

RIT CROATIA
FINANCIAL STATEMENTS FOR THE YEAR 2024
together with Independent Auditor's report

This version of the financial statements is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

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Statement of Management's responsibilities

Management is responsible for the preparation of financial statements RIT Croatia ("Organization") in accordance with applicable accounting framework and policies set out in the Law on financial operations and accounting of non-profit organizations (Official Gazette, no. 121/14 and 114/22) and for keeping proper accounting records to enable the preparation of such financial statements at any time.

Management has general responsibility for safeguarding the assets of the Organization and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Management is responsible for selecting suitable accounting policies to conform with applicable accounting standards and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Organization will continue in business.

The accompanying financial statements were approved for issuance by the Legal representative of Management (the Dean) which is confirmed below by signature and date.



Irena Guszak
Dean
RIT Croatia
Don Frana Bulića 6
20 000 Dubrovnik
Croatia

30 June 2025

INDEPENDENT AUDITOR'S REPORT

To the owners Legal Representative of the Institution

Opinion

We have audited the financial statements of non-profit organization RIT Croatia (the Institution), which comprise the balance sheet as at 31 December 2024, statement of income and expenditure for the year then ended and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Institution as at 31 December 2024 and of its financial performance for the year then ended in accordance with in accordance with accounting framework stated in Law on Financial Business and Accounting of Non-Profit Organizations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Institution in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting framework stated in Law on Financial Business and Accounting of Non-Profit Organizations, 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.

In preparing the financial statements, management is responsible for assessing the Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institution or to cease operations, or has no realistic alternative but to do so.



**Shape the future
with confidence**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ivana Krajinović

Ivana Krajinović
Member of the Board and certified auditor
30 June 2025

Ernst & Young d.o.o.
Radnička cesta 50, Zagreb
Republic of Croatia

STATEMENT OF INCOME AND EXPENDITURE

For the period from 1 January 2024 to 31 December 2024 (all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	Actual in prior period 2023	Actual in current period 2024
1	2	3		4	5
3	REVENUES (AOP 002+005+008+011+024+040+049)	001		4.681.445	5.646.830
31	Sales of goods and services (AOP 003+004)	002		4.522.166	5.180.542
3112	Revenue from services	004	4	4.522.166	5.180.542
34	Property income (AOP 012+021)	011		2.060	13.399
341	Revenue from financial assets (AOP 013 to 020)	012		46	11.899
3413	Interest on time deposits and demand deposits	015		11	6
3415	Revenue from positive currency exchange	017		35	11.893
342	Revenue from non-financial assets (AOP 022+023)	021		2.013	1.500
3421	Rental income	022		2.013	1.500
35	Revenue from donations (AOP 025+030+033+036+037)	024		155.756	408.577
351	Revenues from donations from the State budget (AOP 026 do 029)	025		80.769	85.723
3513	Revenues - donations from the state budget for EU projects	028		80.769	85.723
352	Revenue from foreign governments and international organizations (AOP 031+032)	030		67.655	315.484
3521	Revenue from foreign governments and international organizations	031	6	57.802	310.320
3522	Revenues from EU institutions and bodies	032		9.853	5.164
355	Other revenue from donations (AOP 038+039)	037		7.332	7.369
3551	Other revenue from donations	038		7.332	7.369
36	Other revenue (AOP 041+044+045)	040		1.464	44.312
363	Other non-mentioned revenues (AOP 046 to 048)	045		1.464	44.312
3631	Write-off of liabilities			-	119
3633	Other non-mentioned revenues	048		1.464	44.193
4	EXPENSES (AOP 055+067+108+109+120+128+139)	054		4.838.998	5.645.021
41	Staff expenses (AOP 056+061+062)	055	8	2.592.964	3.100.614
411	Salaries (AOP 057 to 060)	056		2.196.936	2.597.048
4111	Salaries for regular work	057		2.196.936	2.597.048
412	Other expenses for staff	061		56.292	104.944
413	Contributions on salaries (AOP 063 to 066)	062		339.736	398.622
4131	Health insurance contributions	063		336.376	394.590
4134	Special contribution to encourage employment of persons with disabilities	066		3.360	4.032
42	Material expenses (AOP 068+072+077+082+087+097+102)	067		1.974.048	2.121.725
421	Reimbursement of costs to employees (AOP 069 to 071)	068		122.629	135.181
4211	Business trips	069		100.293	117.145
4213	Professional training for employees	071		22.335	18.036
424	Fees to other persons outside the employment relationship (AOP 083 to 086)	082		19.607	11.828
4241	Compensations for activities	083		694	735
4242	Compensations for business trips	084		18.913	11.093
425	Expenses for services (AOP 088 to 096)	087		1.573.098	1.619.863
4251	Telephone, mail and transportation	088		41.019	44.987
4252	Current and investment maintenance	089		62.823	30.506

