



TRANSPARENCY REPORT 2021



MOORE SERBIA

CONTENTS:

	Strana
1 Moore Serbia – Managing Partner’s Message	3
2 Moore Global	4
3 Legal Form, Ownership Structure and Management Structure	5
4 Quality Control Policies and Procedures	6
5 Leadership Responsibilities for Quality in the Firm	7
6 Ethics and Independence	8
7 Client and Engagement Acceptance and Continuance	10
8 Human Resources	11
9 Engagement Performance	12
10 Engagement Quality Control Review	14
11 Monitoring	16
Appendix:	
Appendix A - Financial information	18
Appendix B - Public Interest Entities	19
Appendix C - List of public entities and related parties to which consulting services have been provided	21
Appendix D - Audit member states and companies	22

1 Moore Serbia – Managing Partner’s Message



Bogoljub Aleksić

Managing
Partner Moore
Stephens
Revizija i
Računovodstvo
d.o.o.

Let me present the Transparency Report of the Moore Stephens Revizija i Računovodstvo d.o.o., Belgrade (Moore Serbia) for 2020.

I believe that transparency is one of the most important features of our profession and I acknowledge the need of all stakeholders to gain the right information about what we are doing in order to improve the quality of auditing and other services we provide.

In this report we also respond to the transparency requirements arising from the Law on Audit of the Republic of Serbia ("Official Gazette of RS" No. 73/2019) and the Rulebook on Conditions for Auditing Financial Statements of Public Companies "Official Gazette of RS" No. 114 / 2013, 92/2018 and 158/2020).

In this report you will learn about our audit approach, the organization of the quality control system, compliance with ethical requirements, as well as our business culture and our values in general. Our goal for the users of our services and all other interested parties is to gain confidence that the quality without compromise and the reputation of our company are our number one priority.

I believe that we have established a good quality control system, which is able to recognize all risks and prevent or eliminate the observed shortcomings in the work. The most important thing is to recognize the causes of their occurrence and take adequate and timely measures so that they do not recur. In this manner each year the system is improved, and the quality of work performed is at a higher level.

Moore Global Network Limited gives us crucial support in this. As a result of their monitoring, we have learned and improved. This also applies to the monitoring by the Chamber of Certified Auditors of Serbia.

We believe that the very essence of our business are people. Their knowledge, skills, dedication and integrity. That is why we pay the greatest attention to the selection of our employees and the development of their careers. Most of our employees have been with us since their internship days, and the staff turnover in our company is significantly lower than the standard.

We believe that professional development of employees is a crucial issue, so we allocate enough time and resources for these purposes. We have an experienced team and we have established procedures for efficient knowledge transfer and exchange of experiences between employees.

We are aware that nowadays technology is gaining more and more importance. That is why we invest significant funds in the purchase of modern software tools and equipment. This proved to be an important precondition for business continuity especially in times of Covid-19 pandemic.

We consider it our mission to improve the quality of audits and increase confidence in audit reports. We believe that this Transparency report will also contribute to the users of financial and audit reports to recognise the efforts we make, but also the results we have achieved, in order to constantly raise the quality of our services and strengthen the reputation of our company.

Bogoljub Aleksić,
Managing Partner

Moore Stephens Revizija i Računovodstvo
d.o.o., Belgrade

2 Moore Global



Andy Armanino

Chairman of
Moore Global
Network Limited

Moore Stephens Revizija i Računovodstvo d.o.o. Beograd is a member firm of Moore Global Network Limited¹ which is a global accounting and consulting network with 30,218 professionals spread across 114 countries.

Moore Global member and correspondent firms have a combined global revenue of \$3.564 billion. Membership is regulated by contractual agreement.

Moore's purpose is to help our people, our clients and our communities thrive, and this includes each of our member firms. Our firms are independent businesses, but our network allows them to access further specialist resources, support, expertise, and technology. Our shared resources enable firms to offer client solutions on a global scale, collaborate across sectors and service lines, and develop the next generation of leaders.

A strategic plan, led by the Moore Global Board, sets the goals for the network over the next two years.

The key areas of focus are:

- alignment of member firms with the same core values and quality obligations, including network review and learning and development programmes, and a focus on developing our young leaders;
- a global growth strategy supported by a business plan bringing clear, defined and focused objectives;
- a focus on innovation to support member firms embrace technology;
- offering increased value to our firms through collaboration, communication, and transparency; and
- Social Ambition - our network-wide strategy to deliver positive social impact in all that we do.

Moore Global Network Limited a company limited by guarantee incorporated in England and Wales (registered number 12139967) whose registered office is at 5 Market Yard Mews, 194-204 Bermondsey Street, London, United Kingdom, SE1 3TQ.

MGNL has five regional organisations, as follows:

- Moore Africa & Middle East
- Moore Asia Pacific
- Moore Europe
- Moore Latin America
- Moore North America.

The efficient and effective running of the Moore Global Network is enabled by our governance structure. Key elements include the Global Board, the Network Secretariat and our regional and national organisations.

The Global Board brings together representatives from across the regions. Its role is to establish, implement and monitor the policies of Moore Global Network Limited. The committee meets at least twice a year in varying locations.

The Network Executive Team handles the day-to-day management and administration of MGNL – providing the services of an executive office.

Anton Colella, Global CEO of Moore Global Network Limited, leads the international executive team.

MGNL does not provide professional service to clients, either directly manages or controls any member firm. Member firms provide professional services on the territorial principle, with respect to legal and professional regulations applicable in country in which they operate. No one member firm, as well as MGNL, is responsible for other member's operation.

¹ Moore Stephens International limited changed name to Moore Global Network Limited on 9 September 2019.

3 Legal Form, Ownership Structure and Management Structure

Legal Form

Company for audit accounting and consulting "MOORE Stephens Revizija i Racunovodstvo" d.o.o., Belgrade, (hereinafter: the Company, the Firm or Moore Serbia), was founded on 19.5.1994, and was registered in accordance with the Law on Companies of the Republic of Serbia, as a limited liability company.

The address of the Company's headquarters is in Belgrade - Stari grad, Studentski trg 4 / V Street, and the registration number is 06974848.

The company is in the register of the Ministry of Finance of the Republic of Serbia, work permit decision r no. 401-00-2041 / 2014-16 from 08.07.2014..

