comprehensive income	537			
	7. Cash outflows for financial assets at fair value through profit or loss	538			

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

**CASH FLOW STATEMENT**

(Statement of Cash Flow)

for the period covering 1 January 2024 to 31 December 2024 – contd.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
	8. Cash outflows for other financial assets at amortised cost	539			
	9. Cash outflows for derivative financial instruments	540			
	10. Other cash outflows for investing activities	541			
	III Net cash inflow from investing activities (515 - 531)	542			
	IV Net cash outflow for investing activities (531 - 515)	543		45,015	42,742
	C. CASH FLOWS FROM FINANCING ACTIVITIES -I Cash inflow from financing activities (545 through 550)	544			
	1. Cash inflows from increase in share capital	545			
	2. Cash inflows from sale of repurchased own shares	546			
	3. Cash inflows from long-term loans	547			
	4. Cash inflows from short-term loans	548			
	5. Cash inflows from issued debt instruments	549			
	6. Other cash inflows from financing activities	550			
	II Cash outflows for financing activities (552 through 558)	551		439,846	0
	1. Cash outflows for the repurchase of own shares and interests	552			
	2. Cash outflows for long-term loans	553			
	3. Cash outflows for short-term loans	554			
	4. Cash outflows for leases	555			
	5. Cash outflows for debt instruments	556			
	6. Cash outflows for paid dividends	557			
	7. Other cash outflows for financing activities	558		439,846	
	III Net cash inflow from financing activities (544 - 551)	559			0
	IV Net cash outflow for financing activities (551 - 544)	560		439,846	0
	D. TOTAL CASH INFLOWS (501 + 515 + 544)	561		2,255,143	1,594,874
	E. TOTAL CASH OUTFLOWS (506 + 531 + 551)	562		2,564,687	1,765,743
	F. NET CASH INFLOW (561 - 562)	563			
	G. NET CASH OUTFLOW (562 - 561)	564		309,544	170,869
	H. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	565		776,035	946,416
	I. FOREIGN EXCHANGE GAINS FROM CONVERSION OF CASH	566		1,030	658
	J. FOREIGN EXCHANGE LOSSES FROM CONVERSION OF CASH	567		6,430	170
	K. CASH AT THE END OF ACCOUNTING PERIOD (565 + 563 - 564 + 566 - 567)	568		461,091	776,035

Licensed person:  
Jadranka Volak

Person authorised to represent:  
Boris Divjak

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION “TRANSPARENCY INTERNATIONAL” IN BIH  
FOR YEAR 2024**

**STATEMENT OF CHAGES IN EQUITY**

for period ending on 31 December 2024

-BAM

Account No.	ITEM	AOP code	Note	Share capital/equity interests	Share premium	Reserves	Revaluation reserves for property, plant and equipment	Revaluation reserves for financial assets measured at fair value through other comprehensive income	Other revaluation reserves	Accumulated undistributed profit (uncovered loss)	TOTAL	Non-controlling interests (Minority interests)	TOTAL EQUITY
	1. Balance as at 1/1/20__	901								194,972	194,972		194,972
	2. Effect of changes in accounting policies	902											
	3. Effects of error corrections	903											
	4. New balance as at 1/1/20__ (901 ± 902 ± 903)	904		0	0	0	0	0	0	194,972	194,972	0	194,972
	5. Profit/(loss) for the year	905								27,099	27,099		27,099
	6. Other comprehensive income for the year	906											
	7. Total profit (loss) (± 905 ± 906)	907		0	0	0	0	0	0	27,099	27,099		27,099
	8. Issue of share capital and other forms of equity increase	908											
	9. Acquisition of own shares and other forms of equity decrease	909								5,186	5,186		5,186
	10. Dividends declared	910											
	11. Other forms of profit distribution and loss coverage	911									0		0
	12. Other changes	912											

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION “TRANSPARENCY INTERNATIONAL” IN BiH  
FOR YEAR 2024**

**STATEMENT OF CHAGES IN EQUITY**

for period ending on 31 December 2024 – contd.

