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To the International Federation of Red Cross and Red Crescent Societies

## Independent Auditor's Report

### Red Cross of Serbia

We have audited the accompanying financial statements (income and expenditure statements for the cash contributions and related notes) of the Projects PRS013, PRS014 and PRS017 of the Red Cross of Serbia for the year ended 31 December 2017.

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

Management of the Red Cross of Serbia National Society is responsible for the preparation and fair presentation of the financial statements in accordance with those requirements of the basis of accounting described in the notes to the financial statements relevant to preparing such financial statements, and for such internal control as the Management determines necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financials statements based on our audit. We conducted our audit in accordance with 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 the accounting policies used and the reasonableness of accounting estimates, if any, 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 accompanying financial statements presents fairly, in all material respects, the income and expenditure of the Projects PRS013, PRS014 and PRS017 for the year ended 31 December 2017, in accordance with the applicable terms and conditions for each project.

*Basis of accounting for all instances and Restriction on Distribution and Use*

Without modifying our opinion, we draw attention to note 2.1 to the financial statements that describes the basis of accounting for all instances. The financial statements are prepared to assist the Red Cross of Serbia National Society to comply with Article 5.19 of the "Principles and Rules for the Red Cross and Red Crescent Humanitarian assistance". As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the IFRC and the Red Cross of Serbia National Society and is a confidential document and should not be distributed to or used by parties other than the IFRC and the Red Cross of Serbia National Society without our prior written notice.

Belgrade, 12 October 2018

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