

RSM Serbia d.o.o. Beograd

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TRANSPARENCY REPORT for the year ended 31 December 2017

The data we disclose are in compliance with Article 20 of the Law on Auditing ('Official Gazette of RS', no 62/2013) and Article 2, paragraph 1, item 5 of the Rulebook on conditions for performing audit of financial statements of public entities ('Official Gazette of RS', no 114/2013).

1. Company's Legal Form

Društvo za reviziju RSM Serbia d.o.o., Beograd is registered as a limited liability company.

RSM Serbia d.o.o., Beograd is entered into the register of audit companies as a successor of the former business name *Društvo za reviziju IEF d.o.o. Beograd*.

On 4 July 2017 IEF became a full member of RSM. Following a long-term cooperation with experts from RSM and comprehensive assessment of our qualities, we were granted a full membership to this global network.

Our acceptance into full membership represents a significant recognition of all our efforts and our extensive professional advancement. Working with our international clients and domestic firms and contributing to more effective fulfilment of their goals, we support best practices and economic development.

Given that the change underwent in the process of accession to the global network RSM involved only the business name, all other business data remained unchanged. RSM Serbia is entered into the register of audit companies based on the opinion of the Federal Ministry of Finance of September 2000. The current registration as an audit company is based on the Decision of the Republic of Serbia's Ministry of Finance no. 023-02-00112/2008-16 of 7 April 2008. A member of the Chamber of Certified Auditors, filing number 18, pursuant to the Decision of the Chamber Council no 67/07 of 18 June 2007.

Appendix 3.0. – Decision of the Serbian Business Registers Agency on the change of business name.

The shareholders of *Društvo za reviziju RSM Serbia d.o.o., Beograd* are Stanimirka Svičević and Miroslav M. Milojević, both of whom own 50% of the share.

2. Network Description

RSM is a global network of audit, taxation and consulting experts, ranked 6th most powerful in the world.

It comprises over 43,000 experts acting as a uniform global team, which develop and exchange knowledge, skills and resources and are highly focused on understanding needs of their clients and their businesses and providing most effective solutions.

The network head office is located in London, while, according to the latest data, RSM has 800 offices in 120 countries worldwide.

The network has its own methodology and quality control system. Together with its members, it intensively works on enhancement of quality and development of business activities.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM endeavours to provide services that exceed our clients' expectations. That includes support on a local level with valuable international expertise and advice given by global professionals.

3. Company Management Structure

Authority	Officials
Assembly	<ul style="list-style-type: none"> Founders
Company Directors	<ul style="list-style-type: none"> Stanimirka Svičević
	<ul style="list-style-type: none"> Marko Milojević
Partners Council	<ul style="list-style-type: none"> Miroslav M. Milojević PhD, Certified Auditor
	<ul style="list-style-type: none"> Stanimirka Svičević, Certified Auditor
	<ul style="list-style-type: none"> Marko Milojević LL.M, Legal Consultant, Certified Mediator
	<ul style="list-style-type: none"> Srđan Simić, Certified Auditor
Auditors Council	<ul style="list-style-type: none"> Miroslav M. Milojević PhD, Certified Auditor
	<ul style="list-style-type: none"> Stanimirka Svičević, Certified Auditor
	<ul style="list-style-type: none"> Srđan Simić, Certified Auditor
	<ul style="list-style-type: none"> Sanja Mitrović, Certified Auditor
	<ul style="list-style-type: none"> Branislav Manojlović, Certified Auditor

Membership in professional organisations

Global connectedness	<ul style="list-style-type: none"> RSM International Network, global network of auditors
Membership	<ul style="list-style-type: none"> Chamber of Certified Auditors

Established quality management systems

Systems	Features
Audit quality control system	<ul style="list-style-type: none"> MSR QCS

The responsibility of all partners, namely: Miroslav Milojević, Stanimirka Svičević, Srđan Simić and Marko Milojević is managing within the framework of reasonable and efficient controls, establishing a strategy and monitoring its development and business operations in accordance with the standards and regulations of RSM Serbia d.o.o. Beograd.

