



INDEPENDENT AUDITORS' REPORT

TO THE FOUNDER OF NGF

FUND FOR ACTIVE CITIZENSHIP

We have audited the accompanying financial statements NGF *FUND FOR ACTIVE CITIZENSHIP* (hereinafter fAKT) for the period from January 01, 2011 to December 31, 2011, (page 3 to 20), which comprise of the Statement of comprehensive income, Statement of financial position and Statement of cash flow.

Management's Responsibility for the Financial Statements

fAKT management is responsible for these financial statements in accordance with the accounting regulation in Montenegro. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on accomplished audit. We conducted our audit in accordance with International Standards on Auditing and Montenegrin Law for accounting and auditing. Those standards require compliancy with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 the auditor's 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, the auditor considers 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 solid basis for our audit opinion.



Opinion

In our opinion, the fAKT financial statements (page 3 to 20) for the period from January 01, 2011 to December 31, 2011, present fairly and objectively, in all material respects, the Income and Expenditures connected with the Grant Agreements awarded by Donors, and its Cash Flows, in accordance with the International Accounting Practices. fAKT complied, in all material respects, with the requirements of the Grant Agreements and its total operations consist only of activities related to the realisation of the upper stated programs.

R&P AUDITING

November 20, 2012.



Radunović Vesna

Radunović Vesna, Authorized Auditor

(License No.017 issued on April 19, 2006.)



STATEMENT OF COMPREHENSIVE INCOME

For the period from January 01, 2011 to December 31. 2011

	<i>(U €)</i>	
	<i>2011</i>	<i>2010</i>
Income	406.370	346.109
Income from Donors	402.499	334.398
Income from refundation	-	11.481
Recovery of funds – NGO Djeca prije svega	3.871	-
Recovery of funds – NGO Udruzenje paraplasticara BP	-	230
Total expenditure	(406.370)	(346.109)
Operational expenses	(91.795)	(96.921)
Office costs	(12.628)	(12.831)
Staff costs	(79.167)	(84.090)
Depreciation	(1.482)	(755)
Program costs	(305.129)	(240.808)
Regranting	(265.573)	(190.629)
Seminars	(17.446)	(37.476)
Marketing	(11.604)	(205)
Travel	(7.533)	(9.449)
Daily allowance	(2.973)	(3.049)
Other operating expenses	(8.912)	(8.026)
Services	(8.912)	(7.266)
Other expenses	-	(760)
Financial expenses/income, net	947	401



STATEMENT OF FINANCIAL POSITION

For the period from January 01, 2011 to December 31. 2011

	2011	(U €) 2010
<u>ASSETS</u>		
Non – current assets	6.592	997
Equipment	6.592	997
Current assets	185.599	100.207
Cash and cash equivalents	185.599	100.207
Total assets	192.191	101.204
<u>LIABILITIES</u>		
Equity and reserves	-	-
Retained earnings	-	-
Long term liabilities	-	-
Accrued liabilities	192.191	101.204
Total liabilities	192.191	101.204



STATEMENT OF CASH FLOW

For the period from January 01, 2011 to December 31. 2011

Position	2011	(U €) 2010
Cash receipts from Donors	493.486	334.957
Cash receipts from refundation	-	11.481
Refunds from NGO Udruzenje paraplasticara BP	-	230
Cash regranting	(265.573)	(190.629)
Refunds from NGO Djeca orije svega	3.817	-
Recovery of donor funds Skan Foundation (CNF)	-	(20.000)
Payments to suppliers and employees	(140.262)	(155.238)
Cash used in operating activities	91.522	(19.199)
Acquisition of equipment	(7.077)	-
Cash used in investing activities	(7.077)	-
Inflow from interest a vista	947	401
Neto gotovina iz aktivnosti finansiranja	947	401
Net increase in cash and cash equivalents	85.393	(18.798)
Cash and cash equivalents, beginning of year	100.207	119.005
Cash and cash equivalents, and of year	185.599	100.207