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Certified translation from the Serbian language

Association for the Fight Against Corruption
“TRANSPARENCY INTERNATIONAL” IN BOSNIA AND HERZEGOVINA
FINANCIAL STATEMENTS FOR YEAR 2022
WITH INDEPENDENT AUDITOR’S REPORT

Banja Luka, April 2023



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022

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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 accompanying 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 2022, 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 accompanying financial statements give a true and fair view of the financial position as at 31 December 2022, and of the financial performance and cash flows for the year then ended, in accordance with International Accounting Standards and International Financial Reporting Standards.

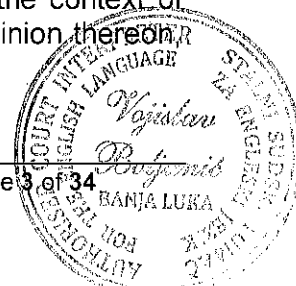
Basis for opinion

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 in accordance with the ethical requirements that are relevant to our audit of financial statements in the Republika Srpska / Bosnia and Herzegovina, and we have fulfilled our other ethical responsibilities under those 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.

Key audit matters

Key audit matters relate to assurances pertaining to compliance with tax regulations (calculation and payment of liabilities to the budget/funds), as well as compliance with the requirements defined by the donor of funds, which constitute a key portion 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, and we do not provide a separate opinion on these matters.



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

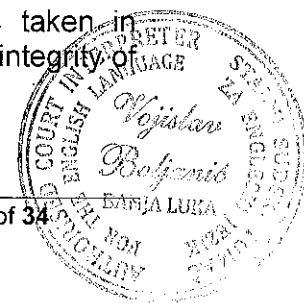
<p>In 2022, the Association obtained funding from multiple donors. Upon receipt of donations, the Association entered into agreements that explicitly outlined the requirements that had to be fulfilled with regard to the proper accounting for the utilisation of the funds received.</p> <p>In recording donations, the Association adhered to the relevant financial reporting 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 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 differences were analysed for donations received in currencies other than EUR (e.g., SEK, NOK, etc.).</p> <p>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 funds received through donations and their expenditures are accurately presented in the financial statements.</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 includes the design, implementation and maintenance of appropriate accounting records in accordance with applicable laws of the Republika Srpska, establishment and implementation of internal control relevant to the preparation of financial statements that are free from material misstatement, selection and application of appropriate accounting policies, and timely assessment of assets and equity, as required by the principles contained in International Accounting Standards and International Financial Reporting Standards.

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

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

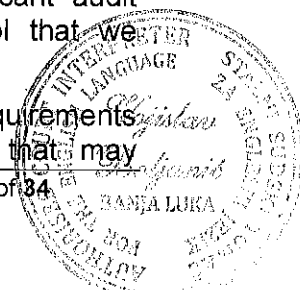


Auditor's responsibility

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 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



**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022**

reasonably be thought to bear on our independence, and where applicable, related safeguards.

The partner engaged in the audit process resulting in this independent auditor's report is Milivoje Đurić.

No. 16/23

Banja Luka, 12 April 2023

Certified auditor:

Milivoje Đurić

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 2022

**FINANCIAL STATEMENT FORMS FOR YEAR 2022
BALANCE SHEET
(Statement of Financial Position)
as at 31/12/2023**

NRO9N9 - 28/02/2023

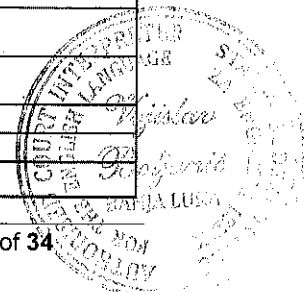
Taxpayer's name: Association for the Fight against Corruption
"TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
Reg. No. 11109284
TIN: 4403650790008
Activity code: 9499
Seat: Krfiska 64E

Bank accounts:
338-350-22574104-75 (G)
194-106-97676001-21 (R)
555-100-00141800-10 (R)
555-100-00543323-84 (R)

Balance sheet – assets
as at 31/12/2022

-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		259,687	132,948	126,739	101,256
01	I INTANGIBLE ASSETS (003 through 007)	002		62,648	34,811	27,837	29,078
010, part 019	1. Research and development	003					
011, 013, part 019	2. Concessions, patents, licences and similar rights	004					
012, part 019	3. Goodwill	005					
014, part 019	4. Other intangible assets	006	1	62,648	34,811	27,837	29,078
015, 016 and part 019	5. Advances and intangible assets under preparation	007					
02	II NPROPERTY, PLANT AND EQUIPMENT (009 through 014)	008		197,039	98,137	98,902	72,178
020, part 029	1. Land	009					
021, part 029	2. Buildings	010					
022, part 029	3. Plant and equipment	011	2	187,292	97,703	89,589	69,345
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		9,747	434	9,313	2,833
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 2022

NRO9N9 – 28/02/2023

Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No: 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Kriska 64E

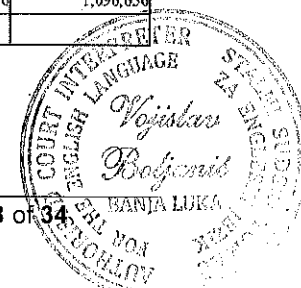
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Balance sheet – assets

as at 31/12/2022

-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		969,471	0	969,471	1,106,305
10 through 15	I INVENTORIES, NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS ASSETS (038 through 043)	037		6,262	0	6,262	3,277
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	6,262		6,262	3,277
	II SHORT-TERM ASSETS EXCLUDING INVENTORIES AND NON-CURRENT ASSETS HELD FOR SALE (045 + 052 + 061 + 064 + 065)	044		963,209	0	963,209	1,103,028
	1. Short-term receivables (046 through 051)	045	4	16,793	0	16,793	6,372
200, part 209	1.1. Trade receivables – associated legal entities	046					
201, 202, 203, part 209	1.2. Domestic trade receivables	047		506		506	3,665
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		2,076		2,076	1,269
224	1.6. Receivables for overpaid corporate income tax	051		12,773		12,773	
	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		946,416	0	946,416	1,096,656
240, part 249	3.1. Cash equivalents	062					
241 through 249	3.2. Cash	063	5	946,416		946,416	1,096,656
270 through 279	4. Value-added tax	064					



