



Financial Statements and Independent Auditors' Report

Croatia Sigurimi Sh.a.

31 December 2010

## Independent Auditors' Report

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To the Management and Shareholders of  
Croatia Sigurimi Sh.a. Insurance Company

We have audited the accompanying financial statements of Croatia Sigurimi Sh.a. Insurance Company ("further referred to as "the Company") which comprise of the Statement of the financial position as at 31 December 2010, and the Statement of comprehensive income, Statement of changes in equity and Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, included on pages 3 to 34.

### *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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *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 evidence we have obtained is 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 at 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Grant Thornton**

*GRANT THORNTON*

Prishtina,  
31 March 2011

Financial Statements  
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## Statement of financial position

		Amounts in EUR As at 31 December	
	Notes	2010	2009
<b>Assets</b>			
Cash and cash equivalents	11	418,869	821,360
Loans and advances to banks	12	4,745,000	4,203,000
Insurance and other receivables	13	459,996	263,589
Deferred acquisition costs	14	157,507	101,213
Other current assets	15	571,208	258,545
Property and equipment	16	136,980	80,780
Intangible assets	16	31,925	-
<b>Total assets</b>		<b>6,521,485</b>	<b>5,728,487</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	3,000,000	3,000,000
Retained earnings		1,307,088	865,200
<b>Total equity</b>		<b>4,307,088</b>	<b>3,865,200</b>
<b>Liabilities</b>			
Outstanding claims provision	18	1,291,819	987,610
Provision for unearned premium		750,451	713,676
Interest - bearing borrowings	19	12,722	5,150
Trade and other payables	20	159,405	156,851
<b>Total liabilities</b>		<b>2,214,397</b>	<b>1,863,287</b>
<b>Total equity and liabilities</b>		<b>6,521,485</b>	<b>5,728,487</b>

These financial statements were approved by the Board of Directors of the Company on 18 March 2011.

Signed on its behalf by,

  
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**Mr. Ivica Pezo**  
 General Director



  
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**Mrs. Iliriana Krasniqi**  
 Financial Director

See accompanying notes to the financial statements