

**H.E.R.A. - Health Education and
Research Association, Skopje**

**Financial Statements for the Year Ended
31 December 2011 and**

Independent Auditor's Report

Skopje, April 2012

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S REPRESENTATION	3
FINANCIAL STATEMENTS	
Statement of Revenues and Expenses	4
Balance sheet	8
Statement of Changes in Funds	11
Notes to the Financial Statements	12- 22

To:

The Management of

H.E.R.A. - Health Education and Research Association, Skopje

AUDITOR'S REPORT

We have audited the accompanying financial statements of "H.E.R.A. - Health Education and Research Association" (in the following text "the Association"), which comprise the Balance Sheet as of 31 December 2011, the Statement of Revenues and Expenses and Statement of Changes in Funds 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 the Accounting Law for Non-profit Organizations and financial reporting under the cash basis of accounting. 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 judgement, 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 entity'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 entity's internal control.

To:

The Management of

H.E.R.A. - Health Education and Research Association, Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

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.

Auditor's opinion

In our opinion, the financial statements of "H.E.R.A. - Health Education and Research Association" give a true and fair view of the financial position of the Association as of 31 December 2011, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and financial reporting under the cash basis of accounting.

Skopje, 26 April 2012

Manager
Dragan Dimitrov



Certified Auditor
Zvonko Kocovski



MANAGEMENT'S REPRESENTATION

The Association's management is responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Association as of the end of the financial period, and of its financial performance for the period than ended in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting. The management also has a general responsibility for implementation of processes and controls to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Association's management considers that, preparing the financial statements set out on pages 4 to 22, the Association has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates in accordance with International Financial Reporting Standards.

For and on behalf of the management of
H.E.R.A. - Health Education and Research Association, Skopje

Association's President
Ms. Ph.D. Milena Stevanovik



STATEMENT OF REVENUES AND EXPENSES
For the Year Ended 31 December 2011
In MKD

	Notes	2011	2010
Contributions and donations	4	18.558.662	23.643.474
Other revenues	5	28.929	696.996
Surplus of revenues over expenses from previous period		9.971.424	5.316.894
TOTAL REVENUES		28.559.015	29.657.364
Operating expenses	6	(18.713.823)	(16.891.706)
Social and other transfers	7	(406.152)	(387.700)
Capital expenses	8	(113.990)	(254.817)
Expenses for employees	9	(2.615.438)	(1.931.316)
Taxes	10	(321.094)	(220.401)
TOTAL EXPENSES		(22.170.497)	(19.685.940)
Surplus of revenues over expenses before taxes		6.388.518	9.971.424
Income Taxes		-	-
Surplus of revenues over expenses after taxation		6.388.518	9.971.424

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

The accompanying financial statements were authorised for issue by the management of the Association on 29 February 2012 and were signed on its behalf by:

Association's President
 Ms. Ph.D. Milena Stevanovik



H.E.R.A. - Health Education and Research Association, Skopje

Breakdown of income
For the Year Ended 31 December 2011
In MKD/USD

	In Macedonian Denars (MKD)			Current Year			US Dollars (USD)			Prior Year	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total	
										In Macedonian Denars (MKD)	US Dollars USD)
Grant Income											
IPPF Cash Grant	3.470.650	-	3.470.650	73.013	-	73.013	-	-	-	5.168.167	111.590
IPPF Commodity Grant	-	-	-	-	-	-	-	-	-	-	-
Other Income											
Government Grants	-	218.386	218.386	-	4.594	4.594	-	-	-	716.599	15.473
Cooperating Agencies	-	-	-	-	-	-	-	-	-	-	-
Foundation / Trusts / NGO's	304.064	13.672.147	13.976.211	6.397	287.625	294.022	287.625	294.022	16.708.976	360.776	360.776
UN Organisations	-	635.915	635.915	-	13.378	13.378	13.378	13.378	1.240.999	26.795	26.795
Clinical Services	-	-	-	-	-	-	-	-	-	-	-
Other services sales	-	-	-	-	-	-	-	-	-	-	-
Other Income	11.953	274.477	286.430	251	5.774	6.025	5.774	6.025	505.729	10.920	10.920
Local Donations	-	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	3.786.667	14.800.925	18.587.592	79.661	311.371	391.032	311.371	391.032	24.340.470	525.554	525.554