**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT
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NRO9X9 -- 28/02/2023

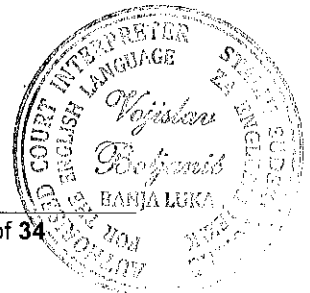
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Balance sheet – assets
as at 31/12/2022

-BAM

Account No	ITEM	AOF 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		1,229,158	132,948	1,096,210	1,207,561
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 2022

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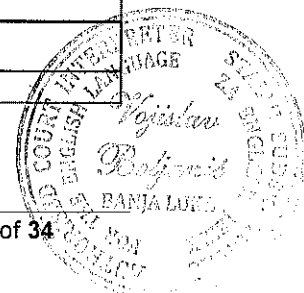
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Balance sheet – liabilities
 as at 31/12/2022

-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	194,972	193,601
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		194,972	193,601
340 or 342	1. Prior years retained earnings / Unallocated surplus of income over expenditure in previous years	125		181,810	115,171
341 or 343	2. Current year retained earnings / Unallocated surplus of income over expenditure in the current year	126		13,162	78,430
344	3. Net income of entrepreneurs	127			
35	X LOSS (129 + 130)	128			
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			
	XI NON-CONTROLLING INTERESTS	131			
	B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES (133 + 137 + 145)	132		881,864	989,327
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 2022

NRO9X9 - 28/02/2023

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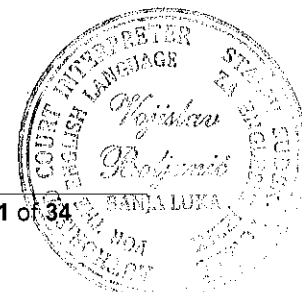
Balance sheet – liabilities
 as at 31/12/2022

-BAM

Account No.	ITEM	AOF 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	881,864	989,327
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	19,374	24,633
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		13,871	23,487
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		13,871	23,487
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			46
460 through 469	5. Other liabilities	163			
470 through 479	6. Value-added tax	164		3,385	460
48 except 481	7. Liabilities for other taxes, contributions and duties	165		2,118	640
481	8. Profit tax liabilities	166			
49, except 496	9. Short-term accruals	167			
496	10. Short-term provisions	168			
	E. ON-BALANCE SHEET LIABILITIES (101 + 132 + 146 + 147)	169		1,096,210	1,207,561
890 through 898	F. OFF-BALANCE SHEET LIABILITIES	170			

Licensed person:
 Jadranka Volak

Person authorised to represent:
 Srđan Blagovčanin



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BIH FOR YEAR 2022

INCOME STATEMENT

(Statement of Comprehensive Income in the Period)

from 1 January to 31 December 2022

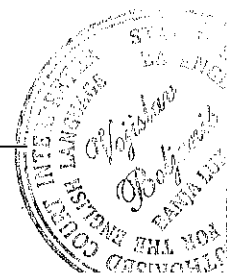
NRO9X9 -- 28/02/2023

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 555-100-00543323-84 (R)

Income statement
 as at 31/12/2022

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	2,220,505	1,573,818
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		318,369	221,152
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		288,100	157,681
624, part 625	3.3. Income from services provided on foreign market	213		30,269	63,471
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		1,902,136	1,352,666
	II OPERATING EXPENSES (220 + 221 + 222 + 223 + 226 + 227 + 234 + 235 + 236)	219	10	2,224,613	1,492,252
500 through 502	1. Cost of goods sold	220			
510 through 512	2. Material costs	221		23,396	18,869
513	3. Fuel and energy costs	222		13,166	9,522
52	4. Expenses for salaries, allowances and other personal income (224 + 225)	223		910,200	793,928
520 and 523	4.1. Gross salaries and gross allowances	224		682,063	623,568
524 through 529	4.2. Expenses for other personal income	225		228,137	170,360
530 through 539	5. Services expenses	226		338,891	150,906
54	6. Depreciation and provisioning expenses (228 + 233)	227		39,541	33,691
540	6.1. Depreciation expenses (229 through 232)	228		39,541	33,691
part 540	a) Depreciation of property, plant and equipment	229		39,541	33,691
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		892,500	483,856
555	8. Tax expenses	235		6,250	895
556	9. Contributions expenses	236		669	585
	B. OPERATING PROFIT (201 - 219)	237			81,566
	C. OPERATING LOSS (219 - 201)	238	11	4,108	
66	D. FINANCIAL INCOME AND EXPENSES - I FINANCIAL INCOME (240 through 243)	239		2,158	662



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BIH FOR YEAR 2022

NRO9X9 - 28/02/2023

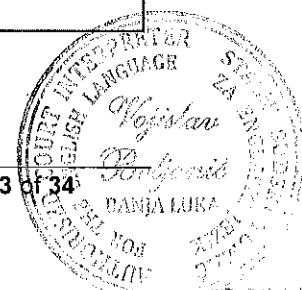
Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Krfska 64E