The company has registered three branches at the following addresses:

- Niš (TPC Kalča, Obrenovićeve bb, II floor, lamella A),
- Novi Sad (Bulevar Mihajla Pupina 6 / V)
- Zrenjanin (Gimnazijska 17).

Ownership Structure

100% of the Company's capital is owned by domestic individuals. The total number of stakeholders is 15 and they are all employees of the Firm. Of that number 11 are Licensed Certified Auditors.

Details on the ownership structure of the Company can be seen in the public register of the Business Registers Agency of the Republic of Serbia (www.apr.gov.rs).

Management Structure

In accordance with the Companies Act of the Republic of Serbia, the Company is managed by the Assembly, which consists of all members of the Company who has voting rights proportional to the ownership share in the capital of the Company. The President of the Assembly is Ljubiša Stević, Licensed Certified Auditor.

Organization and management of the company "Moore Stephens Revizija i Racunovodstvo" d.o.o. Belgrade are regulated by the Founding Act, and are regulated in more detail by the Rulebook on the organization and systematization of business.

The legal representative of the Company is Bogoljub Aleksić - Director, Licensed Certified Auditor, and the other representative is Jelena Terzić - Deputy Director, Licensed Certified Auditor. They are appointed by the Assembly of the company.

According to the services it provides, Moore Serbia is organized into Sectors and Departments. At the head of the Sector are directors of the sector, and Departments are headed by the Heads of the departments, who are appointed by the director of the Company and who are responsible for the quality of work within their competence.

The territorial organization of Moore Serbia includes Headquarters in Belgrade and three Branches (in Nis, Novi Sad and Zrenjanin), which are managed, with limited powers and responsibilities, by the heads of the Branches appointed by the director of the company.

The company has a permanent employment of 12 licensed certified auditors (of which 3 are partners and 9 are senior managers) to whom are delegated the main responsibilities related to the quality control system of the firm.

Total number of employees in the company on 31.12.2020 is 58, of which 46 in the Audit Department.

The entire business of Moore Serbia is performed within the "Moore Stephens Revizija i Računovodstvo" d.o.o. and the Company has no ownership stake in other legal entities.

4 Quality Control Policies and Procedures



Moore Serbia has adopted policies and procedures of the internal quality control system that are designed to meet the requirements of International Standard on Quality Control 1 - Quality Control for Firms That

Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements ('ISQC 1'), and International Standards on Auditing 220 - Quality Control of Audits of Financial Statements (ISA 200), as well as requirements arising from the provisions of the Law on Auditing ("Official Gazette of RS" No. 73/2019), Rulebook on Conditions for Performance audits of financial reports of public companies ("Official Gazette of RS" no. 114/2013, 92/2018 and 158/2020) and acts adopted by the Chamber of Certified Auditors of Serbia.

Quality control policies and procedures are regulated by the Rulebook on the quality control system for the provision of audit and review of financial statements, other assurance services and related services (Quality Manual), last updated on October 31, 2020.

The Quality Manual is in all essential elements harmonized with the MGNL specimen Quality Manual.

The objective of the firm is to establish and maintain a system of quality control to provide it with reasonable assurance that:

- The firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and
- Reports issued by the firm or engagement partners are appropriate in the circumstances.

All employees participating in the provision of professional services are expected to be always familiar with the content of quality control policies and procedures prescribed by the firm's Quality Manual and to fully comply with them. This applies to all employees, regardless of the legal form of their employment in the company.

All personnel involved in audit and other assurance engagements should be required to read Quality Manual and sign a declaration that they have done so (at the time of employment, and thereafter at least once a year).

The firm's quality control system includes the following essential elements:

- Responsibility for the quality of professional services provided
- Ethic and Independence
- Client and Engagement Acceptance and Continuance
- Human Resources
- Engagement Performance
- Engagement Quality Control Review
- Monitoring.

5 Leadership Responsibilities for Quality in the Firm

The firm is fully committed to quality and recognizes the importance of providing consistently high quality services in providing audit, review, other assurance and related services. The policy of the firm's management is to provide and allocate the necessary resources for the development, maintenance, documentation and support of the established quality control system.

The ultimate responsibility for the company's quality control system and supervision over its functioning lies with the director of the company (Managing Partner) - Bogoljub Aleksić.

The director of the company is at the same time:

- Partner with responsibility for quality.

The director, in the capacity of a partner responsible for quality, appoints other partners responsible for certain areas of the quality control system in the company:

- Ethical partner – Jelena Terzić;
- Partner responsible for risk management – Ružica Vukosavljević;
- Partner responsible for human resources and recruitment – Jelena Beljkaš;
- Partner responsible for training – Stanko Rebić;
- Audit compliance partner – Marko Filipović.

The partner responsible for quality is responsible for the functioning of the quality control system and coordination of tasks entrusted to other partners.

The Partner with responsibility for quality is responsible for the maintenance of the Manual. He is also responsible for compiling the annual Transparency report, and publishing it in accordance with the Manual (on the company's website and intranet network) and legislation (on the website of the Chamber of Certified Auditors).

All appointed partners are responsible for the proper and efficient functioning of the company's policies and procedures in relation to the quality control system within their competence.

All responsible partners in charge of quality are Licensed Certified Auditors with a minimum of 10 years of experience in providing audit services.

All other employees engaged in the provision of audit services and other assurance services are responsible for the operational functioning of the quality control system (operational responsibility) within the limits of their competencies and authorities.

6 Ethics and Independence

The firm and all of its employees (and if applicable external experts) must meet all relevant ethical requirements arising from the IESBA Code of Ethics for Professional Accountants and relevant domestic regulations.

The firm's policies and procedures are designed to achieve compliance with all applicable independence and ethical requirements. In particular these should cover:

- Public interest
- Integrity
- Objectivity
- Independence
- Confidentiality
- Professional competence and due care
- Professional behaviour.

The firm and licensed certified auditors are required to ensure that they maintain professional skepticism when conducting a statutory audit, regardless of previous experience with the integrity of the client's management.

Communication

The Ethics Partner is responsible for advising all professional personnel of any change) to the IESBA Code and any other applicable code) of ethics. The firm in general, and the Ethics Partner in particular, shall accumulate and communicate relevant information to appropriate personnel on a timely basis.