STATEMENT OF INCOME AND EXPENDITURE

For the period from 1 January 2024 to 31 December 2024 (all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	Actual in prior period 2023	Actual in current period 2024
1	2	3		4	5
4253	Promotion and information	090	7	281.631	271.285
4254	Utilities	091		15.503	23.367
4255	Rent and leases	092	9	524.624	529.057
4256	Health and veterinary services	093		436	115
4257	Intellectual and personal services	094	11	472,953	534.474
4258	Computer services	095		31.001	70.038
4259	Other services	096		143.108	116.035
426	Expenses for material and energy (AOP 098 to 101)	097		147.086	194.132
4261	Office supplies and other material expenses	098		47.518	39.534
4263	Energy	100		74.029	98.603
4264	Small inventory and car tires	101		25.539	55.995
429	Other non-mentioned material expenses (AOP 103 to 107)	102		111.629	160.720
4291	Insurance premiums	103		9.676	8.507
4292	Representation	104		41.289	48.087
4293	Membership fees	105		52.537	90.551
4295	Other non-mentioned material expenses	107		8.128	13.576
43	Depreciation expenses	108	10	154.147	234.343
44	Financial expenses (AOP 110+111+115)	109		9.042	6.419
442	Interest for received credits and loans	111		0	0
4422	Interest for received goods and other loans	113		0	0
443	Other financial expenses (AOP 116 to 119)	115		9.042	6.419
4431	Banking and payment services	116		4.868	6.072
4432	Foreign exchange losses and foreign currency clause	117		4.093	347
4433	Default interest	118		81	0
45	Donations (AOP 121+125)	120		84.732	162.525
451	Current donation (AOP 122 -124)	121		84.732	162.525
4511	Current donations	122	14	84.732	162.525
46	Other expenses (AOP 129+134)	128		24.064	19.395
462	Other non-mentioned expenses (AOP 135 to 138)	134		24.064	19.395
4622	Bad debts (receivables write off/impairment of receivables expense)	136		23.296	19.295
4624	Other non-mentioned expenses	138		768	100
	TOTAL EXPENSES (AOP 054-146 or 054+147)	148		4.838.998	5.645.021
	REVENUE SURPLUS (AOP 001-148)	149		0	1.809
	REVENUE SHORTFALL (AOP 148-001)	150		157.553	0
5221	Revenue surplus - transferred	151		326.694	169.140
	Revenue surplus available for the next period (AOP 149+151-150-152-153)	154		169.140	170.950

BALANCE SHEET

As at 31 December 2024

(all amounts are presented in euros)

