

**REPORT  
ON PERFORMED AUDIT OF FINANCIAL  
STATEMENTS FOR THE YEAR  
2006**

**"INTERNATIONAL AID NETWORK  
I.A.N."  
BELGRADE**

*Belgrade, June 2007*

# CONFIDA FINODIT

d.o.o. Beograd, Imotska br. 1  
*Preduzeće za reviziju*

**INTERNATIONAL AID  
NETWORK "IAN"  
Admirala Geprata 10  
Belgrade**

## **INDEPENDENT AUDITOR'S REPORT**

***To the Assembly of Association of citizens of International Aid Network "IAN"***

We were audited the accompanying Balance sheet International Aid Network IAN Belgrade on 31. December 2006 and related Statement of income.

These financial statements are the responsibility of the management of International Aid Network IAN Belgrade. Our responsibility is to express an opinion on these financial statements based on our audit.

We were conducted our audit in accordance with International Standards on Auditing. Those standards requires that we plan and perform the audit to obtaine reasonable assurance about whether the financial statements are free of material mistakes. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit, also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present true and fair, in all material aspects, the financial position of International Aid Network IAN Belgrade on 31. December 2006. and results of its operations in accordance with International Accounting Standards IFRS and International Standards on Auditing IAS.

Belgrade, 15 June 2007.

  
Jelena Slović  
Certified Auditor  
CONFIDA FINODIT  
D.O.O.  
BEOGRAD

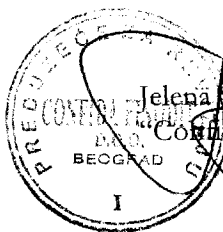
# CONFIDA FINODIT

*Auditing Company  
Belgrade, 1 Imotska St*

## AUDITING STATEMENT

Pursuant to the Act on Auditing and International Auditing Standards we hereby state:

1. That the auditing company "CONFIDA FINODIT" d.o.o. from Belgrade is not a shareholder, investor or founder of the audited organization "INTERNATIONAL AID NETWORK I.A.N.", Belgrade.
2. That the audited organization "INTERNATIONAL AID NETWORK I.A.N.", Belgrade. is not a shareholder, founder or investor with the auditing company "CONFIDA FINODIT" d.o.o. Belgrade.
3. That the certified auditor and auditors are not shareholders, investors or founders of the audited organization "INTERNATIONAL AID NETWORK I.A.N.", Belgrade.
4. That the certified auditor, i.e. auditors who performed the auditing are not blood related to the manager or any member of the management of the audited organization. "INTERNATIONAL AID NETWORK I.A.N.", Belgrade.  
They are not connected through the capital nor they have any contractual or obligatory relations, which would disturb the auditing process defined by the Auditing Act, accounting reports and International Auditing Standards.



Jelena Slović, Certified Auditor  
"Confida Finodit" d.o.o. Belgrade

## **1. FINANCIAL STATEMENTS FOR THE YEAR 2006**

### **1.1. BALANCE SHEET AS OF 31 DECEMBER 2006**

	(000 dinars)	
ITEMS	31/12/2006	31/12/2005
<b>ASSETS</b>		
<b>A. Non-current assets</b>	<b>6.511</b>	<b>6.879</b>
I. Unpaid subscribed capital		
II. Intangible assets	543	720
III. Property, plant, equipment and biological assets	5.929	6.120
1. Property, plant, equipment	5.929	6.120
2. Biological assets		
IV. Long-term financial investments	39	39
1. Stake in capital	39	39
2. Other long-term financial investments		
<b>B. Current assets</b>	<b>4.727</b>	<b>18.576</b>
I. Inventory	1.152	1.090
II. Short-term receivables, investments and cash	3.575	17.486
1. Receivables	379	579
2. Receivables for overpaid income tax	51	
3. Short-term financial investments		16.907
4. Cash and cash equivalents	3.145	
5. VAT and prepaid expenses		
III. Deferred tax assets		
V. Fixed assets	11.238	25.455
G. LOSS ABOVE EQUITY		
<b>D. TOTAL ASSETS</b>	<b>11.238</b>	<b>25.455</b>
D. OFBALANCE ASSETS		
<b>LIABILITIES</b>		
<b>A. EQUITY</b>	<b>7.339</b>	<b>7.803</b>
I. Share and other capital	7.355	7.355
II. Unpaid subscribed capital		
III. Reserves		
IV. Revaluation reserves		
V. Retained earnings	551	448
VI. Loss	567	
VII. Redeemable shares		
<b>B. LONG TERM PROVISION AND LIABILITIES</b>	<b>3.899</b>	<b>17.652</b>
I. Long-term provision		
II. Long-term liabilities	860	
1. Long-term loans	860	
2. Other long-term liabilities		
III. Short-term liabilities	3.039	17.652
1. Short-term liabilities		
2. Trade payables	129	558
3. VAT and other tax liabilities	6	6
4. Other short-term liabilities and accruals	2.904	17.088
IV. deferred tax liabilities		
<b>V. TOTAL LIABILITIES</b>	<b>11.238</b>	<b>25.455</b>
G. OFBALANCE LIABILITIES		