Personnel are required to notify to the Ethics Partner any potential breaches of ethics or independence requirements of which they become aware, including instances with which they have no personal involvement.

The firm and its personnel can readily determine whether they satisfy requirements concerning ethics and independence.

The Ethics Partner can maintain and update the firm's records relating to ethics and independence.

The firm can take on a timely basis appropriate action regarding identified potential threats to independence that are not at an acceptable level.

The Ethics Partner is responsible for the determination of whether a circumstance that has come to light is potentially an independence breach and the action(s) to be taken by the firm and/or relevant personnel in order to resolve the matter in a satisfactory manner. If a member of staff is dissatisfied with the determination of the Ethics Partner they may refer the matter in writing to the Senior Partner, whose decision is final.

In the case of public interest entities or their affiliates, they will also present the results of the search for possible conflicts of interest globally using the Copernicus database - a tool for checking conflicts of interest within the network available on MGNL Intranet.

Independence

The Company has established policies and procedures to prevent, identify and address threats to the independence of auditors, and regularly conducts internal reviews of compliance with independence requirements.

In general threats to independence may arise under any of the following headings:

- Self-interest threat – where the firm or a member of the engagement team has a financial interest in an assurance client, either as a result of investment, loan, scale of client fees or other self-interest;
- Self-review threat – where the firm or a member of the engagement team was previously a director or other officer of the client or employee of the client involved in the preparation of financial information and is in a position to exert influence on the conduct or outcome of the assurance engagement;
- Advocacy threat – where the firm or a member of the engagement team is perceived to promote a client's position or opinion to the point that objectivity may be perceived to be compromised;
- Familiarity threat – where the firm or a member of the engagement team has a close relationship with the assurance client, including through elapse of time, and may have become too sympathetic to the client's interests;
- Intimidation threat – where the firm or a member of the engagement team through pressure or threats, actual or perceived, from a director, officer or employee of the client, may be deterred from acting objectively and exercising professional scepticism.

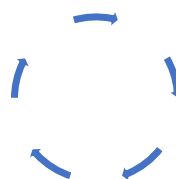
All firm personnel required to be independent by the relevant ethical requirements must provide to the Ethics Partner, at least annually, with a written confirmation continuing compliance with the firm's policies on independence and other professional matters using standard form.

Each audit engagement must contain a written statement from each team member that he or she has the required degree of personal independence from the audit client at the beginning of the engagement, and that it was maintained for the duration or until the end of the engagement.

In addition, a certificate of independence is submitted to the client's audit committee in accordance with Article 453 of the Companies Act and Article 54 of the Capital Market Act.

Any actual or potential threat to independence shall be referred to the Ethics Partner for a decision as to how the matter is to be resolved. Any disagreement between the engagement partner and the Ethics Partner shall be referred to the Managing Partner for a final decision on how the matter is to be resolved. Each identified potential conflict of interest is considered and discussed, and the conclusion is documented.

Rotation



Moore Serbia has established policies and procedures that require the rotation of Key engagement partner(s) or Engagement Quality Control Reviewer(s).

A long association with an audit client presents a potential threat to objectivity and independence and may be perceived as doing so by third parties. The consequent self-review and familiarity threats are managed in accordance with the following policies.

In order to avoid the familiarity of the Key engagement partner or Engagement quality control reviewer during longer work with the same client, which could jeopardize their objectivity, its rotation in relation to the audit clients is mandatory.

The firm's policy is to rotate at least every 7 years, provided that the Key engagement partner or Engagement quality control reviewer may audit again the same audit client after 3 years from the signing of the last audit report.

In the case of public interest entities, the firm may perform an audit for a maximum of 10 consecutive years with the same company, provided that after the expiration of the allowed period it may not perform an audit with the same client for the next 4 years.

If the requirements for rotation prescribed by the state or regulatory bodies for certain companies of public interest (public companies, banks ...) are different, ie the deadlines are shorter (5 years), these requirements apply.

7 Client and Engagement Acceptance and Continuance

Client and Engagement Acceptance



The firm's policies and procedures for the acceptance and continuance of client relationships and specific engagements are designed to provide the firm with reasonable

assurance that it will only undertake or continue relationships and engagements where:

- The firm does not have information that would lead it to conclude that the client lacks of integrity;
- The firm is competent and legally authorised to perform the engagement;
- The firm has the capabilities, time and resources to perform the engagement; and
- The firm and its relevant personnel comply with relevant ethical requirements (in all relevant jurisdictions).

The proposed engagement partner must consider:

- The identity and business reputation of the client's principal owners and key management,
- The nature of the client's operations, including its business practices
- Information concerning the attitude of the client's principal owners, key management and those charged with its governance towards such matters as aggressive interpretation of accounting standards and the internal control environment
- Whether the client is aggressively concerned with keeping fees as low as possible
- Indications of an inappropriate limitation in the scope of work
- Indications that the client and/or its staff might be involved in money laundering or other criminal activities
- The reasons for the proposed appointment of the firm and non- reappointment of the predecessor firm
- Any disputes with the existing auditors or indications of 'opinion shopping'.

To get answers to the above questions, a firm needs to: research available databases, using standard tools like World-Check and Bisnode, and use other available sources.

The initial responsibility for carrying out these procedures lies with the engagement partner, provided that he must consult with the ethics partner and the risk management partner before making a decision to accept the engagement.

Issues within the scope of prevention of money laundering and terrorist financing must be considered and documented in accordance with specially defined policies and procedures established by the Company in a special rulebook.

Matters the firm's designated partners should consider when determining whether it has the appropriate competence, capabilities, time and other resources to accept or continue an engagement or client relationship are to include:

- whether the firm and the possess the appropriate legal authorisation to perform the engagement in the jurisdiction in question
- Whether the firm has suitably qualified staff with appropriate knowledge of relevant industries or subject matters and experience with relevant regulatory or reporting requirements, (or the ability to gain the necessary skills and knowledge effectively);
- Whether the firm has sufficient staff with the necessary capabilities and competence;
- Whether suitable experts will be available, if needed;
- Whether individuals meeting the criteria and eligibility requirements to perform Engagement Quality Control Review are available, where applicable; and
- Whether the firm will be able to complete the engagement within the reporting deadline.

