

REVIFORM d.o.o. SARAJEVO

AUDIT, ACCOUNTING AND CONSULTING

Sarajevo, Đoke Mazalića 1

tel. / fax (++ 387 33) 227 479 and (0) 62 335 496

E- Mail: reviform@bih.net.ba

State Electricity Regulatory Commission (SERC) - Tuzla

Independent Auditor's Report

We have audited the accompanying financial statements of the State Electricity Regulatory Commission (SERC) – Tuzla (the SERC), set out on pages 6 to 18, which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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 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 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 Company'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 Company'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 evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion

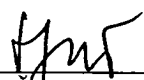
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2012, and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

REVIFORM d.o.o. Sarajevo

Edin Proho, director



Sarajevo, 28 March 2012


Suada Šljivo, certified auditor

INCOME STATEMENT

For the period ended 31 December 2012

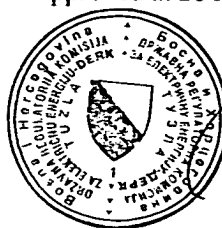
<i>(In BAM)</i>	Notes	2012	2011
REVENUES			
Income from fees	3	1,963,600	2,126,000
Other income	3	11,049	7,497
		<u>1,974,649</u>	<u>2,133,497</u>
Humanitarian income	4	-	111
Total Revenues		<u>1,974,649</u>	<u>2,133,608</u>
EXPENDITURES			
Salaries	5	1,288,411	1,273,817
Services	6	352,264	307,595
Depreciation	7	68,911	69,226
Material and energy	8	54,285	47,828
Other expenses	9	93,200	150,032
Total Expenditures		<u>1,857,071</u>	<u>1,848,498</u>
Surplus of revenues over expenditures		<u>117,578</u>	<u>285,111</u>

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
As at 31 December 2012

<i>(In BAM)</i>	Notes	2012	2011
ASSETS			
<u>Non-current assets</u>			
Intangible assets	10	16,490	22,893
Tangible assets	11	145,058	140,226
Total intangible and tangible assets		161,548	163,119
<u>Current assets</u>			
Other receivables and accruals	12	14,119	23,984
Cash at bank and in hand	13	622,613	524,587
Total current assets		636,732	548,571
TOTAL ASSETS		798,280	711,690
<u>LONG TERM FUNDS AND LIABILITIES</u>			
<u>Long term funds</u>			
Non-allocated surplus of revenues		672,522	554,944
Total Long term funds		672,522	554,944
<u>Current liabilities</u>			
Accounts payable	14	8,401	26,252
Other liabilities and accruals	15	117,357	130,494
Total current liabilities		152,758	156,746
TOTAL LONG TERM FUNDS AND LIABILITIES		798,280	711,690

The financial statements set out on pages 6 to 18 were approved at 28 March 2013.



Chairman

Milorad Tuševljak

The accompanying notes form an integral part of these financial statements.