

**TRANSLATION**

**CENTRALNA DEPOZITARNA AGENCIJA AD, PODGORICA**

**Financial Statements for  
the Year Ended 31 December 2014  
with Independent Auditor's Report**



**KPMG d.o.o. Podgorica**  
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## TRANSLATION

TO THE SHAREHOLDERS OF

CENTRALNA DEPOZITARNA AGENCIJA AD, PODGORICA

### **Independent Auditors' Report**

We have audited the accompanying financial statements of Centralna Depozitarna Agencija (hereinafter: the "Company") which comprise the statement of financial position as at 31 December 2014, the income statement, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and objective presentation of these financial statements in accordance with the applicable Law on Accounting and Audit of Montenegro and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the applicable Law on Accounting and Audit of Montenegro and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with legislation in Montenegro.

*Other matters*

The financial statements for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion dated 20 March 2014.

Podgorica, 9 March 2015

KPMG d.o.o. Podgorica

(L.S.)

Branko Vojnović  
*Certified Auditor*

*This is a translation of the original Independent Auditors' Report and financial statements issued in the Montenegrin language. All due care has been taken to produce a translation that is as faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Montenegrin version of the document shall prevail.*

Podgorica, 9 March 2015

KPMG d.o.o. Podgorica



Branko Vojnović  
*Certified Auditor*

Completed by a legal entity	
ID number:	Activity code
Fill in	
Name	Centralna Depozitarna Agencija
Address	Podgorica

**STATEMENT OF COMPERHESIVE INCOME / INCOME STATEMENT/  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**

Class of accounts	Position	AOP	Note	In EUR	
				Amount	
				Current year	Previous year
1	2	3	4	5	6
	I. OPERATING INCOME (202 to 206)	201		628.710	590.338
60, 61	1.Sales	202	4	628.710	590.338
62	2.Own products used	203			
630	3.Increase in value of inventories	204			
631	4.Decrease in value of inventories	205			
64, 65	5.Other operating income	206			
	II. OPERATING EXPENSES (208 to 212)	207		582.008	662.288
50	1. Cost of goods sold	208			
51	2. Cost of material	209	6	17.951	16.152
52	3. Wages, salaries and other personal expenses	210	7	314.699	434.360
54	4. Depreciation and provision costs	211	8	65.605	56.176
53, 55	5. Other operating expenses	212	9	183.753	155.600
	<b>A. OPERATING RESULT (201 - 207)</b>	<b>213</b>		<b>46.702</b>	<b>(71.950)</b>
66	I. FINANCIAL INCOME	214	11	8.007	10.031
56	II. FINANCIAL EXPEENSES	215		1	2
	<b>B. FINANCIAL RESULT (214 - 215)</b>	<b>216</b>		<b>8.006</b>	<b>10.029</b>
67, 68, 691,692	I. OTHER INCOME	217	5	9.540	7.051
57, 58, 591,592	II. OTHER EXPENSES	218	10	23.646	52.383
	<b>C. RESULT FROM OTHER ACTIVITIES (217 - 218)</b>	<b>219</b>		<b>(14.106)</b>	<b>(45.332)</b>
	<b>D. RESULT FROM OPERATING ACTIVITIES BEFORE TAX (213+216+219)</b>	<b>220</b>		<b>40.602</b>	<b>(107.253)</b>
690-590	<b>E. NET INCOME FROM DISPOSAL OF DISCONTINUING OPERATIONS</b>	<b>221</b>			
	<b>F. RESULT BEFORE TAX (220+221)</b>	<b>222</b>		<b>40.602</b>	<b>(107.253)</b>
	<b>G. OTHER ITEMS OF RESULT/ASSOCIATED WITH CAPITAL/ (224 to 228)</b>	<b>223</b>			
	1. Changes in revaluation reserves on financial assets available for sale	224			
	2. Changes in revaluation reserves arising from property, plant and equipment and intangible assets	225			
	3.Changes in revaluation reserves arising from equity investments in associated companies	226			

	4. Changes in revaluation reserve on the basis of actuarial gains (or loss) with respect to defined pension plans	227			
	5. Changes in revaluation reserves arising from cash flow hedges	228			
	<b>H. Income tax expense (230+231)</b>	<b>229</b>		<b>2.625</b>	<b>4.226</b>
721	1. Current income tax	<b>230</b>			
722	2. Deferred tax income/expense	<b>231</b>	12	2.625	4.226
	<b>I. NET RESULT (222+223-229)</b>	<b>232</b>		<b>37.977</b>	<b>(111.479)</b>
	<b>J. EARNINGS PER SHARE</b>			0,097	(1,115)
	1. Basic earnings per share	233		0,097	(1,115)
	2. Decreased (diluted) earning per share	234			

In Podgorica

The person responsible for the preparation of financial statements

Authorized person

Date 25 February 2015

Tatjana Blagojevic  
*Blagojevic*



Vladimir Kašćelan  
*Kašćelan*

Completed by a legal entity		
ID number:	Activity code	
Fill in		
Name	Centralna Depozitarna Agencija	
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**STATEMENT OF FINANCIAL POSITION /BALANCE SHEET/  
AS AT 31 DECEMBER 2014**