Client and Engagement Continuance

During the course of an engagement, the firm may obtain information that would have caused it to decline that engagement if the information had been available during the acceptance process. In such circumstances, this needs to be documented, and the engagement re-examined and the need to terminate it considered.

Withdrawing from an engagement

Where the firm's designated partners determine that the only course of action is to withdraw from the engagement, the client relationship or both, these conclusions are discussed with the appropriate level of the client's management and those charged with its governance.

The final decision on acceptance and continuance or termination of engagement is up to the partner responsible for quality (director of the company).

8 Human Resources



The management of the firm is aware that the quality of performing audit engagements depends on the quality of the persons we employ. For this reason, we have established policies and procedures that

should provide reasonable assurance that the Company has sufficient employees with adequate professional and technical knowledge necessary to perform audit engagements in a quality manner. Therefore, high importance is attached to the recruitment and selection of new staff.

Training and professional education

The company is obliged to provide employees with the necessary professional training and continuous professional education.

This is achieved through:

- technical structured training (internal and external),
- on the job training,
- for licensed certified auditors - Continuous professional development (CPD).

In order to circulate knowledge and its exchange between employees, the company:

- encourages the transfer and exchange of knowledge between employees in their daily work,
- organizes working meetings at which they discuss professional issues and take common positions,
- circulates guidance and information regarding technical, professional and regulatory developments and changes as necessary;
- ensures the availability of all interpretations, views and opinions issued by the company on the server and notification by e-mail;
- provides all employees with access to the Moore Intranet and its resources
- Provides all employees with access to the Moore mobile app through which news and best practices are shared for a variety of professional services in a variety of industries.

Relevant staff are required to comply with the CPD requirements set out in IFAC International Education Standard 7 as a minimum at least 120 hours in each rolling three-year period. At least 20 hours to be undertaken in each year.

The Company's policy is to conduct regular evaluations of junior and senior staff after each audit engagement by the audit manager or engagement partner.

Performance appraisal and evaluation

In accordance with professional requirements, and in order to maintain the high quality of services provided, the company has established procedures for evaluating its employees in order to promote only those who meet the prescribed requirements and have adequate capabilities and competence.

The firm's policies regarding staff appraisal/evaluation are as follows:

- Staff appraisals/evaluations are performed at least annually.
- Junior staff should receive appraisals/evaluations more frequently, in particular at the conclusion of each engagement of a duration of two weeks or longer.
- All appraisals/evaluations are documented using the firm's standard documentation.
- Appraisal/evaluations are an integral part of the promotion/remuneration assessment process.

Promotion and remuneration

Partners are remunerated out of the profits of the firm included monthly salaries and yearly bonuses.

Each partner's remuneration is assessed by reference to their individual contribution to the firm taking into account a wide range of criteria, including:

- promoting audit quality;
- delivering quality work;
- having strong technical skills;
- providing excellent client service;
- complying with all legal and regulatory requirements;
- following firm procedures/policies;
- developing clients and client relationships;
- winning new business/new clients;
- developing new services;
- supporting and developing others;
- helping to develop the firm's profile.

9 Engagement Performance

Planning

All engagements that the firm undertakes must be adequately planned, supervised and reviewed according to the standards of the profession and the firm. The engagement partner remains responsible for the engagement and its performance regardless of any delegation that may take place in order to perform the work necessary to issue the report.

Delegation of audit engagements is performed after consideration of available resources and capacities. When delegating an engagement, it is crucial to ensure audit quality, independence and competence, while also considering the experience, specialist knowledge and authority of the key audit partner in relation to the requirements of the specific engagement.

Key audit partners and Engagement Quality Control Reviewers of the audit engagement can only be persons with the acquired professional title of Certified auditor and a valid license of the Chamber of Certified Auditors.

The Firm is obliged to provide the key audit partner with sufficient resources and staff who have the necessary competencies and ability to perform quality work.

The key audit partner must actively participate in the audit, ie to devote sufficient time and allocate sufficient resources that will enable him to perform the work in a quality manner.

The audit engagement planning phase includes the following:

- informs the engagement team of their roles, responsibilities and objectives, as well as important issues related to the engagement; and
- outlines supervision and review responsibilities and other quality control procedures specific to the engagement;
- includes developing an overall audit strategy and preparing a detailed audit approach to performing an engagement; and
- allows for the selection of appropriate audit procedures in response to assessed risks of material misstatement, through the design and implementation of appropriate responses to those risks, in particular significant risks, in the context of verifying management's assertions.



Engagement performance

Methodology

The firm's policies and procedures relating to audit engagement performance are designed to provide it with reasonable assurance that the audit engagements the firm undertakes are performed in accordance with professional standards and regulatory and legal requirements, and that the firm or the allocated engagement partner issues audit reports that are appropriate in the circumstances.

All audits are performed in accordance with the firm's audit manual and using the firm's standard audit documentation and audit software, modified and augmented according to the particular circumstances of the engagement. Exceptionally different approaches may be used, generally when dealing with not-for-profit organisations. The use of a non-standard approach or documentation must be confirmed by the Partner with responsibility for quality. The firm's audit manual and the firm's standard audit documentation and audit software are fully compliant with ISAs, national standards on auditing and alternative or additional applicable engagement standards.

Quality control policies and procedures and the Audit manual are reviewed annually to ensure that they are current, and are updated in a timely manner in the event of a change in standards or legislation.

Technology

Specialized audit software CaseWare is used to perform the audit, and its full implementation is in the final stage.

Employees use other specialized software during the audit: IDEA, and TeamMate for database search audit sampling and analytical procedures, as well as other software used in the process of identifying owners and related parties (World Check and Bisnode).

Supervision, review and consultation

The firm's supervision policy is that appropriate supervision must be provided at all stages of the engagement for all members of the engagement team below the level of the engagement partner. Supervision within the teams should be tailored individually to take into account the different levels of experience within the teams involved.

It is the firm's policy that the more experienced engagement team members – including the engagement partner - review the work of the less experienced team members. The review of an engagement includes reviewing the work performed, the significant judgements made and the final report proposed.

The engagement partner is responsible for ensuring that both a detailed and a general review are performed on every assurance engagement. The detailed review may be delegated to a competent and experienced individual, such as the engagement manager.