Bank accounts:
 338-350-22574104-75 (C)
 194-106-97676001-21 (R)
 555-100-00141800-10 (R)
 555-100-00543323-84 (R)

Income statement
 as at 31/12/2022

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
660, 661	1. Interest income	240		40	80
662	2. Foreign exchange gains	241		2,118	582
663	3. Income from currency clause	242			
669	4. Other financial income	243			
56	II FINANCIAL EXPENSES (245 through 248)	244		5,123	4,110
560, 561	1. Interest expenses	245		40	36
562	2. Foreign exchange losses	246		5,083	4,074
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			78,118
	F. LOSSES FROM REGULAR OPERATION (238 + 244 - 239) or (244-239-237)	250		7,073	
67	G. OTHER PROFITS AND LOSSES - I OTHER INCOME AND GAINS (252 through 260)	251		276	364
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.	276	364
678, 577	9. Net income from derivative financial instruments	260			
57	III OTHER EXPENSES AND LOSSES (262 through 270)	261		84	52
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	84	52
	H. GAIN FROM OTHER INCOME AND EXPENSES (251 - 261)	271		192	312
	I. LOSS FROM OTHER INCOME AND EXPENSES (261 - 251)	272			



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022

NRO9X9 - 28/02/2023

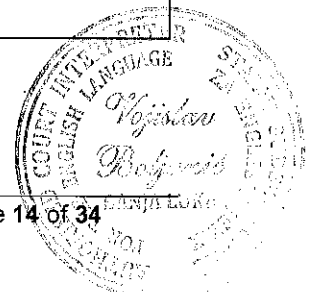
Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Krfska 64E

Bank accounts:
 338-350-22574104-75 (C)
 194-106-97676001-21 (R)
 555-100-00141800-10 (R)
 555-100-00543323-84 (R)

Income statement
 as at 31/12/2022.

-BAM

Account No.	ITEM	AOP Code	Note	Current year	Previous year
68	I. INCOME AND EXPENSES FROM ASSET VALUE ADJUSTMENTS. I INCOME FROM ASSET VALUE ADJUSTMENTS (274 + 281)	273		20,043	0
part 68	1. Net gains from the adjustment of assets (excluding financial assets) (275 through 280)	274		20,043	0
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		20,043	
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 2022

NRO9X9 - 28/02/2023

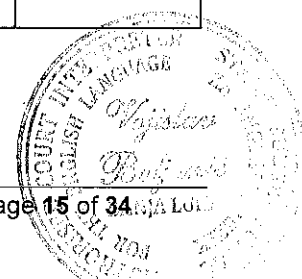
Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Kriška 64E

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 338-350-22574104-75 (G)
 194-106-97676001-21 (R)
 555-100-00141800-10 (R)
 555-100-00543323-84 (R)

Income statement
 as at 31/12/2022

-BAM

Account No.	ITEM	AOF 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		20,043	0
	L. LOSS FROM ASSET VALUE ADJUSTMENT (286 - 273)	300			0
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		2,242,982	1,574,844
	TOTAL EXPENSES (219+244+261+286+302+304)	306		2,229,820	1,496,414
	O. PROFIT AND LOSS BEFORE TAXES, 1. Profit before taxes (305-306)	307		13,162	78,430
	2. Loss before taxes (306-305)	308			
721	P. CURRENT AND DEFERRED INCOME TAX. - 1. Tax expenses of the reporting period	309			
	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		13,162	78,430
	2. Net loss for the current year (308-307+309+310-313)	317			
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		20	19,68
	Average number of employees based on end-of-month headcount	324		20	19,46
	A. NET PROFIT OR NET LOSS FOR THE REPORTING PERIOD	400	14	13,162	78,430
	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			



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022

NRO9X9 - 28/02/2023

Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Kriška 64E

Bank accounts:
 338-350-22574104-75 (G)
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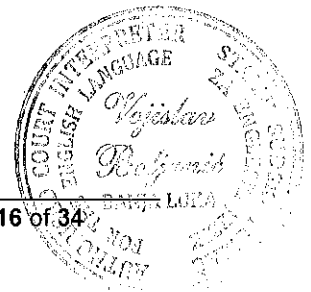
Income statement
 as at 31/12/2022

-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 ± 415)	416		13,162	78,430
	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:
 Srđan Blagovčanin



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BIH FOR YEAR 2022

CASH FLOW STATEMENT

(Statement of Cash Flow)

for the period covering 1 January 2021 to 31 December 2022

NRO9X9 - 28/02/2023

Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Krfska 64E

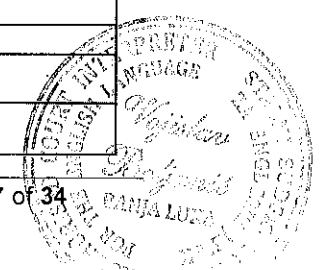
Bank accounts:
 338-350-22574104-75 (G)
 194-106-97676001-21 (R)
 555-100-00141800-10 (R)
 555-100-00543323-84 (R)

Cash flow statement

as at 31/12/2022

-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		2,170,124	1,618,245
	1. Inflows from sale and advances – domestic	502		373,571	216,556
	2. Inflows from sale and advances – foreign	503			
	3. Inflows from premiums, subsidies and grants, etc.	504			
	4. Other inflows from operating activities	505		1,796,553	1,401,689
	II Cash outflows from operating activities (507 through 512)	506		2,271,665	1,448,397
	1. Payments to suppliers and given advances – domestic	507			650,646
	2. Payments to suppliers and given advances – foreign	508		1,280,554	
	3. Payment of interests	509		40	36
	4. Payments for employee salaries, allowances and other employee benefits	510		910,200	794,173
	5. Payment of income tax	511		24,564	2,154
	6. Other payments from operating activities	512		56,307	1,388
	III Net inflow of cash from operating activities (501 - 506)	513			169,848
	IV Net outflow of cash from operating activities (506 - 501)	514		(101,541)	
	B. CASH FLOWS FROM INVESTING ACTIVITIES -I Cash inflows from investing activities (516 through 530)	515		40	80
	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		40	80
	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		44,789	38,623
	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		44,789	38,623
	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 2022