*In EUR*

Class of account	Position	AOP	Note	Amount	
				Current year	Previous year
1	2	3	4	5	6
	Assets				
00 (part)	<b>A. SUBSCRIBED CAPITAL NOT PAID</b>	.001			
	<b>B. LONG-TERM ASSETS</b> (003+004+005+009)	.002		<b>370.961</b>	<b>361.545</b>
.012	I GOODWILL	.003			
.01 (except) .012	II INTANGIBLE ASSETS	.004	13	272.684	307.201
	III PROPERTY, PLANT, EQUIPMENT AND BIOLOGICAL ASSETS (006+007+008)	.005		98.277	54.344
020, 022, 023, 026 027 (part), 028 (part), 029	1. Plant, Property and Equipment	.006	14	98.277	54.344
024, 027 (part), 028 (part)	2. Investment property	.007			
021, 025, 027 (part), 028 (part)	3. Biological assets	.008			
	<b>IV LONG-TERM FINANCIAL INVESTMENT</b> (010+011+012)	.009			
030, 031(part), 032 (part), 039 (part)	1. Equity investments	.010			
031 (part), 032(part)	2. Equity method investments	.011			
032(part), 033(part)- 038, 039(part)	3. Other long term financial investments	.012			
288	<b>C. DEFERED TAX ASSETS</b>	.013			
.04	<b>D. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	.014			
	<b>E. CURRENT ASSETS</b> (016+017)	.015		<b>531.012</b>	<b>491.436</b>
10-13, 15	I INVENTORIES	.016			
	II SHORT TERM RECEIVABLES, INVESTMENTS AND CASH (018-022)	.017		531.012	491.436
20, 21, 22 except 223	1. Receivables	.018	15	113.220	241.571
223	2. Receivables for overpaid income tax	.019	16	5.707	5.707
23 minus 237	3. Short - term financial investments	.020	17	300.000	100.000
24	4. Cash and cash equivalents	.021	18	111.892	143.442
27- 28 except 288	5. Value added tax and accruals	.022		193	716
	<b>F. TOTAL ASSETS</b> (001+002+013+014+015)	.023		<b>901.973</b>	<b>852.981</b>
	<b>EQUITY AND LIABILITIES</b>				
	<b>A. CAPITAL (from 102 to 109)</b>	101	19	<b>836.234</b>	<b>798.257</b>
30	I ISSUED CAPITAL	102		500.000	255.646
31	II SUBSCRIBED CAPITAL NOT PAID	103			
32	III RESERVES	104		50.228	50.228
330, 331, 333	IV POSITIVE REVALUATION RESERVES AND UNREALIZED GAINS ON FINANCIAL ASSETS AVAILABLE FOR SALE	105		7.902	7.902

332.334	V REVALUATION RESERVES AND FOREIGN UNREALIZED LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE	106			
34	VI RETAINED EARNINGS	107		278.104	595.960
35	VII LOSS	108			-111.479
237	VIII TREASURY SHARES AND STAKES	109			
	<b>B. LONG-TERM PROVISIONS AND LONG-TERM LIABILITIES (111 +112)</b>	110	20	<b>11.303</b>	<b>9.586</b>
40 (part)	I LONG-TERM PROVISIONS	111		11.303	9.586
41	II LONG TERM LIABILITIES (113+114)	112			
414, 415	1. Long-term loans	113			
41 except 414, 415	2. Other long term liabilities	114			
498	<b>C. DEFERRED TAX LIABILITIES</b>	115		<b>14.200</b>	<b>11.575</b>
	<b>D. SHORT-TERM PROVISIONS AND LIABILITIES (117 +124)</b>	116		<b>40.236</b>	<b>33.563</b>
	I SHORT TERM LIABILITIES ( 118- 123)	117		40.236	33.563
42, except 427	1.Short term financial liabilities	118			
427	2.Liabilities from assets and disposal groups available for sale	119			
43 ,44	3.Liabilities from operations	120	21	33.306	15.805
45,46,49 except 498	4.Other short-term liabilities and accruals	121			20
47,48 except 481	5. Liabilities for value added tax and other public	122	22	6.930	17.738
481	6.Income tax liabilities	123			
40 (part)	II SHORT-TERM PROVISIONS	124			
	<b>E. TOTAL LIABILITIES AND EQUITY (101+110+115+116)</b>	125		<b>901.973</b>	<b>852.981</b>

In Podgorica

The person responsible for the preparation of financial statements

Authorized person

Date 25 February 2015

Tatjana Blagojevic

*Blagojevic*



*Kaščelan*  
Vladimir Kaščelan

Completed by a legal entity		
ID number:	Activity code	
Fill in _____		
Name	Centralna Depozitarna Agencija	
Address	Podgorica	