**1.2. INCOME STATEMENT AS OF 01 JANUARY TO 31 December 2007.**

ITEM	(000 dinars)	
	31/12/2006	31/12/2005
<b>I. REVENUE (202+203+204-205+206)</b>	<b>55.849</b>	
1. Sales revenue		
2. Other operating revenue	55.849	
<b>II. OPERATING EXPENSES (208 do 212)</b>	<b>54.300</b>	<b>47.081</b>
1. Purchase price of goods sold		
2. Material costs	1.767	2.344
3. Salary costs and other staff costs	32.696	28.914
4. Depreciation and provisions costs	1.693	1.437
5. Other operating expenses	18.144	14.386
<b>III. Operating profit (201-207)</b>	<b>1.549</b>	
<b>IV. Operating loss (207-201)</b>		<b>47.081</b>
<b>V. Finance income</b>	<b>982</b>	<b>223</b>
<b>VI. Finance expenses</b>	<b>1.980</b>	<b>59</b>
<b>VII. Other income</b>		<b>48097</b>
<b>VIII. Other expenses</b>		<b>302</b>
<b>IX. Profit before taxation (213-214+215-216+217-218)</b>	<b>551</b>	<b>878</b>
<b>X. Loss before taxation (214-213-215+216-217+218)</b>		
<b>XI. Extraordinary income</b>		
<b>XII. Extraordinary loss</b>		<b>1.893</b>
<b>B. Profit before taxation (219-220+221-222)</b>	<b>551</b>	
<b>V. Loss before taxation (220-219+222-221)</b>		<b>1.015</b>
<b>G. Income tax</b>		
<b>DJ. Net profit (223-224-225-226+227-228)</b>	<b>551</b>	
<b>E. Net loss (224-223+225+226-227+228)</b>		<b>1.015</b>

## **2. NOTES TO THE FINANCIAL STATEMENTS**

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### **2.1. GENERAL INFORMATION**

Name of the organisation:	I.A.N. International Aid Network
Abbreviated name:	I.A.N
Address:	Belgrade, 10, Admirala Geprata
Type of organization:	Private Citizen Association
Reg. number:	17242369
Code and type of activity:	140421
Person in charge:	Mr. Goran Knežević, Chairman of the managing Board
Date of the foundation Act:	27.06.1997.
Date of passing Statute:	09.07.2003.
Auditor for the year 2005.	Finodit, Belgrade

I.A.N. International Aid Network was founded on 27<sup>th</sup> June, 1997 when the first (foundation) assembly of private citizen association was held, and the first Registration of entry into the registry of associations, social organizations and political organizations and political organizations is under the number 3/1-198/8-1997-07 dated 09.10.1997.

The latest alteration in the registration is dated 14.07.2003. and refers to the change of address (Head office) - 10, Admirala Geprata st. Belgrade) and the person authorised for representing the Organisation (Mr. Goran Knežević, Chairman of the managing Board. I.A.N. International Aid Network is a Private Citizen Association, non-political, non-religious, non-government, non-profit and humanitarian. It serves as a gathering and organizational force for people of different professions and the same aim to realized program goals stated in its Statute.

Organization aims are the following:

- International professional-educational exchange
- Improvement of overall exchange level of knowledge and health care culture of the population
- Cross-cultural networking, reduction of improvement of racial, religious, ethnic and cultural antagonisms
- Information providing in the field of Organisation's activity through connecting to world information systems and means of public information/internal source.

The primary goal of the Organisation is organizing, collecting and distributing of humanitarian aid to vulnerable population groups, as well as coordination of shared projects with similar organizations dedicated to population's life quality improvement. Ways of realizing the goals are through various kinds of cooperation with local and international humanitarian and other organizations, by activities of its staff member and volunteers of the Organisation.

Program goals of the Organisation are:

- organisation, collection and direction of humanitarian aid to vulnerable population groups
- establishing and development of cooperation with humanitarian and professional/expert institution at home and abroad
- creation and coordination of projects for the population's living standard improvement
- development of organized scientific methods and principles
- aid to young scientists and scientific institutions

In IAN there are 24 employees, and the Association engaged by needs part time employees. The number of persons engaged vary and depends on the project. Persons involved on those projects are: psychologists, psychiatrists, economists, lawyers etc.

IAN works only with international Donation funds such as some significant: CAFOD, UNESCO, FRESTA etc.

There are four program sectors operating within IAN:

1. Center for rehabilitation of trauma and torture victims, where complete special help is provided for people endangered by war, former concentration camp detainees and other persons that suffered some of the forms of tortures.
2. Rehabilitation Center provides with information, legal and psychological aid to the refugees both in the office and in the field within collective centers. There is a special service for acquiring personal documents with the authorisation from Croatia. Within the project of help with the return of the internally exiled persons it has been specially paid attention to the tolerance rebuilt.
3. Center for training and professional education organises computer courses, English courses, courses of special skills, cutting and sewing, sito-print for the endangered categories of population.
4. The research center follows all programs realised within IAN through scientific researchesw and analysis of the collected data.

IAN has achieved close cooperation with different international and local nongovernmental organisations and it is a member of several national and regional networks.