A detailed (manager) review requires a comprehensive inspection of all working papers and is evidenced. A general (partner) review requires an objective inspection of work performed on sensitive and key risk areas of the engagement. The goal is to ensure the work performed meets all relevant professional and firm standards and supports the conclusions reached.

Where required by firm procedures an Engagement Quality Control Review is to be undertaken by an individual not involved with the day to day performance of the engagement with the necessary knowledge and experience.

All members of engagement teams are encouraged to consult within the firm, formally or informally as appropriate, on any matter where they feel the need for support. Where a member of an engagement team has consulted informally and the consultant believes the matter should be the subject of a formal consultation, the firm's policies and procedures regarding formal consultation are to be followed.

Formal consultation may take place within engagement teams or between members of engagement teams and other appropriate partners or specialists within the firm, MSIL technical experts, or suitably qualified external consultants.

Differences of opinion may occur within engagement teams, between members of engagement teams and individuals approached for consultation, and between engagement partners and Engagement Quality Control Reviewers.

Differences of opinion may occur within engagement teams, between members of engagement teams and individuals approached for consultation, and between engagement partners and Engagement Quality Control Reviewers.

Engagement documentation

All employees in the company develop an awareness that the audit work is strictly formal and involves the collection of (sufficient) audit evidence to support the conclusions and the expressed audit opinion. So everything that is not documented can be considered not done. The engagement partner is responsible for completion of all working documentation of the engagement.

The engagement documentation (working papers) on the basis of which the audit report is prepared is compiled in the Serbian language, and the audit software may also be in another (English) language.

The audit manual of the firm contains standard working papers, which must be filled in electronically or (exceptionally) in writing with the proviso that scanning of all hand-made working papers and their disposal in (electronic) audit files is mandatory. All audit documentation is classified and disposed of in one of three audit files: Permanent audit file, Current audit file and Correspondence file.

It is the firm's policy that engagement teams complete the assembly of final engagement files within 60 days of the date of the engagement report, unless there are specific legal or regulatory requirements stipulating an earlier completion date for that engagement.

The firm's policy is to retain all engagement documentation for a period of six years as required by law or regulation, starting from the business year to which the audit relates, except for certain types of documentation that are kept longer.

The company, its licensed certified auditors and other employees are obliged to keep all information, documents, data, facts to which they have access during the audit as confidential.

10 Engagement Quality Control Review

The firm's policy is to require an Engagement Quality Control Review for all audits of Public interest entities in accordance with Law on Auditing.

The following criteria are to be considered when determining what other audit or assurance engagements require such reviews:

- Relative size of fee (in the Firm's and Engagement partner's portfolio).
- Degree of public interest
- Nature of the engagement (for engagement requiring particular specialist knowledge or which is subject to particular regulatory scrutiny),
- Risk (engagements where the firm has identified a high level of business risk or fraud risk).

The initial determination as to whether an engagement is likely to require an Engagement Quality Control Review is to be made at the acceptance stage and should be documented.

There may be additional factors which trigger a requirement for an Engagement Quality Control Review after an engagement has already commenced.

The Engagement Quality Control Reviewer must conduct the review in a timely manner at appropriate stages during the engagement so that significant matters are resolved promptly to the reviewer's satisfaction before the report is issued.

An Engagement Quality Control Review does not reduce in any way the responsibilities of the engagement partner. The extent of the review depends on the complexity of the engagement and the risk that the report might not be appropriate in the circumstances.

In general, an Engagement Quality Control Review is to involve, as a minimum:

- Discussion of significant matters with the engagement partner;
- A review of the financial statements or other subject matter information and the report;
- A review of selected engagement documentation relating to the significant judgements made by the engagement team and the conclusions it reached;
- Evaluation of the conclusions reached in formulating the report and consideration of whether the proposed report is appropriate.

An Engagement Quality Control Review for audits of financial statements of listed entities must include, in addition, consideration of:

- ✓ The engagement team's evaluation of the firm's independence in relation to the engagement;
- ✓ Significant risks identified during the engagement and the responses to those risks;
- ✓ Judgements made, particularly with respect to materiality and significant risks;
- ✓ Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations;
- ✓ The significance and disposition of corrected and uncorrected misstatements identified during the engagement;
- ✓ The matters to be communicated to management and those charged with governance and, where applicable, other parties such as regulatory bodies;
- ✓ Whether documentation selected for review reflect the work performed in relation to the significant judgements and support the conclusions reached;
- ✓ The appropriateness of the report to be issued.

The firm's policy is to select as Engagement Quality Control Reviewers individuals who are qualified by experience of the business sector to act as the engagement partner for that engagement. Engagement Quality Control Reviewers must have sufficient experience and authority to perform the role effectively.

The firm's policy is that an Engagement Quality Control Reviewer:

- Does not otherwise participate in the engagement during the period of review;
- Does not make decisions for the engagement team;
- Is not subject to other considerations that would threaten the reviewer's objectivity.

The firm has established policies and procedures to deal with in the event of differences of opinion, between members of the audit team or Engagement partners and Engagement Quality Control Reviewer. All conclusions regarding the above must be documented in writing.

11 Monitoring

Moore Global IMP

Consistent performance quality is the key to a successful firm; and to a successful network. That same commitment to quality must be reflected by Moore member firms.

MGNL je za upotrebu od strane firmi članica razvio priručnik za Interni monitoring program (IMP) koji treba da obezbedi jedinstveni pristup monitoringu.

MGNL has an absolute commitment to quality. The MGNL IMP toolkit has been developed for use by Moore member firms, national umbrellas and regional clusters.

In accordance with the toolkit IMP reviews should be performed using the relevant MSIL forms:

- MSQ 5 IMP;
- MSQ 5QC IMP; and
- MSQ 7 IMP.

MGNL Reviews Database is designed to track and manage various types of reviews with in the MGNL network, including but not limited to IMP reviews and Network reviews. Firms should upload the working, MSQs, root cause analysis and action plan of their IMP reviews into the system. Firms should also upload the results and related documents from their local regulatory reviews.

Moore Serbia IMP

Moore Serbia fully adheres to the policies and procedures established by MGNL.