**CASH FLOW STATEMENT  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014**

In EUR

POSITION	AOP	Current year amount	Previous year amount
1	2	3	4
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
I Cash inflow from operating activities (1 to 3)	301	<b>871.139</b>	<b>635.111</b>
1. Cash receipts from customers and received advances	302	858.835	631.550
2. Interest received from operating activities	303		
3. Other receipts from operating activities	304	12.304	3.561
II Cash outflows from operating activities (1 to 5)	305	<b>635.814</b>	<b>726.507</b>
1. Cash paid to suppliers and payments in advance	306	218.086	187.838
2. Gross salaries and wages	307	319.343	460.639
3. Interests paid	308		2
4. Income tax	309		
5. Other tax paid	310	98.385	78.028
III Net cash generated from operating activities (I-II)	311	235.325	-91.396
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
I Cash inflow from investing activities (1 to 5)	312	<b>6.429</b>	<b>110.290</b>
1. Sales of shares and stakes (net receipts)	313		
2. Sales of intangible assets, property, plant, equipment and biological assets	314		
3. Other financial investments (net receipts)	315		100.000
4. Interests received from investing activities	316	6.429	10.290
5. Dividends received	317		
II Cash outflows from investing activities (1 to 3)	318	<b>273.304</b>	<b>34.838</b>
1. Purchase of shares and stakes (net outflows)	319		
2. Purchase of intangible assets, property, plant, equipment and biological assets	320	73.304	34.838
3. Other financial investments (net receipts)	321	200.000	
III. Net cash generated from investing activities (I-II)	322	-266.875	75.452
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
I Cash inflow from financing activities (1 to 3)	323		
1. Increase in share capital	324		
2. Long term and short term loans (net receipt)	325		
3. Other long term and short term liabilities	326		
II. Cash outflow from financing activities (1 to 4)	327		
1. Purchase of treasury shares and stakes	328		
2. Long term and short term loans and other liabilities (net outflow)	329		
3. Finance leasing	330		
4. Dividends paid	331		
III. NET CASH GENERATED FROM FINANCING ACTIVITIES (I-II)	332		
D. NET CASH FLOW (311+322+332)	333	<b>-31.550</b>	<b>-15.944</b>
E. CASH AT THE BEGINNING OF THE REPORTING PERIOD	334	<b>143.442</b>	<b>159.386</b>
F. POSITIVE FOREIGN EXCHANGE	335		
G. NEGATIVE FOREIGN EXCHANGE	336		
H. CASH AT THE END OF THE REPORTING PERIOD (333+334+335-336)	337	<b>111.982</b>	<b>143.442</b>

In Podgorica

The person responsible for the preparation of financial statements

Authorized person

Date 25 February 2015

Tatjana Blagojevic

*Blagojevic*

Vladimir Kaščelan

*Kaščelan*



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ID number: 02320924	Activity code
Fill in	
Name	Centralna Depozitarna Agencija
Address	Novaka Miloševa bb

**STATEMENT ON CHANGES IN EQUITY**  
FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2014

	Item	AOP	Stake capital	AOP	Other capital	AOP	Subscribed unpaid capital	AOP	Share issue premium	AOP	Reserves	AOP	Revaluation reserves	AOP	Retained earnings	AOP	Loss up to the amount of capital	AOP	Treasury shares purchased	AOP	Total
	1		2		3		4		5		6		7		8		9		10		11
1	Balance as at 1.1. 2013	401	255.646	410		419		428		437	50.228	446	7.902	455	672.317	464	76.357	473		482	909.736
2	Effects of retroactive material errors and changes in accounting policies	402		411		420		429		438		447		456		465		474		483	
3	<b>Adjusted opening balance as at 1.1. 2013 (1+2)</b>	403	255.646	412		421		430		439	50.228	448	7.902	457	672.317	466	76.357	475		484	909.736
4	Net changes in 2013	404		413		422		431		440		449		458	-76.357	467	35.122	476		485	-111.479
5	<b>Balance as at 31.12. 2013 (3+4)</b>	405	255.646	414		423		432		441	50.228	450	7.902	459	595.960	468	111.479	477		486	798.257
6	Effects of retroactive material errors and changes in accounting policies	406		415		424		433		442		451		460		469		478		487	
7	<b>Adjusted opening balance as at 31.12.2014 (5+6)</b>	407	255.646	416		425		434		443	50.228	452	7.902	461	595.960	470	111.479	479		488	798.257
8	Net changes in 2014	408	244.354	417		426		435		444		453		462	-317.856	471	-111.479	480		489	37.977
9	<b>Balance as at 31.12. 2014 (7+8)</b>	409	500.000	418		427		436		445	50.228	454	7.902	463	278.104	472	0	481		490	836.234

The form is in accordance with Article 3 of Law on Accounting and Auditing ("Official Gazette" no 80/08) and IV EU Directive.

In Podgorica

Date 25 February 2015

The person responsible for the preparation of financial statements

Tatjana Blagojevic

*Blagojevic*



Authorized person

Vladimir Kaščelan

*Kaščelan*