NRO9X9 - 28/02/2023

Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109284
 TIN: 4403650790008
 Activity code: 9499
 Seat: Krfška 64E

Bank accounts:
 338-350-22574104-75 (C)
 194-106-97676001-21 (R)
 555-100-00141800-10 (R)
 555-100-00543323-84 (R)

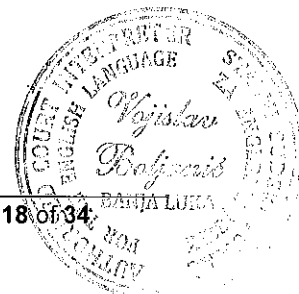
Cash flow statement
 as at 31/12/2022

-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		44,749	38,543
	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			
	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			
	III Net cash inflow from financing activities (544 - 551)	559			
	IV Net cash outflow for financing activities (551 - 544)	560			
	D. TOTAL CASH INFLOWS (501 + 515 + 544)	561		2,170,164	1,618,325
	E. TOTAL CASH OUTFLOWS (506 + 531 + 551)	562		2,316,454	1,487,020
	F. NET CASH INFLOW (561 - 562)	563			131,305
	G. NET CASH OUTFLOW (562 - 561)	564		146,290	
	H. CASH AT THE BEGINNING OF ACCOUNTING PERIOD	565		1,096,656	968,843
	I. FOREIGN EXCHANGE GAINS FROM CONVERSION OF CASH	566		1,132	582
	J. FOREIGN EXCHANGE LOSSES FROM CONVERSION OF CASH	567		5,082	4,074
	K. CASH AT THE END OF ACCOUNTING PERIOD (565 + 563 - 564 + 566 - 567)	568		946,416	1,096,656

Licensed person:
 Jadranka Volak

Person authorised to represent:
 Srđan Blagovčanin



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BIH FOR YEAR 2022

STATEMENT OF CHANGES IN EQUITY
for period ending on 31 December 2022

NRO9X9 - 28/02/2023

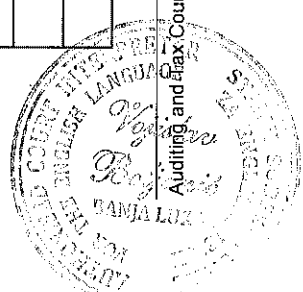
Taxpayer's name: Association for the Fight against Corruption
"TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
Bib: No: 11109284
TIN: 4409660300008
Activity code: 9499
Seat: Kriška 64E

Bank accounts:
438-330-22374104E75 (GT)
194-106-97676001E91 (RI)
555-100-601418600E10 (RI)
555-100-0054333E84 (RI)

Statement of changes in equity
As at 31/12/2022

Account No.	ITEM	ADP Code	Share Capital	Share Premium	Reserves	Revaluation reserves for financial assets	Revaluation reserves for property, plant and equipment	Other reserves	Accumulated (undistributed) profit/loss	TOTAL	Non-controlling interests (Minority interests)	TOTAL EQUITY
901	1. Balance as at 1/1/20__								117,325	117,325		117,325
902	2. Effect of changes in accounting policies											
903	3. Effects of error corrections											
904	4. New balance as at 1/1/20__ (901 ± 902 ± 903)		0	0	0	0	0	0	117,325	117,325	0	117,325
905	5. Profit/(loss) for the year								78,430	78,430		78,430
906	6. Other comprehensive income for the year											
907	7. Total profit (loss) (= 905 ± 906)		0	0	0	0	0	0	78,430	78,430		78,430
908	8. Issue of share capital and other forms of equity increase											
909	9. Acquisition of own Shares and other forms of Equity decrease								2,154	2,154		2,154
910	10. Dividends declared											
911	11. Other forms of profit distribution and loss coverage											
912	12. Other changes											

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022

NRO9X9 - 28/02/2023

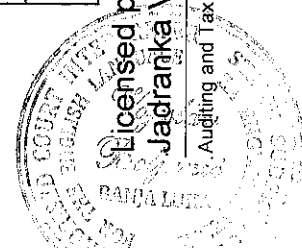
Taxpayer's name: Association for the Fight against Corruption
 "TRANSPARENCY INTERNATIONAL" in Bosnia and Herzegovina
 Reg. No. 11109784
 TIN: 4402650798008
 Activity code: 9499
 Seat: Kriška 64E

Bank accounts
 338-360-22575104-75 (GP)
 194-106-97876001-21 (R)
 535-100-00141800-10 (R)
 535-100-00543323-54 (R)

Statement of changes in equity
 as at 31/12/2022

Account No.	ITEM	ADP code	Code	Share premium	Reserves	Residual interest in property, plant and equipment	Revaluation reserves for financial assets measured at fair value through other comprehensive income	Other revaluation reserves	Accumulated revaluation profit (unoverlaid)	TOTAL	Non-controlling interests (Minority interests)	TOTAL EQUITY
	13. Balance as at 31/12/2021 / 1/1/2020 044 ± 907 ± 908 - 909 - 910 ± 911 ± 912)	913		0	0	0	0	0	193,601	193,601	0	193,601
	14. Effects of changes in accounting policies	914										
	15. Effects of error corrections	915										
	16. New balance as at 31/20 (913 ± 914 ± 915)	916		0	0	0	0	0	193,601	193,601	0	193,601
	17. Profit (loss) for the year	917							13,162	13,162		13,162
	18. Other comprehensive income for the year	918										
	19. Total profit (loss) (917 ± 918)	919		0	0	0	0	0	13,162	13,162	0	13,162
	20. Issue of share capital and other forms of equity increase	920										
	21. Acquisition of own shares and other forms of equity decrease	921							11,791	11,791		11,791
	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	194,972	194,972	0	194,972

Person authorised to represent:
Srdan Blagovčanin



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" doo 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).