The Company's quality control system includes a monitoring process, which is designed to provide reasonable assurance that the policies and procedures related to the company's quality control system are relevant, adequate and efficient.

This can be confirmed by management of the firm based on controls performed so far.

The firm conduct monitoring of the internal quality control system, i.e. checks its compliance with ISQC 1, every year using the MSQ 5QC IMP form.

Monitoring of audit engagements is mandatory conducted over audit engagements once a year, after the issuance of the audit opinion and completion of audit files.

The minimum scope of the monitoring of audit engagements (carried out using MSQ 5 IMP) is as follows:

- Each engagement partner should be subject to at least one review of the audit file over a period of 3 years;
- Where engagement partner files are found to contain significant weaknesses, they will be subject to additional reviews within this cycle.

All persons responsible for IMP reviews must be experienced, qualified auditors with appropriate authority to perform the assigned tasks. They must be partners or senior managers, with authority from those they evaluate, as a result of their technical knowledge and experience.

The results of the conducted IMP review are recorded using MSQ 7 IMP, and those responsible for quality control in the firm must decide what is the best way to convey the relevant results to the appropriate partners and staff.

RCA and Action Plan



The firm's policy is to perform an Root Cause Analyzes (RCA) after each monitoring. RCA is a technique for considering review findings – an RCA exercise is an exercise in getting to the bottom – the root

cause – of sub optimal review findings. An RCA exercise should be designed to help firms treat the cause rather than the symptom of review findings. RCA is all about asking the key question 'WHY did this happen' and identifying the root cause.

An effective RCA will:

- Identify potential root causes linked directly to one or more review findings
- Be capable of feeding into an action plan to remedy the identified root causes
- Identify key factors which if addressed would have a positive impact on:
 - Audit quality
 - Remedying identified review findings.

Once the RCA is completed, the partner responsible for quality organizes the preparation of the Action Plan, which results from the monitoring findings and aims to overcome the identified weaknesses and their recurrence in the future.

An effective action plan will:

- The desired outcomes which are being addressed
- A reference to the source(s) which identified these outcomes
- One of more clear actions which will be taken to achieve each outcome identified
- An owner of each clear action (ie the name of the person who is tasked with delivering it)
- A date for delivery (possibly with stage dates)
- An explanation of how success will be evaluated once the action has been put in place and had a chance to be effective
- Properly documented.

Consideration of complaints and objections

The quality control system includes the consideration of complaints, grievances and objections received by employees or from external sources. The company's policy is to keep records of received complaints and objections to the quality control system and perform audit engagements.

Employees are encouraged to present their observations and suggestions for improving the quality control system.

Internal Monitoring

The last internal quality control was performed during October 2020 by the appointed quality controllers, and the report is dated October 30, 2020. In addition to checking the functioning of the internal quality control system, the quality control also included 4 audit engagements (one for four licensed certified auditors) of the statutory audit of financial statements for 2019. The results were satisfactory. Based on the result of the internal quality control, which identified minor weaknesses in the quality control system and the audit engagements, a root cause analysis (RCA) was performed. Based on RCA an action plan was proposed with clearly defined action, owners of the action and deadlines for their implementation.

External Monitoring

The Chamber of Certified Auditors controls the quality of the audit work of all audit firms in Serbia in regular cycle every three years. The last external quality control of Moore Serbia performed by the Chamber of Certified Auditors conducted in the period from September 16 to September 19, 2019. The subject of control was a review of the internal quality control system, i.e. established quality control policies and procedures. The review also included quality control of audits files of financial statements for 2018. In the minutes dated 20.9.2019. no irregularities in the work or measures were imposed.

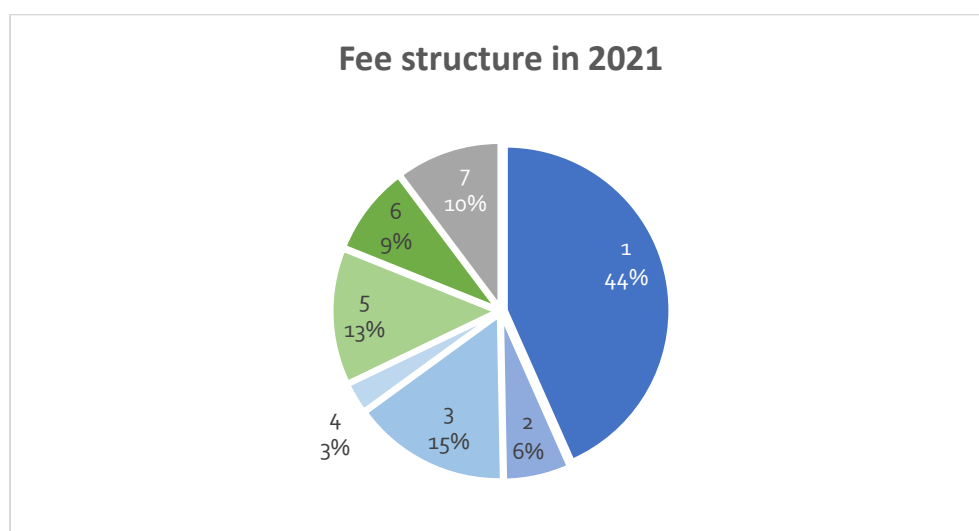
External quality control is performed, in accordance with the IMP MGNL by engaged external controllers at least once every three years. Quality control by MSEL was last conducted in January 2020. The subject of control was the system of internal quality control, and 4 audit engagements of audits of financial statements for 2018. In the Report of the Controller at MSQ 7 IMP, it was stated that significant progress has been made in most segments compared to the previous control, and apart from certain objections in the implementation of the internal monitoring program, no other irregularities were found.

Appendix A - Financial information



In 2021 the Firm incurred total income in the amount of EUR 1.89 million (2020 - EUR 1.70 million) therefrom total fee turnover in the amount of EUR 1.82 million (2020 - EUR 1.63 million). The following table shows the structure of the services provided:

EUR			
No	Type of service	2021	2020
1	Mandatory audit	787,154	649,315
2	Other audit	115,122	128,760
3	Other assurance services	277,344	248,196
4	Related services	52,541	63,069
5	Bookkeeping and payroll	239,778	208,833
6	Tax	157,450	184,154
7	Other services	185,867	147,166
	Total fee turnover	1.815,256	1,629,493



The total revenue from additional services (Tax and Other services) provided to clients that were subject to audit, which is mandatory in accordance with the Law on Audit, amounted to EUR 144,090.