Income and expenses
For the Year Ended 31 December 2011
In MKD/USD

	Local Currency		Current Year		US \$		Prior Year	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Local Currency	US \$
Expenses by Strategic Framework								
Goal 1 Abortion	306.189	-	306.189	6.441	-	6.441	220.917	4.770
Goal 2 Access	1.234.276	6.505.849	7.740.125	25.966	136.866	162.832	6.543.099	141.277
Goal 3 Advocacy	224.164	824.757	1.048.921	4.716	17.351	22.067	2.467.240	53.272
Goal 4 Aids	334.476	9.580.499	9.914.975	7.036	201.548	208.584	7.426.523	160.352
Goal 5 Youth	756.833	954.179	1.711.012	15.922	20.073	35.995	842.974	18.201
Total Goals	2.855.938	17.865.284	20.721.222	60.081	375.838	435.919	17.500.753	377.872
Supporting Strategies	111.255	-	111.255	2.341	-	2.341	725.640	15.668
Management and Admin (Indirect costs)	1.295.314	42.707	1.338.021	27.250	898	28.148	1.459.546	31.514
Total Expenses	4.262.507	17.907.991	22.170.498	89.672	376.736	466.408	19.685.939	425.054
Net incoming/outgoing resources before transfers	3.824.553	14.763.039	18.587.592	80.458	310.575	391.033	24.340.468	525.553
Transfers between funds	-	-	-	-	-	-	-	-
Fund balances at beginning of year	2.319.333	7.652.090	9.971.423	48.793	160.979	209.772	5.316.894	114.801
Cumulative translation adjustments	-	-	-	-	-	-	-	-
FUND BALANCES AT END OF YEAR	1.881.379	4.507.138	6.388.517	39.579	94.818	134.397	9.971.423	215.300

H.E.R.A. - Health Education and Research Association, Skopje

Breakdown of expenses
For the Year Ended 31 December 2011
In MKD/USD

	PROGRAMMES TOTAL 2011 (Current Year)										TOTAL 2010 (Prior Year)	
	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Supporting Strategies	Sub-total Direct Expenses	Indirect Expenses	TOTAL LOCAL CURRENCY	US \$	LOCAL CURRENCY	US \$
Personnel & Benefits	-	1.777.708	78.854	1.584.185	-	-	-	916.332	4.357.079	91.661	5.547.446	119.779
Professional Fees	53.267	2.476.802	267.606	3.099.239	596.491	-	-	-	6.493.405	136.604	5.398.502	116.563
Travel & Per Diem	142.650	1.220.566	60.780	319.957	351.053	101.861	-	99.685	2.296.552	48.313	4.170.154	90.041
Transportation	41.719	137.304	19.909	638.386	32.550	6.800	-	-	876.668	18.443	877.032	18.937
Office supplies & Consumables	12.308	647.863	604.001	2.646.507	378.141	-	-	8.342	4.297.162	90.401	1.757.281	37.943
Medical /AV supplies & Consumables	-	84.710	-	502.097	-	-	-	-	586.807	12.345	83.000	1.792
Communications	-	187.509	8.787	133.937	3.000	-	-	-	333.233	7.010	390.799	8.438
Occupancy & utilities	56.245	463.388	-	759.103	326.042	-	-	45.987	1.650.765	34.728	586.010	12.653
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	744.277	8.985	231.559	23.736	2.594	-	267.675	1.278.826	26.901	875.716	18.908
Total at Dec 31 2011 in local currency	306.189	7.740.127	1.048.922	9.914.970	1.711.013	111.255	-	1.338.021	22.170.497	-	19.685.940	-
Total at Dec 31 2011 in US \$	6.441	162.831	22.066	208.584	35.995	2.341	-	28.148	466.406	466.406	-	425.054

BALANCE SHEET
As of 31 December 2011
In MKD

	Notes	31 December 2011	31 December 2010
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	11	901.531	1.258.109
		901.531	1.258.109
CURRENT ASSETS			
Accounts receivable	12	893.009	893.009
Other current assets and prepayments	13	149.604	354.967
Cash	14	6.388.518	9.971.424
		7.431.131	11.219.400
TOTAL ASSETS		8.332.662	12.477.509
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund	15	901.531	1.258.109
Surplus of revenues over expenses after taxation		6.388.518	9.971.424
		7.290.049	11.229.533
CURRENT LIABILITIES			
Accounts payable	16	126.450	354.967
Other short term liabilities	17	23.154	-
Accrued expenses and deferred income	18	893.009	893.009
		1.042.613	1.247.976
TOTAL LIABILITIES AND FUNDS		8.332.662	12.477.509