Account No.	ITEM	AOP code	Note	Share capital/equity interests	Share premium	Reserves	Revaluation reserves for property, plant and equipment	Revaluation reserves for financial assets measured at fair value through other comprehensive income	Other revaluation reserves	Accumulated undistributed profit (uncovered loss)	TOTAL	Non-controlling interests (Minority interests)	TOTAL EQUITY
	13. Balance as at 31/12/20_ / 1/1/20_ (904 ± 907 ± 908 – 909 – 910 ± 911 ± 912)	913		0	0	0	0	0	0	216,885	216,885	0	216,885
	14. Effects of changes in accounting policies	914											
	15. Effects of error corrections	915											
	16. New balance as at 1/1/20_ (913 ± 914 ± 915)	916		0	0	0	0	0	0	216,885	216,885	0	216,885
	17. Profit (loss) for the year	917								-86,544	-86,544		-86,544
	18. Other comprehensive income for the year	918											
	19. Total profit (loss) (± 917 ± 918)	919		0	0	0	0	0	0	-86,544	-86,544	0	-86,544
	20. Issue of share capital and other forms of equity increase	920											
	21. Acquisition of own shares and other forms of equity decrease	921											
	22. Dividends declared	922											
	23. Other forms of profit distribution and loss coverage	923											
	24. Other changes	924											
	25. Balance as at 31/12/20_ (916 ± 919 ± 920 – 921 – 922 ± 923 ± 924)	925		0	0	0	0	0	0	130,341	130,341	0	130,341

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BIH  
FOR YEAR 2024

Licensed person:  
Jadranka Volak

Person authorised to represent:  
Boris Divjak

## 1. LEGAL AND OTHER BASES

The terms and conditions for conducting this audit, as well as the responsibilities of the auditor and the Association's management, are set out in the Audit Contract between the Association for the Fight against Corruption "Transparency International" in Bosnia and Herzegovina Banja Luka and the Auditing and Tax Counselling Firm "Aditon" d.o.o. Banja Luka.

According to the International Standards of Auditing, prior to commencing audit activities, the auditor is required to obtain an understanding of the key financial indicators that are material to the Association's operations for the year under audit. This includes gaining an understanding of any changes that may have occurred in the Association's organisational structure, management, financing and primary objectives. Additionally, the auditor must familiarise themselves with the realisation of revenues and expenditures that were approved by the project financiers (donors) and persons entrusted with implementing the projects (project managers).

According to the principles of the applicable audit regulations and generally accepted rules, the audit is to be conducted in accordance with the International Standards of Auditing, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Due to the nature of the Associations' line of work and other inherent limitations, there is an unavoidable risk that some material misstatements may remain undetected. However, by employing standardised sampling and inspection methods, as well as analytical procedures, this risk has been reduced to a reasonable and acceptable level.

The responsibility for preparing the financial statements, including their timely and accurate disclosure, lies with the Association's management. This includes establishing and maintaining proper accounting records and internal controls, selecting and applying appropriate accounting policies, and safeguarding the assets of both the Association and its donors.

As part of our audit process, we requested from management written confirmation concerning representations made to us in connection with the audit.

As part of our audit engagement, we established a professional working relationship with the hired accountant to facilitate our audit work.

## 2. ASSOCIATION’S BACKGROUND INFORMATION

The Association for the Fight against Corruption “Transparency International” in Bosnia and Herzegovina Banja Luka was registered as a non-governmental organisation in the register maintained by the Ministry of Justice of Bosnia and Herzegovina under decision No. UP08-07-1-616/11 dated 25 May 2011, with the following name in all three languages of the constituent peoples of Bosnia and Herzegovina:

Udruženje za borbu protiv korupcije “Transparency International” u Bosni i Hercegovini,

Udruga za borbu protiv korupcije “Transparency International” u Bosni i Hercegovini,

Удружење за борбу против корупције “Транспаренци Интернационал” у Босни и Херцеговини.

Association’s abbreviated name: TI u BiH, TI u ВИH, ТИ у БиХ

The register also contains an entry on the Association’s logo. It consists of a circle bordered in blue, with two large stylised blue letters ‘T’ and ‘I’ in the centre.