Total revenue from additional services (Tax and Other services) for other audits amounted to EUR 130,956.

Appendix B - Public Interest Entities

The tables below list the companies of public interest (listed companies and large entities) in which the Moore Serbia performed an audit during the business year 2021.

Listed entities:

No	Client Name	ID	Date of Audit Report	Date of the Contract
1	AD DIB Bujanovac, Bujanovac	07179049	31.12.2019.	22-Jul-19
2	Alfa plam a.d., Vranje	07137923	31.12.2019.	30-Sep-19
3	BB Trade a.d., Žitište	08038791	31.12.2019.	10-Apr-19
4	Budućnost a.d., Preševo	07179243	31.12.2019.	12-Sep-19
5	Energoprojekt Holding a.d., Beograd	07023014	31.12.2019.	18-Sep-19
6	Globos osiguranje a.d., Beograd	06936253	31.12.2019.	16-Aug-19
7	Jubmes banka a.d., Beograd	07074433	31.12.2019.	05-May-19
8	Kačarevo a.d. Kačarevo	08047715	31.12.2019.	30-Sep-19
9	Megal a.d., Bujanovac	07260580	31.12.2019.	18-Sep-19
10	Rapid a.d., Apatin	08027714	31.12.2019.	30-Sep-19
11	Ribnjak Sutjeska a.d., Sutjeska	08408793	31.12.2019.	24-Jan-20
12	Saobraćaj i transport a.d., Zrenjanin	08000859	31.12.2019.	06-Feb-20
13	Standard a.d., Leskovac	07367007	31.12.2019.	06-May-19
14	Stari Tamiš a.d., Pančevo	08047731	31.12.2019.	12-Sep-19
15	UTP Kaštel a.d., Ečka	08185956	31.12.2019.	24-Jul-19
16	Vino kalem a.d., Velika Drenova	07154747	31.12.2019.	30-Sep-19

The total revenue from the statutory audit services for the aforementioned listed entities amounted to EUR 65,412.

Large entities:

No	Client Name	ID	Date of Audit Report	Date of the Contract
1	Alca Trgovina d.o.o., Beograd	17416936	31.12.2019.	30-Sep-19
2	Alco Group Hoteli d.o.o., Beograd	21504734	31.12.2019.	30-Sep-19
3	Almex d.o.o., Pančevo	08325316	31.12.2019.	30-Sep-19
4	API Bank a.d., Beograd	20439866	31.12.2019.	10-Jul-19
5	JKP Beogradske elektrane, Beograd	07020210	31.12.2019.	23-Aug-19
6	Chip Card a.d., Beograd	17564374	31.12.2019.	16-Jul-19
7	DTD Ribarstvo d.o.o., Novi Sad	08092427	31.12.2019.	30-Sep-19
8	Đak d.o.o., Beograd	07512481	31.12.2019.	16-Sep-19
9	Energoprojekt Niskogradnja a.d., Beograd	07073160	31.12.2019.	19-Sep-19
10	Energoprojekt Oprema a.d., Beograd	07073186	31.12.2019.	03-Jul-19
11	Energoprojekt Visokogradnja a.d., Beograd	07073151	31.12.2019.	03-Jul-19
12	Farmina pet foods d.o.o., Indija	20157658	31.12.2019.	13-Aug-19
13	Fond federacije za finansiranje..., Beograd	07002858	31.12.2019.	26-Jun-20
14	Fond za povećanje zaposlenosti..., Beograd	07077211	31.12.2019.	26-Jun-20
15	Fond za razvoj Republike Srbije, Beograd	07904959	31.12.2019.	28-Oct-19
16	Jorgic broker a.d., Beograd	17162128	31.12.2019.	13-Apr-20
17	JP Putevi Srbije, Beograd	20132248	31.12.2019.	12-Aug-19
18	Knott-autoflex d.o.o., Bečej	08803374	31.12.2019.	15-Jul-19
19	Kontrola letenja SMATSA d.o.o., Beograd	17520407	31.12.2019.	15-Apr-19
20	Mediolanum Invest a.d., Beograd	17163531	31.12.2019.	30-Sep-19
21	Mercata d.o.o., Beograd	07777663	31.12.2019.	30-Sep-19
22	NCR d.o.o., Beograd	20764406	31.12.2019.	10-Sep-19
23	Nicefoods restorani d.o.o., Beograd	07092652	31.12.2019.	18-Sep-17
24	Ogranak Integral Inženjering, Niš	29505241	31.12.2019.	26-Sep-19
25	Payspot d.o.o., Novi Sad	21157074	31.12.2019.	28-Aug-19
26	Pionir d.o.o., Beograd	17450689	31.12.2019.	30-Sep-19
27	Piraeus Leasing d.o.o., Beograd - u likvidaciji	20321415	31.12.2019.	30-Sep-19
28	Put Inženjering d.o.o., Niš	06160000	31.12.2019.	20-Aug-19
29	Quick Faktoring d.o.o., Beograd	21109304	31.12.2019.	30-Sep-19
30	Yugorosgaz a.d., Beograd	17155903	31.12.2019.	09-Jul-19

The total revenue from the statutory audit services for the aforementioned public interest entities (including listed entities) amounted to EUR 305,094.

The total revenue from the audit services for the previously mentioned companies of public interest (including listed companies) and companies belonging to the group of companies whose parent company is a public interest company amounted to EUR 388,629.

The total revenue from the statutory audit services provided to entities that are not public interest entities (nor companies belonging to the group of companies whose parent company is a public interest entity) amounted to EUR 513,594.

Appendix C - List of public entities and related parties to which consulting services have been provided

In accordance with the requirement of Article 5, item (2), indent 7 of the Roolebook on the conditions for auditing the financial statements of public companies, below we present a list of public companies (listed entities) and related parties to which Moore Serbia provided consulting services in 2020:

Comparative analysis for the needs of the transfer pricing study for 2019 were provided to public companies under numbers 1 and 2, and IT audit services (ISO 27001) to public company under number 3.