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

H.E.R.A. - Health Education and Research Association, Skopje

**Breakdown of assets
For the Year Ended 31 December 2011
In MKD/USD**

	Local Currency		Current Year		US \$		Prior Year	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Local Currency	US \$
ASSETS								
Current assets:	1,313,318	5,075,200	6,388,518	27,629	106,769	134,398	9,971,423	215,300
Cash:			-	-	-	-	-	-
* Current accounts and in hand	164,236	5,075,200	5,239,436	3,455	106,769	110,224	9,971,423	215,300
* Interest bearing deposit			-	-	-	-	-	-
*Escrow account			-	-	-	-	-	-
* Membership fee	1,149,082		1,149,082	24,174	-	24,174	-	-
Receivables:	891,413	151,200	1,042,613	18,753	3,181	21,934	1,247,977	26,946
* Donors			-	-	-	-	-	-
* Staff loans/advances			-	-	-	-	-	-
* Other debtors	870,509	22,500	893,009	18,313	473	18,786	893,009	19,282
* Accrued interest	20,904	128,700	149,604	440	2,708	3,148	354,968	7,664
* Other assets			-	-	-	-	-	-
* Prepaid expenses			-	-	-	-	-	-
Inventories			-	-	-	-	-	-
Total current assets:	2,204,731	5,226,400	7,431,131	46,382	109,950	156,332	11,219,400	242,246
Non-current assets:								
* Fixed assets								
* Investments	25,290	876,241	901,531	532	18,434	18,966	1,258,109	27,165
* Loan receivable due after 1 year			-	-	-	-	-	-
Total non-current assets:	25,290	876,241	901,531	532	18,434	18,966	1,258,109	27,165
TOTAL ASSETS	2,230,021	6,102,641	8,332,662	46,914	128,384	175,298	12,477,509	269,411

**Breakdown of liabilities and funds
For the Year Ended 31 December 2011
In MKD/USD**

	Local Currency		Current Year		US \$		Prior Year	
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Local Currency	US \$
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Current liabilities								
Accounts payable	40.968	85.482	126.450	862	1.798	2.660	354.968	7.664
Accrued expenses							893.009	19.282
Provisions							-	
Donors								
Deferred income	18.784	4.371	23.155	395	92	487		
Total current liabilities	59.752	89.853	149.605	1.257	1.890	3.147	1.247.977	26.946
Non-current liabilities								
Loans not repayable within 1 year								
TOTAL LIABILITIES	59.752	89.853	149.605	1.257	1.890	3.147	1.247.977	26.946
Fund Balances								
Donor Restricted								
Designated Funds	1.313.318	5.075.200	6.388.518	27.629	106.769	134.398	9.971.424	215.300
Fixed Assets Fund	870.509	22.500	893.009	18.313	473	18.786		
Inventories Fund	25.290	876.241	901.531	532	18.434	18.966	1.258.109	27.165
General Fund								
TOTAL FUND BALANCES	2.209.117	5.973.941	8.183.058	46.474	125.676	172.150	11.229.533	242.465
TOTAL LIABILITIES & FUND BALANCES	2.268.869	6.063.794	8.332.663	47.731	127.566	175.297	12.477.510	269.411

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2011
In MKD

	Operating fund - assets	Total
Balance as of 01 January 2010	1.386.336	1.386.336
Additions	2.028.183	2.028.183
Disposals	(870.509)	(870.509)
Depreciation for 2010	(1.285.901)	(1.285.901)
Balance as of 31 December 2010	1.258.109	1.258.109
Additions	108.410	108.410
Disposals	-	-
Depreciation for 2011	(464.988)	(464.988)
Balance as of 31 December 2011	901.531	901.531

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY

H.E.R.A - Health Education and Research Association is an independent, non-governmental Association of citizens established during 2000 according to the Law of Organizations of Citizens and Foundations (Official Gazette of RM no.31,/98). The Association is registered in the register of the Association of Citizens and Foundations with Decision no. 01 / 3G.963 /2000 from 20 January 2000 in the Basic Court Skopje 1 in Skopje.