According to the register maintained by the BiH Ministry of Justice, the Association’s main objectives are as follows:

- curbing corruption, supporting the development of good governance, accountability and transparency of public institutions, common democratic values and fair market competition;
- organising seminars, roundtables and other forms of public and professional debate and training;
- initiating the collection of data on experiences in combating corruption;
- advocating the preparation of draft legislation and other documents;
- disseminating information on the Association’s activities through print, digital and other media;
- collecting, processing and publishing data on corruption;
- commitment to providing free legal aid to citizens in their fight against corruption;
- commitment to conducting public opinion surveys;
- collaborating and sharing experiences with similar institutions and organisations at home and abroad;
- providing consultancy services that are in accordance with the Association’s vision and mission and within the scope of the Association’s mandate; the revenues thus generated will be used to finance the organisation’s activities aimed at achieving its strategic objectives;
- pursuing professional activities and providing expertise in the field of the rule of law and fight against corruption.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BIH FOR YEAR 2024**

Following the decision of the BiH Ministry of Justice No. UP08-07-1-616/11 dated 18 November 2013, the registration information maintained in the Ministry's register was updated to reflect the following changes:

- Amendments to the Association's Statute No. 01/10 dated 8 December 2010;
- Change of address of the Association's seat from the former address in Sarajevo, 2 Franje Račkog Street to the new address in Banja Luka, 2 Gajeva Street;
- According to the decision of the BiH Ministry of Justice No. UP08-07-1-616/11 dated 18 November 2013, the address of the Sarajevo-based branch office of the Association for the Fight against Corruption Transparency International in Bosnia and Herzegovina was 2 Franje Račkog Street. According to the Decision Amending the Association's Statute No. 01-01-06-15 dated 24 October 2015, the address of the Sarajevo office was changed to Sarajevo, 4 Mehmed bega Kapetanovića Ljubušaka Street. Another change of address was registered in the BiH Ministry of Justice's register in accordance with the Decision No. UP09-07-1-552/17 dated 10 May 2017 and the current address of the office is Sarajevo, 9 Mule Mustafe Bašeskije Street;
- The change of person authorised for representation was registered under decision of the Association's Assembly No. 01-01-12(007)/15 dated 24 October 2015;
- Decision of the BiH Ministry of Justice No. UP0907-1-1421/21 dated 25 August 2020 acknowledged the extension of the term of the chairman of the Board of Directors until 15 January 2025.
- The person responsible for representing the Association is Mr Boris Divjak, chairman of the Board of Directors.
- According to the decision of the BiH Ministry of Justice No. UP08-07-1-79/22 dated 19 May 2022, the address of the Association's seat was updated in the register from the previous address in Banja Luka, 2 Gajeva Street to the new address: "Banja Luka, 64E Krfska Street".

Bookkeeping records are maintained by the professional bookkeeping agency "Libra", in accordance with the relevant contract. The agency is owned by Ms Jadranka Volak B.Sc.Econ., a professional accountant with a certified accountant licence. Ms Volak is responsible for ensuring that the required transaction records are properly maintained and updated.

The association TI in BiH conducts its financial transactions in convertible marks through following bank accounts:

- 338-350-22574104-75 at Unicredit bank DD Mostar, as its main transaction account
- 555-100-00537859-83 at Nova Banka a.d. Banja Luka
- 555-100-00141800-10 at Nova Banka a.d. Banja Luka
- 194-106-97676001-21 at Procredit bank a.d. Banja Luka

The inflow and outflow of funds are recorded in the main transaction account, while sub-accounts are opened for individual projects within the main business account.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION “TRANSPARENCY INTERNATIONAL” IN BiH FOR YEAR 2024**

This ensures that cash flows for each project or donor are monitored and controlled independently of other funds received or used by the Association

The Association is registered with the Tax Administration under tax identification number 4403650790008.

The Association is also registered with the Indirect Tax Authority of BiH under identification number 403650790008.

### **3. DOCUMENTATION AND ACCOUNTING**

The original bookkeeping documents pertaining to financial transactions are stored at the Association’s headquarters, while copies of bookkeeping and financial documents are forwarded to the contracted bookkeeping agency.

All documents related to financial operations in 2024 are properly numbered with project reference numbers and account ordinal numbers.

At the Association’s headquarters, documents are organised by specific projects and arranged chronologically by month. In accounting, documents are organised and sorted by type of financial transaction – incoming invoices for expenses incurred, contracts for special services, service contracts with employees and external contractors, commercial bank statements for domestic and foreign currency accounts as original documents, as well as internal documents such as payroll accounts, cash-related documents, etc.

Documents are archived in accordance with applicable standards, accounting rules and archiving regulations.