In that regard, a particular attention is paid to ensuring that the expected quality of services is delivered, as well as to placing a constant emphasis on the importance of quality within our firm. The motto of our network, and therefore, our own motto is POWER OF UNDERSTANDING.

4. Description of Internal Control System and Statement on System Effectiveness – Appendix 3.1 and Appendix 3.2

5. Date of Last Quality Assurance Review

The Republic of Serbia's Law on Auditing stipulates that the Chamber of Certified Auditors performs control of work of auditing companies with respect to whether an audit is conducted in accordance with International Standards of Auditing, International Standards of Quality Control and provisions of the Law on Auditing.

RSM inspection – early October 2016

Chamber of Certified Auditors inspection - September 2015

6. List of public entities in which audit was performed by *Društvo za reviziju RSM* in previous year

a) List of parties related to *Društvo za reviziju RSM*, which perform its business activity on the territory of Republic of Serbia

Društvo za reviziju RSM Serbia d.o.o., Beograd is not related to other legal entities that perform audit of financial statements.

The shareholders of *Društvo za reviziju RSM Serbia d.o.o., Beograd* (Miroslav M. Milojević and Stanimirka Svičević) are the shareholders of INSTITUT ZA EKONOMIKU I FINANSIJE d.o.o., Beograd, which also changed its business name into RSM ADVISORY d.o.o. Beograd, a specialised consulting firm.

Appendix 3.3 – Decision on change of business name

Društvo za reviziju RSM Serbia d.o.o., Beograd is not related through capital to the above-mentioned companies; however, it is related, given the fact that its shareholders are also the shareholders of the above-mentioned companies.

Shareholder of <i>Društvo za reviziju RSM</i>	Companies related to the shareholders of <i>Društvo za reviziju RSM</i>	Share
Miroslav M. Milojević	▪ RSM ADVISORY d.o.o., Beograd	50%
Stanimirka Svičević	▪ RSM ADVISORY d.o.o., Beograd	50%
Miroslav M. Milojević	▪ IEF Invest d.o.o., Beograd	50%
Stanimirka Svičević	▪ IEF Invest d.o.o., Beograd	50%

b) List of public entities and their related parties in which audit was performed by *Društvo za reviziju RSM* in previous fiscal year.

In previous year, *Društvo za reviziju RSM Serbia d.o.o., Beograd* performed audit of financial statements of the following public entities:

1 Telefonkabl a.d. Beograd Beograd

2	Voda Vrnjci a.d. Vrnjačka Banja	Vrnjačka Banja
3	BAS a.d. Beograd	Beograd
4	Hempro a.d. Beograd	Beograd
5	Hidrotehnika-Hidroenergetika a.d. Beograd	Beograd
6	BB Trade a.d. Žitište	Žitište
7	Napredak a.d. Svilajnac	Svilajnac
8	Swisslion Miloduh a.d. Kragujevac	Kragujevac
9	Takovo a.d. Gornji Milanovac	Gornji Milanovac
10	Građevinar a.d. Debeljača	Debeljača
11	Tehnika a.d. Vršac	Vršac
12	TP Agrosavez a.d. Sombor	Sombor
13	Doža Đerđ a.d. Bačka Topola	Topola

In previous year, *Društvo za reviziju RSM Serbia d.o.o., Beograd* performed audit of financial statements of the following entities related to public entities in which audit of financial statements was performed by *Društvo za reviziju RSM Serbia d.o.o., Beograd*:

1	FPM Agromehanika d.o.o. Boljevac	Boljevac
2	Company BB d.o.o. Žitište	Žitište
3	Swisslion group d.o.o.	Novi Sad
4	HDC Swisslion d.o.o. Beograd	Beograd
5	Ekstra-pet d.o.o.	Beograd

c) In previous year, *Društvo za reviziju RSM Serbia d.o.o., Beograd*, performed audit of financial statements of the following entities of special public interest:

1	Akcionarski fond a.d.	Beograd
2	Beogradska berza a.d.	Beograd
3	Centralni registar HOV a.d.	Beograd

d) In previous year, *Društvo za reviziju RSM Serbia d.o.o., Beograd*, performed audit of financial statements of the following public enterprises that operate in line with the Law on Public Enterprises ('Official Gazette of RS', no 119/2012, 116/2013 and 44/2014).