Account	DESCRIPTION	AOP	Note	31 December 2023	31 December 2024
1	2	3		4	5
	ASSETS (AOP 002+074)	001		2.566.248	2.891.042
0	Non-financial assets (AOP 003+018+047+051+055+064)	002		533.226	771.085
01	Non-produced non-current assets (AOP 004+008-017)	003	12	199.265	430.268
012	Intangible assets (AOP 009 - 016)	008		1.642.998	1.967.087
0124	Other rights	012		1.628.892	1.941.816
0127	Development expenditure	015		14.105	25.271
019	Impairment of non-produced non-current assets	017	16	1.443.732	1.536.819
02	Produced non-current assets (AOP 019+023+031+034+039+042-046)	018		333.961	340.817
022	Plant and equipment (AOP 024 - 030)	023		1.157.019	1.123.694
0221	Office equipment and furniture	024	15	1.107.396	1.053.750
0222	Communication equipment	25		7.325	27.647
0223	Maintenance and protection equipment	26		23.233	23.233
0225	Instruments and machines	028		3.511	3.511
0227	Devices, machines and equipment for other purposes	030		15.553	15.553
026	Intangible produced assets (AOP 043 - 045)	042		19.344	19.344
0261	Investments in software	043		19.344	19.344
029	Impairment of produced non-current assets	046		842.402	802.222
042	Small inventory in use	053		421.943	466.304
049	Impairment of small inventory	054		421.943	466.304
1	Financial assets (AOP 075+083+100+105+125+133+142)	074		2.033.022	2.119.957
11	Cash at bank and in hand (AOP 076+080+081+082)	075	5	1.282.428	1.485.497
111	Cash in bank (AOP 077 - 079)	076		1.280.554	1.483.000
1111	Cash in the account of domestic bank	077		1.280.554	1.483.000
113	Cash in hand	081		1.874	2.497
12	Deposits, guarantee deposits, receivables from employees, for overpaid taxes and other (AOP 084+087+088+089+095)	083		15.488	15.652
123	Receivables from employees	088		77	171
124	Receivables for overpaid taxes and contributions (AOP 090 - 094)	089		6.780	7.532
1244	Receivables for overpaid other taxes	093		4.186	4.938
1245	Request for overpaid contributions	094		2.594	2.594
129	Other receivables (AOP 096 - 099)	095		8.632	7.949
1293	Receivables for advance payments	098		8.632	7.949
16	Income receivables (AOP 134 - 137+140-141)	133	17	666.699	549.478
161	Receivables from clients	134		685.922	562.432
165	Other non-mentioned receivables	140		1.072	660

BALANCE SHEET**As at 31 December 2024****(all amounts are presented in euros)**

169	Impairment of receivables	141		20.295	13.615
19	Future periods expenses (AOP 143+144)	142		68.406	69.330
191	Future periods expenses	143		15.444	30.048
192	Revenue collection not due	144		52.962	39.282
	OWN SOURCES AND LIABILITIES (AOP 146+195)	145		2.566.248	2.891.042
2	Liabilities (AOP 147+174+182+190)	146		2.397.108	2.720.092
24	Expense liabilities (AOP 148+156+164+168+169+170)	147		2.199.649	2.316.637
241	Liabilities for employees (AOP 149 - 155)	148	13	237.248	243.118
2411	Liabilities for salaries – net	149		101.162	92.815
2412	Liabilities for benefits - net	150		34.516	46.161
2414	Liabilities for taxes and surtaxes from salaries	152		26.858	26.447
2415	Liabilities for contributions from salaries	153		39.084	40.789
2416	Liabilities for contributions on salaries	154		30.714	31.186
2417	Other liabilities to employees	155		4.914	5.720
242	Liabilities for material expenses (AOP 157-163)	156		58.097	56.992
2425	Domestic trade payables	161		57.096	37.240
2426	Foreign trade payables	162		1.001	19.752
249	Other liabilities (AOP 171 - 173)	170		1.904.305	2.016.527
2492	Liabilities –value added tax	172		2.571	5.792
2493	Liabilities for advances, deposits, guarantees received and other non-mentioned liabilities	173	19	1.901.733	2.010.735
26	Loan and credit liabilities (AOP 183+186-189)	182		0	3.701
261	Bank and other loan liabilities (AOP 184+185)	183		0	3.701
2611	Domestic loan liabilities	184		0	3.701
29	Accrued expenses and deferred revenue (AOP 191+192)	190	18	197.458	399.754
291	Deferred expenses	191		19.749	15.586
292	Deferred revenue (AOP 193+194)	192		177.709	384.168
2921	Revenue paid in advance	193	20	171.645	245.342
2922	Deferred revenue	194		6.064	138.826
5	Own sources (AOP 196+199-200)	195	22	169.140	170.950
5221	Revenue surplus	199		169.140	170.950

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

Note 1

General information

RIT Croatia („The Organization“) entered in the Register of non-profit organization on 3rd of March 2010. The Organization is head quartered in Dubrovnik, Don Frana Bulića 6. The Organization is a subsidiary 100% owned by RIT Global Delivery Corporation.