No	Client Name	ID	Status
1	Kačarevo a.d., Kačarevo	08047715	Public entity
2	Stari Tamiš a.d., Pančevo	08047731	Public entity
3	Alfa-Plam a.d., Vranje	07137923	Public entity

Comparative analysis for the needs of the study on transfer prices for 2019 were also provided to the following legal entities related to the public companies:

No	Client Name	ID	Status
1	Almex-Veterinarska služba, Pančevo	20604638	Related party to public entity under No 1 and 2
2	Almex Agrar d.o.o, Kikinda	20849487	Related party to public entity under No 1 and 2
3	Petefi d.o.o., Termerin	08053324	Related party to public entity under No 1 and 2
4	Pokrok d.o.o., Padina	08173613	Related party to public entity under No 1 and 2
5	Industrija skroba Jabuka d.o.o., Pančevo	08047618	Related party to public entity under No 1 and 2
6	FSH Jabuka d.o.o., Pančevo	08048037	Related party to public entity under No 1 and 2
7	Zlatar d.o.o, Mramorak	08044350	Related party to public entity under No 1 and 2
8	Poljoprivredno gazdinstvo Srđan Aleksa, Pančevo	802301001930	Related party to public entity under No 1 and 2
9	Poljoprivredno gazdinstvo Miroslav Aleksa, Pančevo	802301004620	Related party to public entity under No 1 and 2
10	Fotos d.o.o., Crepaja	08470634	Related party to public entity under No 1 and 2
11	Almex d.o.o., Pančevo	08325316	Related party to public entity under No 1 and 2
12	Seme-Tamiš, d.o.o., Pančevo	08047634	Related party to public entity under No 1 and 2
13	Margo Prima, d.o.o., Pančevo	20192593	Related party to public entity under No 1 and 2
14	FOS d.o.o., Surdulica	21198943	Related party to Alfa-plam a.d., Vranje (No 3)
15	Energoprojekt Industrija a.d., Beograd	07073224	Related party to Energoprojekt a.d., Beograd
16	Energoprojekt Energodata a.d., Beograd	07023081	Related party to Energoprojekt a.d., Beograd
17	Energoprojekt Niskogradnja a.d., Beograd	07073160	Related party to Energoprojekt a.d., Beograd

The total revenue from the aforementioned consulting services (for public companies and related parties) amounted to EUR 18,600.

Appendix D - Audit member states and companies

Firms located in EU/EEA member states that performed statutory audits and were members of Moore Global during the period 01/01/2021-31/12/2021

Country	HQ Location	Firm Name
Albania	Tirana	Moore INTER B.B.K – Auditing sh.p.k*
Austria	Amstetten	Inter Wirtschaftsprüfungs GmbH
	Graz	MOORE BG&P Wirtschaftsprüfung GmbH
	Salzburg	Moore Salzburg GmbH
	Salzburg	Moore Interaudit Wirtschaftsprüfung GmbH
	Vienna	Kroiss & Partner
	Linz	Moore SKZ Wirtschaftsprüfung GmbH
	Innsbruck	Moore SSK
Belgium	Brussels	Moore Belgium
Bulgaria	Sofia	Moore Bulgaria Audit OOD
Croatia	Zagreb	Moore Audit Zagreb
	Varaždin	Moore Revidens d.o.o
Cyprus	Limassol	Moore Limassol Limited
	Nicosia	Moore Stylianou & Co
Czech Republic	Prague	Moore Czech Republic
Denmark	Copenhagen	Moore Denmark
Finland	Tampere	Moore Rewinet Oy
France	Paris	Coffra
Germany	Andernach	Hilger, Neumann & Partner
	Stuttgart	BW Partner
	Hannover	Mader & Peters Wirtschaftsprüfer Steuerberater Rechtsanwälte PartGmb
	Frankfurt am Main	Moore Frankfurt AG
	Munich	Moore INTARIA GmbH
	Kassel	Moore Ludewig AG
	Duisburg	Moore Rhein-Ruhr GmbH
	Mannheim	Moore Treuhand Kurpfalz GmbH
	Dortmund	Moore Westfalen AG
	Augsburg	SONNTAG
Hamburg	Moore BRL GmbH	
Gibraltar	Gibraltar	Moore Stephens Limited
Greece	Piraeus	Moore
Hungary	Budapest	Moore Hungary
	Budapest	Moore Hunaudit 2000 Kft*
	Budapest	Moore KES Audit & Advisory*
	Budapest	Moore KFT*
	Budapest	Moore Stephens Hezicomp KFT*
	Komárom	Moore Wagner Audit and Consulting Kft*
Ireland	Dublin	Moore
	Limerick	Moore Financial

Moore Serbia - Transparency Report for 2021

Italy	Reggio Emilia	Axis S.r.l
	Bolzano	Bureau Plattner
	Padova	DF Audit S.p.A.
	Messina	TAT Audit Srl
	Milan	Reviprof S.p.A.
Latvia	Riga	Moore Riga Limited*
Lithuania	Vilnius	Moore Mackonis UAB
Luxembourg	Livange	Moore Audit SA
Malta	Birkirkara	Moore
Netherlands	Amsterdam	Moore mth
	Rotterdam	Moore DRV
	Eindhoven	Moore Stephens Witlox Van den Boomen B.V.*
Norway	Oslo	Moore DA
Poland	Gdańsk	Moore Polska
Portugal	Lisbon	Moore Stephens & Associados SROC
Romania	Bucharest	Moore Audit One SRL
	Bucharest	Moore Assurance & Advisory
Slovakia	Bratislava	BDR spol s.r.o
Spain	Bilbao	Moore AMS S.L
	Oviedo	Moore Fidelitas Auditores SL
	Sevilla	Moore Auditest, S.L
	Valencia	Moore Ibergrup SAP
	Zaragoza	Moore LP SL
	Barcelona	Moore Addveris Auditores y Consultores, S.L.P
	Madrid	Moore Iberica de Auditoria SL
Sweden	Gothenburg	Moore KLN AB
	Malmö	Moore Malmö AB
	Gothenburg	Moore Ranby AB
	Stockholm	Moore Allegretto AB

*Member firms left the network during 2021

Total statutory audit fee turnover as at 31/12/21 in Euros €123.0 million

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