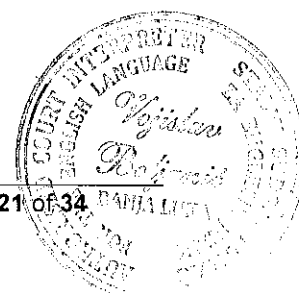
According to the provisions of the applicable audit regulations and generally accepted rules, the audit is to be conducted in accordance with the International Standards of Auditing, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements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

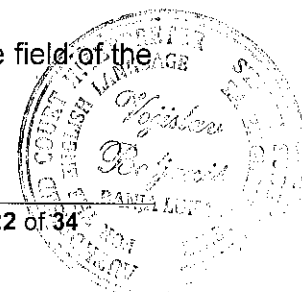
Удружење за борбу против корупције "Транспаренци Интернационал" у Босни и Херцеговини.

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 competition;
- organising seminars, roundtables and other forms of public and professional exchange of views 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 assistance 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 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
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Registration information maintained in the Ministry's register was updated following the Decision of the BiH Ministry of Justice No. UP08-07-1-616/11 dated 18 November 2013, as follows:

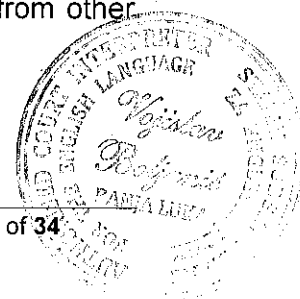
- Amendments to the Association's Statute No. 01/10 dated 8 December 2010;
- Change of address of the Association's seat from the former address in Sarajevo, 2 Franje Račkog Street to the new address in Banja Luka, 2 Gajeva Street;
- According to the decision of the BiH Ministry of Justice No. UP08-07-1-616/11 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 Srđan Blagovčanin, 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 license. Ms Volak is responsible for ensuring that the required transaction records are properly maintained and updated.

Transparency International in BiH conducts its financial transactions through its primary business account No. 338-350-22574104-75 at Unicredit bank DD Mostar, where all inflows and outflows of funds are recorded. For individual projects, sub-accounts are established within the primary business account to ensure that cash flows for each project or donor are tracked and controlled independently from other funds used or received by the Association.

Additionally, in 2022, the Association had accounts at the following banks:

- Nova Banka a.d. Banja Luka 555-100-00543323-84
- Nova Banka a.d. Banja Luka 555-100-00141800-10



- Procredit bank a.d. Banja Luka 194-106-97676001-21

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 2022 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.

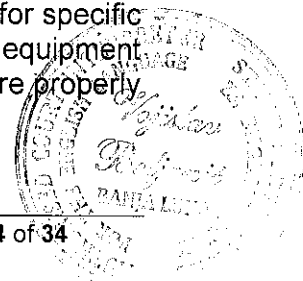
The maintenance of accounting records is entrusted to a professional agency owned by a licensed accountant. Accounting is performed through automated data processing using appropriate computer software. Financial transactions are recorded in accordance with the prescribed chart of accounts.

3.1. Documentation and bookkeeping records – auditor's note

Upon inspecting a representative sample of documents and reviewing their formal and computational accuracy, validity of transactions, and recognition and presentation in account books, we found no evidence that would cast doubt on the authenticity, accuracy or legitimacy of transactions and documents.

Additionally, through analytical procedures, we confirmed that there was no evidence of transactions not pertaining to Transparency International or its employees being presented in the inspected documentation, with the exception of bills for electricity, heating, gas and landline telephone addressed to the individuals from whom Transparency International rents its offices in Banja Luka and Sarajevo. Such arrangements are regulated through appropriate contractual relationships.

After conducting statistical sampling, inspection and analytical procedures for specific items of disclosed expenditures (project staff income, computer equipment purchases, rent, overheads, etc.), we determined that the expenditures were properly documented.



3.2. COVID-19 pandemic and instability in the eastern part of Europe (war in Ukraine).

In 2022, the business and economic environment in Bosnia and Herzegovina stabilized with regard to the COVID-19 pandemic. This included changes in how work activities were conducted, such as employee office attendance, the organisation of meetings, etc. However, the economic consequences of the pandemic are still present and will continue to be felt for an extended period.

The Association was particularly impacted by changes in how business activities were conducted, including assigning employees to work from home and implementing enhanced preventive measures to prevent the spread of coronavirus.

Management expects that the impact of the epidemic will not significantly affect the continued functioning of the Association. However, it is not possible to completely rule out the possibility of a detrimental impact on the financial position and operating results.

Management is carefully monitoring the situation and will respond with further measures to mitigate the impact of such events and circumstances as they occur.

The war in Ukraine has caused instability in the eastern part of Europe, indirectly impacting the economic system of Bosnia and Herzegovina. This has led to a significant increase in the prices of raw materials used in the production sector, as well as the prices of goods and services in the consumer sector, given that commerce and services make up a major share of Bosnia and Herzegovina's overall economy. As a result, the inflation rate increased to 13% in 2022, according to official statistics. The real economic sector has come under pressure from rising business expenses, which often cannot be offset by adjusting the prices of products, goods or services offered by businesses.