The Dean represents the Organization individually and independently:

- Irena Guszak, dean

Note 2

Basis of preparation

Financial statements have been prepared by the Law on financial operations and accounting of non-profit organizations (Official Gazette 121/14 and NN 114/22) and Rulebook on non-profit accounting and accounting plan (Official Gazette NN 134/22), as well as Rulebook on additions to the rulebook on the non-profit accounting and accounting plan (Official Gazette 96/18).

On 31 December 2024 exchange rate of the euro among other currencies was:

1EUR = 1,0444 USD

Functional and presentational currency

The items included in the Organization's financial statement are expressed in the currency of the primary economic environment in which the Organization operates (functional currency).

Note 3

Significant accounting policies

3.1. General information

Principles, rules, and procedures that are applied in the Organization and which are used in the preparation and presentation of financial statements to provide truthful, reliable, and unbiased reviews of the financial position and operations of non-profit organizations are regulated by this Act.

The accounting policies are designed and adopted by Law on financial operations of non-profit organizations, Rulebook on non-profit accounting and accounting plan and other regulations and professional knowledge, and are in use from 1 January 2015.

Dean makes decisions and assessments by selected policies.

The underlying assumptions and principles used in the preparation and presentation of financial statements are:

- Going concern
- Occurrence of events
- Disclosure of accounting policies

3.2. Reporting of assets and liabilities

(1) Assets, liabilities, and own funds determine the financial position of non-profit organizations.

(2) Assets are resources that non-profit organizations control as a result of past events and from which benefit in performing activities is expected.

(3) Liabilities are outstanding debts arising from past events, for which settlement outflow of resources is expected.

(4) Assets are classified by their type, sustainability, and function in their operations.

(5) Liabilities are classified by their purpose and maturity.

(6) Assets and liabilities are measured by the accrual accounting principle.

(7) Own sources are the residual value of assets after the deduction of all liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

(8) Borrowed assets are recorded in the off-balance sheet.

3.3. Valuation of assets and liabilities

(1) Assets are initially measured at cost or estimated value.

(2) Non-current assets are financial and non-financial assets whose useful life is longer than one year and for which the same form of appearance is maintained for more than one year.

(3) Fixed assets for which individual cost is lower than 665 euro can be written off at once, by putting in use, with the obligation of monitoring during useful life.

(4) Current financial assets are assets held for carrying out its activities or for resale within less than a year.

(5) Cost (purchase value) of non-financial assets consists of purchase price increased for customs duties, non-refundable taxes, transport expenses and all other costs that can be directly added to the cost of purchase and enabling for putting into use.

3.4. Valuation of fixed assets

(1) The value of an item of fixed assets is depreciated using linear method during useful life starting from the first day of the month after the month in which the asset was put in use.

(2) An exception to paragraph 1 of this article, the value of land, renewable natural resources, books, works of art and other exhibition values and precious metals and other valuables are not depreciated.

(3) The basis for the depreciation of fixed assets is its initial or revalued acquisition cost (purchase value) or its estimated value.

(4) The Organization applies depreciation rates by group of fixed assets and the estimated useful lives of fixed assets, which are regulated by Rulebook of non-profit accounting and accounting plan.

3.5. Prepaid expenses and accrued income

Prepaid expenses and accrued income consists of:

- prepaid expenses which are not related to the reporting period and
- revenues which relate to reporting period, but in which amounts were not due, or invoices were not issued.

3.6. Accrued expenses and deferred income

Accrued expenses and deferred income consists of:

- expenses which are not invoiced, but relate to the reporting period and
- revenues which are billed or accounted for in the reporting period, but relate to the next period.

3.7. Income and expense recognition

(1) Income and expenses are recognized on the accrual accounting principle.

(2) Accrual accounting means:

- reciprocal revenues (revenues based on delivered goods and services) are recognized in the reporting period to which they apply, under the condition that they can be measured independently of the payment.
- non-reciprocal revenues (revenues under special regulations, donations, membership fees, aid, contributions and other similar income) recognized in the reporting period to which they apply, provided they are available (collected) in the reporting period and can be recognized in the reporting period if they are collected no later than the moment of presentation of financial statements for the same period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

3.7. Income and expense recognition (continued)

– donations associated with the execution of contracted programs (projects and activities) are recognized in the balance sheet as deferred income, with the recognition of revenue in the reporting period in proportion to the cost of implementation of the agreed program (projects and activities)

– donations related to the non-financial assets that are subject to amortization recognized in the balance sheet as deferred income, with the recognition of revenue in the reporting period on a systematic basis in proportion to the costs of the use of non-financial assets in the period of use

– expenses are recognized in the reporting period to which they relate regardless of payment.