## 2.2. HUMANITARIAN PROJECTS

During 2004, 2005 and 2006 IAN have started and finished the following humanitarian projects:

ACTUAL PROJECTS						
Project Name	Donor	Starting Date	Ending Date	Budget		
				EUR	US\$	CSD
Good practice in voluntary counselling and testing of HIV in Serbia	CAFOD	March 1st 2005	February 28th 2006	68.869,00		
Good practice in voluntary counselling and testing of HIV in Serbia	CAFOD	March 1st 2006	February 28th 2007	86.682,00		
Confronting HIV AIDS	SPI	January 18 th 2006	January 18 th 2007		46.000,00	
Best practice in Voluntary Counselling and Testing of HIV in Serbia	CIDA	June 30 th 2006	25 th August 2007	37.545,00		
Mental Health and HIV/AIDS in South Eastern Europe, the Caucasus and Central Asia	GIP	July 1 st 2006	December 31 st 2008	97.800,00		
Psychobiology of Posttraumatic Stress Disorder (PB PTSD)	EC	September 1 st 2004	August 31 st 2007	297.120,00		
Project of analysis of traumatic dreams (ATD)	Norwegian Centre for Violence and Traumatic Stress Studies			4.000,00		
Trauma center	CAFOD	January 1 st 2006	December 31 st 2006	92.056,60		
Centre for Rehabilitation of Torture Victims (CRTV), Belgrade	UNVFVT	September 1 st 2005	June 30 th 2006		50.000,00	
Centre for Rehabilitation of Torture Victims (CRTV), Belgrade	UNVFVT	July 1 st 2006	December 31 st 2007		90.000,00	
Psycho-Social rehabilitation programme for torture victims in target regions in Bosnia and Herzegovina trough CTV, IAN and Medica mobile teams	UNVFVT	September 1 st 2005	June 30 th 2006		16.500,00	
Psycho-Social rehabilitation programme for torture victims in target regions in Bosnia and Herzegovina trough CTV, IAN and Medica mobile teams	UNVFVT	July 1 st 2006	December 31 st 2007		38.386,98	
Redress in action, Phase two- Rehabilitation, Compensation and Human Rights Protection of Refugees and Returnees in Croatia and Serbia	FRESTA/NAB	October 1 st 2005	September 30 th 2006	63.487,39		
Telecentar Network 2005-2006	FRESTA/NAB	September 1 st 2005	June 30 th 2006	23.915,00		

ACTUAL PROJECTS						
Project Name	Donor	Starting Date	Ending Date	Budget		
				EUR	US\$	CSD
Telecentar Network 2006-2007	FRESTA/NAB	October 1 st 2006	September 30 th 2007	27.890,00		
Telecentar	MICROSOFT	September 1 st 2005	August 31 st 2006			21.188.868,00
Key Competencies	FRESTA/NAB	March 1 st 2006	June 30 th 2006	10.605,20		
Monitoring i evaluacija Telecentar mreže	FRESTA/NAB	April 15 th 2006	June 15 th 2006	1.420,00		
Pronađeni prijatelj	FRESTA/NAB	April 2006	May 2006			59.640,00
Start-up of new Telecentar Multimedia Classrooms	FRESTA/NAB	June 1 st 2006	June 30 th 2006	2.900,00		
Edukacija studenata sa invaliditetom	GRAD BEOGRAD	September 1 st 2006	December 1 st 2006			180.100,00
Triangle Network-Repatriation and Reintegration of Refugees	FRESTA/NAB	September 1 st 2005	June 30 th 2006	8.360,00		
Triangle Network-Repatriation and Reintegration of Refugees	FRESTA/NAB	October 1 st 2006	September 30 th 2007	8.231,50		
Developing tools and methods for working on CAT	FRESTA/NAB	December 1 st 2005	June 30 th 2006	11.230,00		
Empowerment Against Poverty	CAFOD	December 1 st 2005	May 31 st 2006	24.930,00		
World Refugee Day 2006-Play for hope, play for education	UNCHR	June 20 th 2006		1.170,00		
Program podrške uspostavljanju SSI- faza II (2006-2007)	FRESTA/NAB	March 1 st 2006	October 31 st 2006	17.680,00		
Doprinos razvoju i uspostavljanju praksi koje promovišu principe HAP-I	FRESTA/NAB	November 15 th 2005	February 15 th 2006	2.000,00		
Program podrške uspostavljanju SSI-faza II (2006-2007)- Programske aktivnosti Srpskog saveta za izbeglice	FRESTA/NAB	September 1 st 2006	December 31 st 2006	2.662,00		
Program podrške uspostavljanju SSI- faza II (2006-2007)-Izgradnja kapaciteta SSI	FRESTA/NAB	October 2006				30.000,00
Kosovo Initiative Program (KIP) "Information Exchange and dissemination on the return process to Kosovo/Establishment of municipal web-pages in selected municipalities in Kosovo"	FRESTA/NAB	June 15 th 2006	15 th August 2006	6.380,00		
Kosovo Initiative Program (KIP)	FRESTA/NAB	October 1 st 2006	November 30 th 2007	10.100,00		