The maintenance of accounting records is entrusted to a professional agency owned by a licensed accountant. Accounting is performed through automated data processing using appropriate computer software. Financial transactions are recorded in accordance with the prescribed chart of accounts.

#### **Instabilities in Eastern Europe (War in Ukraine)**

The ongoing war in Ukraine continues to destabilise Eastern Europe, indirectly influencing the economic framework of Bosnia and Herzegovina. This has precipitated a marked escalation in the cost of raw materials utilised in the production sector, as well as a rise in the prices of goods and services within the consumer sector. Given that commerce and services constitute a significant portion of Bosnia and Herzegovina’s comprehensive economy, these changes are particularly impactful. The real economy sector is experiencing mounting pressure due to escalating operational costs, which often cannot be counterbalanced by adjusting the prices of products, goods or services proffered by businesses.

The aforementioned economic shifts, notably the continued inflation, have necessitated a thorough review by the Association’s management of the execution of activities stipulated by ongoing projects, which were contracted under more advantageous economic circumstances. Consequently, the proactive oversight and revision of current budgets have been designated as a priority task for the Association’s management. This is to guarantee the fulfilment of projects in

accordance with contractual terms, while maintaining the delivery of high-quality information and services.

#### **4. NOTES TO THE FINANCIAL STATEMENT 01/01 – 31/12/2024**

The Association for the Fight against Corruption "Transparency International" in Bosnia and Herzegovina is registered as an association with the following as its full name: Udruženje za borbu protiv korupcije "Transparency International" u Bosni i Hercegovini

Address: Krfska 64e, 78000 Banja Luka

TIN: 4403650790008

ID No. for VAT: 403650790008

Reg. No. 11109284

Number of staff as at 31/12/2024 – 21

#### **Basis for the Preparation and Presentation of Financial Statements**

##### **Statement of Compliance**

The enclosed financial statements constitute the Association's annual financial statements, prepared in accordance with the Law on Accounting and Auditing of Bosnia and Herzegovina and Republika Srpska, as well as other applicable accounting and professional regulations binding on the accounting profession.

The financial statements were approved by Management on 26 February 2025.

##### **Going Concern**

The financial statements have been prepared on a going concern basis, as Management has not identified any factors indicating uncertainty regarding the Association's ability to continue its operations profitably in the foreseeable future.

##### **Accrual Basis of Accounting**

Business transactions are recorded on the date they occur, in accordance with the accrual basis of accounting.

##### **Accounting Policies and Estimates**

In the annual financial statements for the period 1 January – 31 December 2024, accounting policies and valuation methods for liabilities, equity, income, expenses and financial results were applied in accordance with the Rulebook on Accounting, as well as International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). For asset valuation, depreciation was calculated as follows: Real Estate: straight-line method at 3%; Equipment: declining balance method at 20%; and Computers and Software: declining balance method at 40%.

The financial statements have been prepared in accordance with IAS and IFRS, as well as relevant instructions, explanations and guidelines issued by the International Accounting Standards Board. In addition to accounting standards, the compilation of

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT  
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2024**

the annual report also adhered to applicable tax regulations, the Law on Accounting and Auditing, the Law on Companies and other relevant laws and by-laws in effect at the time the transactions occurred and were recorded.

The financial statements have been prepared based on the historical cost principle, assuming the Association's ability to continue its operations indefinitely.

The amounts presented in the enclosed financial statements are expressed in Convertible Marks (BAM), which is the functional and official currency in Republika Srpska.

No adjustments were made to values from previous years during the reporting period.

### **Basis of valuation**

#### **Intangible Investments and Equipment**

Fixed assets are classified into two groups.

The first group includes assets that are depreciated using the straight-line method for individual assets, with the following depreciation rates:

- Property and plants – 3%
- Intangible assets other than software – 10%.

The second group includes assets that are depreciated using the declining balance method for grouped assets, with the following depreciation rates:

- Computers, servers, software – 40%
- Equipment and other assets – 20%.

#### **Subsequent Investments in Intangible Assets and Equipment**

Subsequent investments in existing intangible assets and equipment that enhance the asset's performance, increase its capacity or extend its useful life are capitalised as part of the asset's acquisition cost.

In contrast, expenditures incurred to maintain the asset's original condition are recognised as maintenance costs and are expensed in the period in which they are incurred.