– expenses for short-term consumption non-financial assets recognized at the time of actual consumption or sale and

– the cost of acquisition of fixed assets are capitalized, the expenses are recognized during the useful life.

(3) Income is an increase in economic benefits or service potential during the reporting period in the form of inflow of assets without increasing debt, or reduction of liabilities without the simultaneous outflow of assets.

(4) Expense is a reduction of economic benefits or service potential in the form of a reduction of assets or increasing liabilities without simultaneous increase in financial assets.

3.8. Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into local currency at the middle exchange rates of the Croatian National Bank prevailing at the date of the transaction. Foreign exchange gains resulting from payments for such transactions and the translation of the currency in the foreign currency account is recognized in income, and a negative exchange difference is recognized in expenses.

3.9. Notes to the financial statements

(1) Notes are additional information to the financial statements.

(2) Notes can be descriptive, numerical or combined. They are numbered with reference to the AOP label in statements to which they relate.

3.10. Subsequent events

Subsequent events are those events that have favorable or unfavorable consequences, which occurred between the balance sheet date and the date on which the annual financial statements are approved.

The types of events after the balance sheet date:

- Adjusting events – corroborate circumstances which existed at the balance sheet date;
- Non adjusting events - corroborate circumstances which occurred after the balance sheet date;

Financial statements must be adjusted in the following cases:

- a court judgment made after the balance sheet date corroborates the fact that liability existed at the balance sheet date;
- receipt of new information after the date of the balance sheet, which indicates that the value of an asset on the balance sheet date was reduced or that the amount of a previously recognized impairment loss for that asset needs to be amended;
- Detecting fraud or errors due to which the financial statements are incorrect.

3.11. Accounting plan

The Organization applies plan of accounts prescribed by the Rulebook on the non-profit accounting and accounting plan. (Official Gazette 1/15) and Rulebook on additions to the rulebook on the non-profit accounting and accounting plan (Official Gazette 96/18)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

Note 4

	2023	2024
Undergraduate Program in Zagreb	3.706.843	4.245.775
Undergraduate Program in Dubrovnik	749.193	796.020
MS SLI Graduate Program	66.130	138.747
	4.522.166	5.180.542

The system and procedures of financial reporting of the Organization are designed for a 12-month reporting period ending on 30 June. This date also represents the end of the academic year. Therefore, a calendar year comprises semesters of two academic years.

In 2024, the spring semester of the academic year 2023/2024 lasted from 1 January 2024 through 30 June 2024, and the fall semester of the academic year 2024/2025 lasted from 1 September 2024 through 31 December 2024. The tuition fees in the academic year 2024/2025 increased compared to the academic year 2023/2024 as presented below:

	Price in ac.year 2023/2024	Price in ac.year 2024/2025
Students enrolled before 2020/2021	6.600,00 €	6.900,00 €
Students enrolled 2020/2021; 2021/2022; 2022/2023	6.700,00 €	7.000,00 €
Students enrolled 2023/2024 (HR, EU, Region)	6.800,00 €	7.100,00 €
Students enrolled 2023/2024 (International)	7.800,00 €	8.100,00 €
Students enrolled 2024/2025 (HR, EU, Region)		7.200,00 €
Students enrolled 2024/2025 (International)		8.200,00 €

The increase in tuition revenue for the 2024/25 academic year compared to the previous academic year is due to a higher number of students and increased tuition fees.

Note 5

Cash at bank and in hand – AOP 075

	31 December 2023	31 December 2024
Euro account at bank	1.234.560	1.401.816
Foreign currency account at bank - USD	45.994	81.184
Cash in hand	1.874	2.497
	1.282.428	1.485.497

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

Note 6

Account 3521 - Income from Donations from the State Budget for EU Projects - AOP

Increase in revenue in account 3521 during the observed period is primarily the result of activities in two international projects: DARPA HARDEN in collaboration with Boston University and the MONI.CA project.