1	JP Sava Centar	Beograd
2	JKP Putevi Kraljevo	Kraljevo

3	JKP Toplovod Obrenovac	Obrenovac
4	JKP Vodovod - Kruševac	Kruševac
5	JP Emisiona tehnika i veze	Beograd
6	JKP Parking servis Beograd	Beograd
7	JP „Poslovni Centar“ Kruševac	Kruševac
8	JKP Drugi-Oktobar Vršac	Vršac
9	JP SC Milan Gale Muškatirović	Beograd
10	JP Sportski centar Mladost Kragujevac	Kragujevac

e) In previous fiscal year, *Društvo za reviziju RSM Serbia d.o.o., Beograd* and its related parties did not perform consulting services in public entities in which *Društvo za reviziju RSM Serbia d.o.o., Beograd*, performed a statutory audit of financial statements respecting the provisions of the Rulebook on conditions for performing audit of financial statements of public entities ('Official Gazette of RS', no 114/2013).

f) In previous year, *Društvo za reviziju RSM Serbia d.o.o., Beograd* performed audit of financial statements of the following entities, classified as large legal entities:

1	JRB a.d. Beograd	Beograd
2	Zastava oružje AD Kragujevac	Kragujevac
3	Beogradska berza a.d. Beograd	Beograd
4	Forma Ideale d.o.o. Kragujevac	Kragujevac
5	JP „Emisiona tehnika i veze	Beograd
6	Hidrotehnika-Hidroenergetika a.d. Beograd	Beograd
7	BB Trade a.d. Žitište	Žitište
8	Swisslion d.o.o. Beograd	Beograd
9	RDT Swisslion d.o.o. Beograd	Beograd
10	HDC Swisslion d.o.o. Beograd	Beograd
11	Swisslion Group d.o.o. Novi Sad	Novi Sad
12	Takovo a.d. Gornji Milanovac	Gornji Milanovac
13	JKP Parking servis Beograd	Beograd
14	JKP Drugi-Oktobar Vršac	Vršac
15	AMS Osiguranje a.d.o. Beograd	Beograd
16	Politika novine i magazini (PNM) d.o.o. Beograd	Beograd
17	ABL Faktor d.o.o. Beograd	Beograd

7. Statement with regard to the procedures and independence of work of *Društvo za reviziju RSM* – Appendix 3.4

8. Statement on the policy of *Društvo za reviziju RSM* with regard to continuing professional development of certified auditors – Appendix 3.5

9. Financial information

	In RSD as at 31 December 2017
Total Revenue	73,717,401.48
✓ audit of public companies	9,534,688.10
✓ audit of companies related to public companies	3,541,671.13
✓ other audits	43,845,166.73
✓ tax consulting	
a share from foreign public companies in which we did not perform audit activities	435,468.24
a share from other legal entities	
✓ other /accounting services, lease of business premises, professional services	16,360,407.28

10. Parameters for determining remuneration of key audit partners

The key partners' remuneration is determined by their fulfilment of the annual engagement plan, a number of roles entrusted to the leading engagement partner, quality of audit work and contribution to the company management quality.

Partners receive the largest part of their annual remuneration in form of a regular fixed monthly salary, whereas any variable part is determined at the end of fiscal year, where both the actual level of revenue and expense, the quality of performed work and the total profitability of *RSM Serbia d.o.o. Beograd* are taken into account.

Belgrade, 2 March 2018

Director



Stanimirka Svičević

RSM Serbia d.o.o.
Beograd-Noví Beograd