#### **Receivables**

Receivables are recognised at their nominal value. An assessment of the collectability of these receivables is performed as of the balance sheet date.

The valuation of receivables is performed indirectly through an allowance for doubtful accounts to account for the amount likely to be collected, and directly when it is certain and documented that the receivable is uncollectible.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are recognised at their nominal value in Convertible Marks (BAM).

## **Capital**

The reported profit is allocated to cover future losses or for other purposes as determined by the founder or director in accordance with the Statute and internal policies.

## **Liabilities**

Liabilities are recognised at their nominal value arising from the relevant transaction, or at the expected settlement amount related to that transaction.

A liability is classified as current if it is due to be settled within one year. Conversely, it is classified as non-current if it is due to be settled more than one year after the date it was incurred or from the balance sheet date.

## **Long-term Provisions**

Upon receipt, a donation is recognised as non-current income and recorded under deferred income and grants received. The deferred income is subsequently recognised as income from grants in the current period, offset by the depreciation amount calculated for the asset.

## **Income**

Income is measured at its fair value and is recognised when there is a corresponding increase in assets or a reduction in liabilities.

Interest income is recognised over time in proportion to the duration for which the debtor utilises the asset, in accordance with the terms of the contract or applicable law.

## **Expenses**

Expenses are recognised in the accounting period in which they are incurred, when the expenditure does not result in future economic benefits or when an obligation arises that does not meet the criteria for asset recognition. All expenses related to the accounting period are appropriately reflected in the financial statements.

## **NOTES TO THE BALANCE SHEET AND INCOME STATEMENT**

### **Note 1: "AOP 004 – Other Intangible Assets"**

Account 013 – Other Intangible Investments reflects the acquisition of software amounting to BAM 135,618 and a value adjustment of BAM 76,105. During the reporting period, depreciation expenses of BAM 24,702 were recognised, along with software purchases totalling BAM 38,139.

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**Note 2: "AOP 011 – Equipment"**

Equipment structure as at 31/12/2024 is shown in the table below:

Description	Purchase value	Value adjustment	Present value
Equipment	202,169	142,609	59,560
Total:	202,169	142,609	59,560

During the reporting period covered by the financial statements, the following transactions were recorded in account 022:

- acquisition of equipment amounting to BAM 6,930
- depreciation adjustment of equipment amounting to BAM 20,620

**Note 3: "AOP 043 – Prepayments"**

Description	Amount
Prepayment	20,681

The prepayments section details advance payments to suppliers as follows:

- Hotel Palas: BAM 1,025
- MG Travel: BAM 450
- Aditon: BAM 11,500
- Refam Creative Solutions: BAM 1,250
- Rent paid in advance: BAM 4,050
- Revicon: BAM 599
- Tropic: BAM 92
- Finrar: BAM 490
- Boljanić Vojislav: BAM 1,225

**Note 4: "AOP 045 – Short-term Receivables"**

Description	Amount
Receivables for overpaid taxes and contributions	1.968
Receivables from buyers	1.944
Receivables from employees	3.600
Receivables from the Health Insurance Fund – sick leave reimbursements	21.311

Receivables arising from overpaid taxes and contributions pertain to tax and contribution payments amounting to BAM 1,968.

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**Note 5: “AOP 063 – Cash”**

Cash comprises:

Description	Amount
Cash in bank accounts	448,707
Cash in bank accounts – foreign currency account	11,387
Cash in hand	997
Total:	461,091

**Note 6: “AOP 101 – Equity”**

As at the balance sheet date, total equity amounts to BAM 130,341, comprising a current-year loss of BAM 86,544 and retained earnings from prior years of BAM 216,885.

**Note 7: “AOP 145 – Deferred Income and Grants Received”**

As at the reporting date, an amount of BAM 478,419 has been recognised under this AOP, representing received but unutilised grants.

**Note 8: “AOP 147 – Short-term Liabilities”**

Short-term liabilities are summarised in the table below:

Description	Amount
Trade payables	13,223
Liabilities for other taxes and contributions	142
Value-added tax payable	1,341
Other liabilities	105
Accrued expenses	6,097
Total:	20,908

Trade payables amounting to BAM 13,223 represent outstanding liabilities arising from the reporting period.