These developments, particularly the adjustment of the inflation rate, have prompted the Association's management to analyse the implementation of activities defined by currently ongoing projects for which contracts were often signed earlier when economic conditions were more favourable. Therefore, actively monitoring and aligning existing budgets has been set as a primary task for the Association's management, with the aim of ensuring that projects are implemented as defined in contracts while providing high-quality information and services.

4. NOTES TO THE FINANCIAL STATEMENT 01/01 – 31/12/2022

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

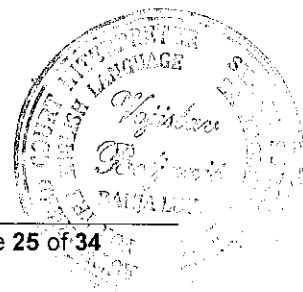
Address: Krfska 64e, 78000 Banja Luka

TIN: 4403650790008

ID No. for VAT: 403650790008

Reg. No. 11109284

Number of staff as at 31/12/2022 – 20



4.1. ACCOUNTING POLICIES AND ESTIMATES

The annual financial statements for the period 01/01/2022 – 31/12/2022 were prepared applying the accounting policies and methods used for valuing liabilities, capital, income, expenses and financial results, in accordance with the Accounting Rules, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS).

The financial statements were prepared in accordance with IAS and IFRS, as well as the instructions, notes and guidelines issued by the International Accounting Standards Board. Additionally, the annual statement adhered to tax-related regulations, the Law on Accounting and Auditing, the Law on Companies and other applicable laws and implementing regulations that were in force at the time when business events occurred and were recorded.

The financial statements were compiled based on the historical cost principle and under the assumption of indefinite functioning.

All amounts in the accompanying financial statements are denominated in Bosnian Convertible Marks (BAM), which is the functional and official reporting currency in Republika Srpska.

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

4.2. Basis of valuation

Intangible investments and equipment

Fixed assets are classified into two groups.

The first group includes assets that are depreciated by applying the proportional method to individual assets according to the following depreciation rates:

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

The second group includes assets that are depreciated by applying the degressive method to grouped assets according to the following depreciation rates:

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

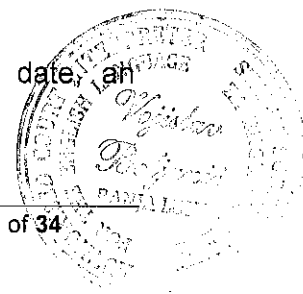
Subsequent investments in intangible assets and equipment

Subsequent investments in existing intangible assets and equipment aimed at improving the performance of an asset, increasing its capacity or extending its useful life are included in the acquisition cost of that asset.

Expenditures that maintain the original characteristics of fixed assets represent maintenance costs that are charged to expenses of the period in which they arose.

Receivables

Receivables are recorded at their face value. On the balance sheet date, an assessment of the collectability of receivables is performed.



**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT
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The valuation of receivables is performed indirectly through value adjustment, against the amount of probable collectability, and directly if inability to collect is certain and documented.

Cash and cash equivalents

Cash and cash equivalents are recorded at their face value in convertible marks.

Capital

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

Liabilities

Liabilities are recorded at their face value resulting from the related business transaction or at the expected amount to be paid.

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

Long-term provisions

Upon receipt, a donation is recorded as a fixed asset and as deferred revenue and received donations. The deferred revenue is recognised as donation income in the current period in the amount equal to the depreciation expense of the donated asset.

Income

Income is recorded at its fair value. It is recognised when there is a corresponding increase in assets or decrease in liabilities.

Interests are recognised as income proportionate to the time the debtor uses the asset, based on the terms of the contract or applicable law.

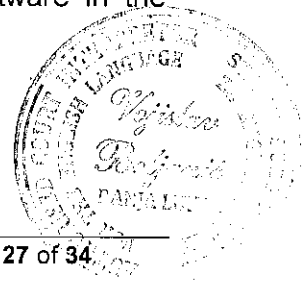
Expenses

Expenses are recognised immediately during the accounting period when the expenditure does not result in future economic benefits or when an obligation has arisen without meeting the criteria for recognition as an asset. All expenses pertaining to the accounting period are reported in the financial statements.

NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Note 1. "AOP 006 – Other intangible assets"

Account 014 – Other Intangible Assets comprises the purchase of software totalling BAM 62,648 and value adjustment totalling BAM 34,811. In the accounting period, depreciation in the amount of BAM 16,122 and the purchase of software in the amount of BAM 14,882 were recorded.



Note 2 "AOP 011 – Equipment"

Equipment structure as at 31/12/2022 is shown in the table below:

Description	Purchase value	Value adjustment	Present value
Equipment	187,292	97,703	89,589
Total:	187,292	97,703	89,589

During the reporting period covered by the financial statements, account 022 recorded the following changes:

- purchase of equipment in the amount of BAM 23,361 and received donation in equipment in the amount of BAM 152
- value adjustment for equipment in the amount of BAM 23,312
- estimated value of equipment in the amount of BAM 20,043.

AOP 013 shows investment in not one's own buildings totalling BAM 9,747 and value adjustment totalling BAM 434.

Note 3 "AOP 043 – Prepayments"

Description	Amount
Prepayments	6,262

Prepayments include advance payments made to the following suppliers:

- Hotel Palas in the amount of BAM 1,025;
- MG Travel in the amount of BAM 1,169;
- Prepaid lease in the amount of BAM 4,050.