DARPA HARDEN, BOSTON Project

Since May 2023, RIT Croatia has actively participated in the implementation of the DARPA HARDEN project in partnership with Boston University (BU). The project has several specific financial and operational aspects:

- **Employment of Experts:** The project required the employment of one person, whose entire salary cost is fully covered by BU. Although RIT Croatia pays the salary, this cost is not considered an expense for RIT Croatia as it is pre-invoiced and refunded by BU. The person is engaged exclusively for activities agreed upon with BU.
- **Travel Costs:** In accordance with the agreement, RIT Croatia is responsible for covering the pre-agreed travel costs for the individual, with subsequent re-invoicing and collection of the same amounts from BU.
- **Additional Income:** In addition to cost reimbursements, RIT Croatia also generates revenue amounting to 53% of the total invoiced costs each month. This amount represents the agreed additional income for managing the project.
- **Accounting Recording:**
 - Salaries and obligations related to the project are recorded in the expense and liability accounts within organizational unit 127.
 - Revenues from the 53% supplement and revenues from reimbursed salary costs, starting from January 1, 2024, are recorded in revenue account 352132, also within organizational unit 127.
 - In 2023, only revenues related to the 53% supplement were recognized, while starting from January 1, 2024, reimbursed salary costs are also included in the revenue account.

MONI.CA Project

The MONI.CA project started on July 1, 2023, and lasted until December 31, 2024. Three RIT Croatia employees were involved in its implementation, with a portion of their working time allocated to the project:

- Accordingly, the proportional parts of their salaries and related obligations were recorded in the salary expense and liability accounts, as well as in revenue account 352130 within organizational unit 129.
- The project also included lump sum funding, which was primarily used for engaging an external collaborator – the project manager. All income and expenses related to this funding were recorded within organizational unit 141.
- Funds received for the partner in Italy were forwarded to them. These were recorded as income and expenses of the project.
- Since the project started in the second half of 2023, but all revenues and expenses were realized and recorded during 2024, they are fully reflected in the financial statements for 2024.

Note 7

Account 4253 – Advertising and Information Services – AOP 090

Expenditures for advertising and information services remained broadly in line with the previous year, with a slight decrease. The decline is primarily due to the reallocation of part of the funds originally planned for this purpose to the 2025 budget, given that the fiscal year covers the period from July 1, 2024, to June 30, 2025.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

Note 8

Group 41 - Employee Expense Reimbursements - AOP 055

The increase within the employee expense reimbursements group in 2024, compared to the previous year, is primarily the result of the following factors:

- Additional hiring,
- Salary increases based on performance evaluations from the previous year,
- Payment of work-related bonuses,
- Payment of Christmas bonuses to all employees in the amount of 300 EUR per person.

Note 9

Account 4255 – Rent and Lease Expenses – AOP 092

Expenses under this account remained at the same level as in the previous year, as rental prices for business premises in Dubrovnik and Zagreb did not change during 2024. Consequently, no significant deviations in lease-related expenditures were recorded compared to 2023.

Note 10

Account 43 – Depreciation Expenses – AOP 108

Depreciation expenses in 2024 have increased compared to 2023, primarily due to investments in the reconstruction of the former gym premises at the Zagreb campus, the acquisition of new electronic equipment (computers), and the installation of a new air conditioning system at the Dubrovnik campus. Depreciation for these investments has been calculated in accordance with accounting policies.

Depreciation of investments in leasehold improvements, specifically related to the adaptation of the gym space at the Zagreb campus, has been calculated based on the remaining lease term of the building, which expires in 2027. Accordingly, depreciation rates have been applied to reflect the useful life of these assets up to the end of the lease period.

Note 11

Account 4257 – Intellectual and Personal Services – AOP 094

Due to the increased number of students, it was necessary to organize more sections, which required the engagement of additional professional collaborators. As a result, there was an increase in expenses related to the engagement of external collaborators. Additionally, there was an increase in student labor costs, especially for those working as tutors or assistants to help students who require academic support.

Note 12

Group 01 – Non-produced Fixed Assets – AOP 003

In 2024, a significant increase in the value of this asset group was recorded compared to the previous year.