Liabilities for other taxes and contributions include BAM 126 for water management fees and BAM 16 for tax on a payment to a foreign legal entity.

**Note 9: “AOP 201 – Operating Income”**

Total operating income amounts to BAM 2,045,098, comprising grants received of BAM 1,943,910, other operating income of BAM 3,992, reimbursements for sick leave compensation of BAM 41,689 and revenue from invoiced services of BAM 55,507.

**Note 10: "AOP 219 – Operating Expenses"**

A breakdown of operating expenses is given in the table below:

Description	Amount
Expenses for other materials and fuel	33,653
Expenses for gross wages and salary-related benefits	1,161,043
Expenses for production services	255,153
Depreciation expenses	45,323
Intangible expenses	616,169
Tax and contribution expenses	5,923
Total:	2,117,264

**Note 11: "AOP 237 – Operating Profit"**

The profit reported under this AOP amounts to BAM 72,166.

Financial income and expenses include:

- foreign exchange losses of BAM 6,431
- foreign exchange gains of BAM 1,030 and interest income of BAM 54.

**Note 12: "AOP 259 – Other Income"**

This AOP includes income from the reduction and write-off of liabilities amounting to BAM 208.

**Note 13: "AOP 270 – Other Expenses"**

This AOP includes expenses totalling BAM 9,239, comprising the derecognition of investments in leased property amounting to BAM 9,026 and other expenses of BAM 213.

**Note 14: "AOP 400 – Net Profit for the Current Year / Surplus of Income over Expenses"**

This AOP reports a net loss of BAM 86,544, representing the difference between total revenue of BAM 2,046,390 and total expenses of BAM 2,132,934.

## **5. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

As at 31 December 2024, the Association was involved in the following lawsuits, summarised below along with their estimated values and current status:

<b>Litigation against</b>	<b>Initiated by</b>	<b>Date of initiation</b>	<b>Current status</b>	<b>Estimated value</b>
Primary Health Care Centre “Dr Mustafa Šehović” Tuzla	TI BiH	24/01/2024	Resolved, claim upheld	BAM 200, filing and judgement fees, costs fully reimbursed
Central Bosnia Canton Ministry of Economy	TI BiH	06/02/2024	Resolved, claim upheld	No costs incurred, no order received
City of Banja Luka	TI BiH	13/03/2024	Resolved, claim upheld	No costs incurred, no order received
RS Appeals Commission	TI BiH	20/03/2024	Resolved, claim dismissed	BAM 200, filing and judgement fees, both paid
SC Ministry of Transport	TI BiH	25/03/2024	Pending, Sarajevo Cantonal Court	BAM 200, filing and judgement fees, BAM 100 paid
HNC Ministry of Education	TI BiH	12/04/2024	Pending, Mostar Cantonal Court	BAM 162, filing and judgement fees, BAM 70 paid
Republika Srpska Government	TI BiH	06/06/2024	Resolved, claim upheld	BAM 200, filing and judgement fees, both paid, reimbursement pending
Stolac Centre for Social Work	TI BiH	20/06/2024	Pending, Mostar Cantonal Court	No costs incurred, no order received
RS Ministry of Transport and Communications	TI BiH	21/06/2024	Resolved, claim upheld	BAM 200, filing and judgement fees, both paid, reimbursement pending
HNC Ministry of Health and Social Protection	TI BiH	26/06/2024	Pending, Mostar Cantonal Court	BAM 162, filing and judgement fees, both paid
HNC Ministry of Finance	TI BiH	02/07/2024	Pending, Mostar Cantonal Court	BAM 162, filing and judgement fees, both paid
FBiH Banking Agency	TI BiH	08/07/2024	Resolved, claim upheld	BAM 200, filing and judgement fees, both paid
Mostar Centre for Social Work	TI BiH	10/07/2024	Pending, Mostar Cantonal Court	BAM 162, filing and judgement fees, both paid