Note 4 "AOP 045 – Short-term receivables"

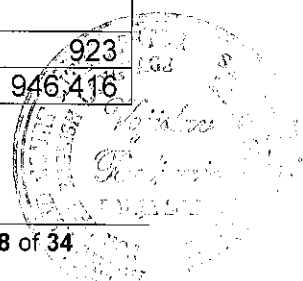
Description	Amount
Receivables for overpaid taxes and contributions	14,849
Receivables from buyers	1,944

Receivables for overpaid taxes include advance payments of income tax totalling BAM 12,773 and receivables for overpaid taxes and contributions totalling BAM 2,076.

Note 5 "AOP 063 – Cash"

Cash comprises:

Description	Amount
Cash in bank accounts	944,612
Cash in bank accounts – foreign currency account	881
Cash in hand	923
Total:	946,416



Note 6 "AOP 101 – Equity"

As at the balance sheet date, equity was reported at BAM 194,972, consisting of current year profit of BAM 13,162 and previous years profit of BAM 181,810.

Note 7 "AOP 145 – Deferred income and grants received"

The amount disclosed on this AOP, which concerns grants received and unspent, was BAM 881,864.

Note 8 "AOP 147 – Short-term liabilities"

Short-term liabilities are summarised in the table below:

Description	Amount
Suppliers	13,871
Liabilities for other taxes and contributions	2,118
Liabilities for value-added tax	3,385
Total:	19,374

Liabilities to suppliers, reported at BAM 13,871, represent liabilities from the current accounting period.

Liabilities for other taxes and contributions include a liability for water management fee totalling BAM 127 and a liability for tax on payments to a foreign legal entity totalling BAM 1,991.

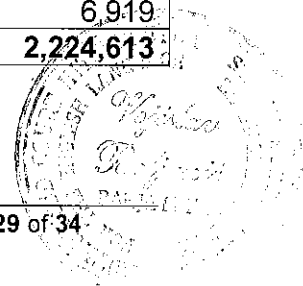
Note 9 "AOP 201 – Operating income"

Operating income in the amount of BAM 2,220,505 includes income from grants received totalling BAM 1,876,540, other operating income totalling BAM 2,624, income from reimbursement of sick leaves totalling BAM 21,863, compensation for damages from insurance companies totalling BAM 1,109 and income from invoiced services totalling BAM 318,369.

Note 10 "AOP 219 – Operating expenses"

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

Description	Amount
Expenses for other material and fuel	36,562
Expenses for gross wages and salaries	910,200
Services expenses	338,891
Depreciation expenses	39,541
Immaterial expenses	892,500
Tax and contribution expenses	6,919
Total:	2,224,613



Note 11 "AOP 238 – Operating profit"

The operating profit reported on this AOP totals BAM 4,108.

Financial income and expenses include:

- foreign exchange losses totalling BAM 5,083 and interest totalling BAM 40
- foreign exchange gains totalling BAM 2,118 and interest totalling BAM 40.

Note 12 "AOP 259 – Other income"

This AOP reports income from the reduction and write-off of liabilities totalling BAM 276.

Note 13 "AOP 270 – Other expenses"

This AOP reports expenses totalling BAM 84, which pertain to other expenses in the amount of BAM 84.

Note 14 "AOP 400 – Net profit of current year"

This AOP reports profit of BAM 13,162, representing the difference between total income of BAM 2,242,982 and total expenses of BAM 2,229,820.



No. 17-107-I/2023

Date: 11 April 2023

AUDITING FIRM
ADITON DOO
78000 BANJA LUKA

The management is required to prepare, for each financial year, financial statements that give a true and fair view of the Association's financial position, results of its operations and cash flows for the year under audit in accordance with financial reporting standards generally accepted in Bosnia and Herzegovina. Also, the management has an ongoing responsibility for ensuring well-organised, compliant and up-to-date bookkeeping that enables the preparation of financial statements at any time. The management has a general responsibility for taking available steps to safeguard the assets of the Association, as well as prevent and detect fraud and other irregularities and illegal activities in its operations.

The management is responsible for selecting such accounting policies as are in line with the financial reporting standards and applying them consistently; making reasonable judgements and estimates; and preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation.

Having performed the necessary analyses, the management is satisfied that the Association has adequate resources to continue in operational existence for the foreseeable future and, accordingly, the statements for the financial year 2022 were prepared on a going concern basis.

The financial statements have been approved by the management and are, in confirmation thereof, signed by

Banja Luka, 11 April 2023

Responsible person:

Srđan Blagovčanin



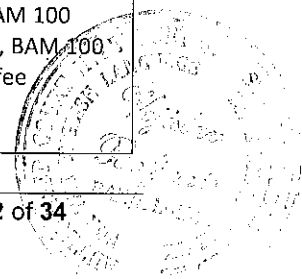
5. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2022, the Association has initiated the following lawsuits, summarised below along with their estimated values and current status:

	Litigation	Initiated by	Date of initiation	Current status	Estimated Value
1	Suit against Elektroprenos BiH	Citizens' Association "Anti-Corruption Combat BiH"	27/05/2022	Case pending before the Court of BiH	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
2	Suit against BH Postal Service	Citizens' Association "Anti-Corruption Combat BiH"	18/04/2022	Case pending before the Sarajevo Cantonal Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
3	Suit against PSB "Federalna televizija"	Citizens' Association "Anti-Corruption Combat BiH"	23/06/2022	Case pending before the Sarajevo Cantonal Court	BAM 100 litigation fee
4	Suit against FBiH Institute of Public Health	Citizens' Association "Anti-Corruption Combat BiH"	14/10/2022	Case pending before the Sarajevo Cantonal Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
5	Suit against RS Ministry of Transport and Communications	Citizens' Association "Anti-Corruption Combat BiH"	15/03/2022	Lawsuit settled in the Banja Luka District Court - lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee) Costs reimbursed by the defendant
6	Suit against RS Ministry of Transport and Communications	Citizens' Association "Anti-Corruption Combat BiH"	15/12/2022	Case pending before the Banja Luka District Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
7	Suit against RS Ministry of Justice	Citizens' Association "Anti-Corruption Combat BiH"	29/08/2022	Case pending before the Banja Luka District Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
8	Suit against RS Appeals Commission	Citizens' Association "Anti-Corruption Combat BiH"	13/07/2022	Case pending before the Banja Luka District Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
9	Suit against RS Appeals Commission	Citizens' Association "Anti-Corruption Combat BiH"	04/07/2022	Case pending before the Banja Luka District Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
10	Suit against RS Appeals	Citizens' Association	12/09/2022	Case pending before the Banja	BAM 200 (BAM 100 litigation fee, BAM 100