The main reason for this growth was increased investment in the reconstruction of a section of the Zagreb campus building. The area previously used as a gym was renovated and repurposed into classrooms, offices, and additional student facilities, thereby increasing the overall functional space of the building.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

Note 13

Group 241 – Employee Liabilities – AOP 148

In 2024, a slight increase in employee-related liabilities was recorded compared to the previous year. This change was driven by two key factors: on one hand, there was an increase in salaries along with the payment of Christmas bonuses and performance-based rewards; on the other hand, certain positions remained vacant for extended periods, which partially offset the overall growth in liabilities.

Note 14

Account 4511 – Current Donations – AOP 122

Compared to 2023, when only Erasmus program expenses were recorded under this account, in 2024 we also recorded expenses related to the MONI.CA project, which led to an overall increase in costs for this account.

Note 15

Group 0221 – Office Equipment and Furniture – AOP 024

Changes within Group 0221 were due to the sale of gym equipment at the Zagreb campus. A detailed list of the sold equipment is provided under Note 7, but also due to the purchase of new computers.

Group 012 – Intangible Assets – AOP 008

Accounting events that affected changes within this account group compared to the previous year primarily relate to the renovation of the Zagreb campus, the acquisition of new computers, and the new air conditioning system at the Dubrovnik campus.

Note 16

Group 019 – Impairment of Unproduced Fixed Assets – AOP 017

Below is the impairment of unproduced fixed assets as of December 31, 2024:

Account	Account description	Beginning balance on January 1st 2024	Balance on December 31st 2024
019110	Ispravak vrijednosti ulaganja na tuđoj imovini	1.241.665,53	1.248.415,92
019111	Ispravka vrijednosti Ulaganja na tuđoj imovini radi prava korištenja ZG	194.207,13	276.781,48
019121	Ispravka vrijednosti Ulaganja u ostala zaštitna prava i vrijednosti DBK	2.085,08	2.085,08
019711	ispravak vrijednosti Izdaci za proj dok ZG	5.774,62	9.536,16
	TOTAL	1.443.732,36	1.536.818,64

Note 17

Group 16 – Receivables for Revenues – AOP 133

The decrease in Group 16 is the result of the fact that, as of December 31, 2023, not all paid advances for issued invoices were closed – this action was completed in January 2024. In contrast, as of December 31, 2024, all advances for tuition fees were properly closed with the corresponding invoices, resulting in a lower amount recorded in this group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR 2024

(all amounts are presented in euros)

Note 18

Group 29 – Deferred Expenses and Revenues for Future Periods – AOP 190

The increase in this group in 2024 is the result of a larger amount of funds received through the Erasmus program compared to 2023. A key contribution to this increase is the newly awarded funding for the DIGHEALTH project, which significantly impacted the overall increase in funds in this group.

Note 19

Account 2493 – Liabilities for Advances, Deposits, Received Guarantees, and Other Unspecified Liabilities – AOP 173

In 2024, an increase in liabilities under this account was recorded compared to 2023. The growth is primarily due to a higher number of enrolled students, as well as an increased volume of early tuition payments for upcoming semesters, which resulted in a higher amount of recorded advances and deposits as of the reporting date.

Note 20

Account 2921 – Deferred Income – AOP 193

Compared to 2023, an increase in deferred income was recorded in 2024. The main reason for this increase is the receipt of a larger amount of funds designated for the implementation of the Erasmus programme. Since a portion of the related activities and expenditures is scheduled for future periods, the funds were recorded as deferred income in accordance with revenue recognition accounting principles.

Note 21

The institution does not have any significant contractual obligations that could become liabilities or assets (e.g., letters of credit, mortgages, or legal disputes).

Note 22

Group 5 – Own Sources – AOP 195

Within this group, the 2024 operating result has been recorded. The institution reports a surplus of revenue amounting to EUR 1,809. for 2024. The carried forward surplus from previous years is EUR 169,140. Therefore, the surplus of revenue available for the following period as of December 31, 2024, amounts to EUR 170,950.

Note 23

Events after the balance sheet date are those events that have either favorable or unfavorable consequences, occurring between the balance sheet date and the date when the financial statements were approved for issuance. There have not been such events.