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<b>Litigation against</b>	<b>Initiated by</b>	<b>Date of initiation</b>	<b>Current status</b>	<b>Estimated value</b>
Čitluk Centre for Social Work	TI BiH	11/07/2024	Pending, Mostar Cantonal Court	BAM 162, filing and judgement fees, both paid
RS Ministry of Economy and Entrepreneurship	TI BiH	11/07/2024	Resolved, claim upheld	BAM 200, filing and judgement fees, both paid
RS Ministry of Justice	TI BiH	12/07/2024	Resolved, claim upheld	No costs incurred, no order received
SC Ministry of Health	TI BiH	18/07/2024	Pending, Sarajevo Cantonal Court	BAM 200, filing and judgement fees, BAM 100 paid
SC Ministry of Labour, Social Policy, Displaced Persons and Refugees	TI BiH	25/07/2024	Pending, Sarajevo Cantonal Court	BAM 200, filing and judgement fees, BAM 100 paid
HNC Ministry of Education, Science, Culture and Sport	TI BiH	02/08/2024	Pending, Mostar Cantonal Court	BAM 162, filing and judgement fees, both paid
USC Ministry for War Veterans and Disabled War Veterans	TI BiH	06/08/2024	Resolved, claim upheld	BAM 100, filing fee paid, no order received for judgement fee
CoM BiH Appeals Council (BiH Ministry of Justice)	TI BiH	13/08/2024	Pending, Court of BiH	BAM 200, filing and judgement fees, BAM 100 fee paid
CoM BiH Appeals Council (BiH Prosecutor's Office)	TI BiH	05/09/2024	Pending, Court of BiH	BAM 200, filing and judgement fees, BAM 100 fee paid
CoM BiH Appeals Council (BiH Prosecutor's Office)	TI BiH	10/09/2024	Pending, Court of BiH	BAM 200, filing and judgement fees, BAM 100 fee paid
RS Ministry of Finance	TI BiH	25/09/2024	Resolved, claim upheld	BAM 200, filing and judgement fees, both paid
CBC Ministry of Economy	TI BiH	26/09/2024	Pending, Novi Travnik Cantonal Court	No costs incurred, no order received
Republic Civil Defence Administration	TI BiH	04/10/2024	Pending, Banja Luka District Court	No costs incurred, no order received
Travnik Cantonal Prosecutor's Office	TI BiH	04/10/2024	Pending, Novi Travnik Cantonal Court	No costs incurred, no order received
Tuzla International Airport	TI BiH	11/11/2024	Pending, Tuzla Cantonal Court	BAM 200, filing and judgement fees, BAM 100 fee paid

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<b>Litigation against</b>	<b>Initiated by</b>	<b>Date of initiation</b>	<b>Current status</b>	<b>Estimated value</b>
SBC Ministry of Economy	TI BiH	19/11/2024	Pending, Novi Travnik Cantonal Court	No costs incurred, no order received
TC Health Insurance Institute	TI BiH	10/12/2024	Pending, Tuzla Cantonal Court	No costs incurred, no order received
City of Trebinje	TI BiH	12/12/2024	Pending, Trebinje District Court	No costs incurred, no order received
RS Ministry of Spatial Planning, Construction and Ecology	TI BiH	20/12/2024	Resolved, claim upheld	No costs incurred, no order received

## **6. SUBSEQUENT EVENTS**

No events have occurred subsequent to the balance sheet date that require adjustment to, or disclosure in, the financial statements

## **7. TAX RISKS**

The tax system of Bosnia and Herzegovina and Republika Srpska is structured on the principle that indirect taxes (customs duties, excise duties, VAT and road tolls) are levied at the state level, while all other taxes (corporate income tax, personal income tax, property tax, fees, levies), as well as social security contributions, are levied at the entity level. A significant issue for taxpayers is the frequent changes to laws and subordinate regulations governing taxation, in contrast to most developed market economies that have a stable tax system.

In the practical application of tax laws, there are often discrepancies in the interpretation of specific legal provisions among different competent government authorities. These discrepancies can result in uncertainty. In certain cases, the same tax issue may fall under the jurisdiction of multiple inspection authorities (e.g. foreign trade, customs and foreign exchange control).

In accordance with the Tax Procedure Law of Republika Srpska and the Law on Indirect Taxation of Bosnia and Herzegovina, the statute of limitations for tax liabilities is five years. This effectively means that tax authorities have the right to enforce the payment of outstanding liabilities within five years from the date the obligation arose. These factors contribute to the tax risk in the Republic of Srpska and Bosnia and Herzegovina being considerably higher than in countries with stable and more developed tax systems.

Banja Luka

Responsible person:

26 February 2025

Boris Divjak