Notification on Obligation of Preparing List of Inventory

In accordance with the Law on Accounting (“Official Gazette RS”, no. 62/2013) and Rulebook on the Methods and Terms of the Inventory and Synchronization with the Actual State (“Official Gazette RS” no.118/2013 and 137/2014, hereinafter: the “Rulebook”), companies are obliged to prepare the List of Inventory (hereinafter: “Inventory”) showing the state on December 31st, 2015.

If the company has assets of other companies/entrepreneurs, such assets have to be inventoried in special Inventory lists, and then delivered to the owner of the assets.

Inventory is done by one or more interim or permanent commissions formed by the company. The company determines the period for which the commissions are required to make the inventory, time limit for making the inventory and delivering reports to the competent body. Company’s representative, management body or supervisory body is liable for the organization and regularity of the inventory.

If the company is classified as a micro entity, the Inventory may be performed by a single person.

The Inventory is performed in accordance with the work schedule made by the commission prior to the Inventory.

The Inventory includes:

- determining the actual amount of assets enumerated by measuring, counting, estimation and similar procedures, listed property described in detail, as well as entering the data into Inventory lists;
- entering natural changes that occurred during the period of the Inventory before and after 31st December 2015, reduced to the balance at 31st December 2015;
- entering accounting value of the natural state of assets into the Inventory lists;
- determining natural differences between the value determined by the Inventory and the accounting value;
- entering prices of the Inventory assets;
- value of the listed property;
- making reports on conducted Inventory.
After the Inventory, a report on the Inventory, (hereinafter: the “Report”), is made and delivered to the competent authority, internal auditor, management body/supervisory board, the auditor of the company (in case the legal entity is subject to statutory auditor), no later than January 30th, 2016.

This report is to be considered by the competent body of the company in the presence of the bodies prescribed by Article 14 of the Rulebook.

Management body of the company is obliged to adopt the report no later than January 30th, 2016.

The Report, along with the Inventory lists and decisions of the competent authority is delivered for recording in order of synchronizing accounting records with the actual state.