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	Commission	"Anti-Corruption Combat BiH"		Luka District Court	court ruling fee)
11	Suit against RS Banking Agency	Citizens' Association "Anti-Corruption Combat BiH"	04/08/2022	Lawsuit settled in the Banja Luka District Court – lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
12	Suit against the University of Banja Luka	Citizens' Association "Anti-Corruption Combat BiH"	24/03/2022	Lawsuit settled in the Banja Luka District Court – lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
13	Suit against Pale Public Library	Citizens' Association "Anti-Corruption Combat BiH"	01/02/2022	Case pending before the Supreme Court of RS	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
14	Suit against the University of Mostar	Citizens' Association "Anti-Corruption Combat BiH"	19/01/2022	Case pending before the Mostar Cantonal Court	BAM 162 (BAM 81 litigation fee, BAM 81 court ruling fee)
15	Suit against Public Enterprise "Official Gazette of RS"	Citizens' Association "Anti-Corruption Combat BiH"	09/03/2022	Lawsuit settled in the Banja Luka District Court – lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee) Costs reimbursed by the defendant
16	Suit against the Zenica-Doboj Cantonal Assembly	Citizens' Association "Anti-Corruption Combat BiH"	04/01/2022	Lawsuit settled in the Zenica Cantonal Court - lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee) Costs reimbursed by the defendant
17	Suit against Elektroprivreda HZ HB	Citizens' Association "Anti-Corruption Combat BiH"	12/07/2022	Case pending before the Mostar Cantonal Court	
18	Suit against RS Ministry of Administration and Local Self-governance	Citizens' Association "Anti-Corruption Combat BiH"	14/11/2022	Case pending before the Banja Luka District Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
19	Suit against the Supreme Court of RS	Citizens' Association "Anti-Corruption Combat BiH"	14/07/2022	Lawsuit settled in the Banja Luka District Court- lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
20	Suit against the Municipality of Rogatica	Citizens' Association "Anti-Corruption Combat BiH"	13/01/2022	Lawsuit settled in the Istočno Sarajevo District Court – lawsuit upheld	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022

21	Suit against Public Enterprise "Gas Res"	Citizens' Association "Anti-Corruption Combat BiH"	28/02/2022	Appeal to the Constitutional Court dismissed	
22	Suit against the Sarajevo Municipal Court	Citizens' Association "Anti-Corruption Combat BiH"	19/10/2022	Case pending before the Sarajevo Cantonal Court	BAM 200 (BAM 100 litigation fee, BAM 100 court ruling fee)
23	Suit against the Kozarska Dubica Water Utility Company	Kozarska Dubica Water Utility Company	28/03/2022	Responded to the request for extraordinary review of court decision	
24	Suit against BiH Postal Service	Citizens' Association "Anti-Corruption Combat BiH"	27/06/2022	Case pending before the Sarajevo Cantonal Court	
25	Suit against	Citizens' Association "Anti-Corruption Combat BiH"			

6. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, no events have occurred that would necessitate adjustments to the financial statements or warrant additional disclosures.

7. TAX RISKS

The Republika Srpska and Bosnia and Herzegovina's tax systems operate on the principle that indirect taxes (customs duties, excise taxes, VAT and road tolls) are levied at the BiH level while all other taxes (corporate income tax, personal income tax, property tax, fees, charges), as well as social security contributions are levied at the entity level. Taxpayers face challenges due to frequent changes in laws and regulations governing taxation. This differs from most developed market economies with stable tax systems.

Differences in opinion among competent government authorities regarding legal interpretation of certain provisions can create uncertainty in practical application of tax laws. In some cases, multiple inspection authorities claim legal authority over a single tax issue (e.g., foreign trade transactions, customs and foreign exchange control).

In accordance with the RS Law on Tax Procedure and the BiH Law on Indirect Taxation, the statute of limitations for tax liabilities is five years. This means that tax authorities may order payment of unpaid liabilities within five years from when they arise. These factors contribute to a higher level of tax risk in Republika Srpska and

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE ASSOCIATION FOR THE FIGHT
AGAINST CORRUPTION "TRANSPARENCY INTERNATIONAL" IN BiH FOR YEAR 2022**

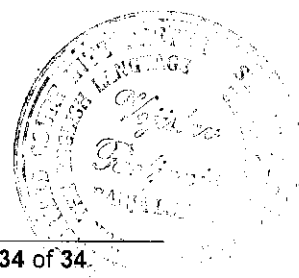
Bosnia and Herzegovina compared to countries with more stable and developed tax systems.

Banja Luka

Responsible person:

28 February 2023

Srđan Blagovčanin



No. Date: 21/04/2023

I, Vojislav Boljanić, certified court interpreter for the English language, appointed in accordance with the decision of the Ministry of Justice of the Republika Srpska No. 01/2-704-33/04 of 13 December 2005, hereby certify that the foregoing translation is true to its original in the Serbian language.

Banja Luka, 21 April 2023