The Association operates in accordance with the Law of Organization of Citizens and Foundations and a Statute. The main bodies of H.E.R.A. are the Assembly, Executive Committee and Executive office.

The Association is located in Skopje, 56/1,-4 Debarca Sreet.

The Association's mission is inclined towards achieving enjoyment of basic human rights of women, men and the young who must be correctly informed and have appropriate access to high quality confidential services in order to make their informed choice regarding issues such as their sexuality, as well as the prevention, care and treatment of sexually transmittable infections and HIV, including achievement of full protection of the rights of people who live with HIV/AIDS and their close families, contraception, access to safe and legal abortion and exercise of sexual and reproductive rights.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY (continued)

The projects implemented during 2011 are presented in the following table:

Project name	Strategic goal	Supported by
Medical abortion in Macedonia - Providing choice for women	Abortion	International Planned Parenthood Federation
Equal reproductive health rights for women and girls from Suto Orizari	Access	Open Society Institute
In depth analysis of Family Planning and RHCS in Macedonia	Access	International Planned Parenthood Federation
Keeping low prevalence of Domestic Violence on local level through coordinative	Access	United Nations Population Fund
Promotion of UNDP Documentary on Domestic Violence and Economic Opportunities	Access	United Nations Population Fund
Scaling Up Roma Health Facilitators (RHF) in Macedonia	Access	Norwegian Church Aid
Sexuality and learning disabilities Youth friendly services "Sakam da znam"	Access	International Planned Parenthood Federation/Municipality of Skopje
Capacity building for 11 municipalities in implementing national SRHR strategy	Access	International Planned Parenthood Federation
Making national alliance for Comprehensive Sexuality Education	Advocacy	Center for institutional development
Two years expended funding of Secretariat of Country Coordinating Mechanism	Advocacy	International Planned Parenthood Federation
ENSURING LONG-TERM AVAILABILITY OF QUALITY HIV TREATMENT IN MACEDONIA	Aids	Global Fund to fight HIV/AIDS, Tuberculoses and Malaria
Nothing About Us Without Us	Aids	Open Society Institute International Planned Parenthood Federation/United Nations Programme on HIV/AIDS
Prevention: Testing and counselling One year basic funding for hosting Secretariat of Country Coordinating Mechanism	Aids	Global Fund to fight HIV/AIDS, Tuberculoses and Malaria
Oral contraception - Our choice, our decision	Aids	Global Fund to fight HIV/AIDS, Tuberculoses and Malaria
Peer education for prevention of TB among marginalized youth population	Youth	International Planned Parenthood Federation
Peer education for prevention of tuberculosis among young people aged 15-25	Youth	Global Fund to fight HIV/AIDS, Tuberculoses and Malaria
Two Little girls - Phase 2	Youth	International Planned Parenthood Federation
"Boys do matter!" - engaging men and boys in Skopje	Youth	International Planned Parenthood Federation
Technical support by HERA to SPFM	Supporting strategies	International Planned Parenthood Federation

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Association are conducted in accordance with the Accounting Law for Non-Profit Organizations and accounting standards for a presentation of the balance sheet items, balances of the assets, liabilities, sources of the assets, revenues and expenses, and the operating results on true, fair, confidential, complete, punctual basis.

The amounts in the statements and the notes are stated in MKD, except when otherwise indicated in the text.

3. BASIC ACCOUNTING POLICIES

The basic accounting policies used for preparation of the financial statements are listed in the following text. The accounting policies of the Association are being adequately applied from year to year.

3.1 Cash and cash equivalents

The Association's cash comprises of the cash on hand and the cash on giro account in the commercial banks.

Money at the cash account and at the bank accounts stated in domestic currency are presented in the general ledger at their nominal value, while the foreign exchange currency is stated according to the exchange rate of NBRM at the reporting date.

3.2. Tangible and intangible assets

Tangible and intangible assets (fixed assets) are stated at cost. The cost of the fixed assets comprise the purchasing price increased for the import customs, VAT, manipulative expenses and all other expenses that can be added to the cost, i.e. to the purchasing expenses.

The operating fund of the Association increases for the amount of the value of fixed assets purchased.

3.3 Depreciation

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, by using the official depreciation rates prescribed in the Nomenclature for depreciable assets, so their cost and revaluation are depreciated in equal annual amounts during the estimated utilization period of the fixed assets.

The amount of the current depreciation is recorded on the burden of the operating fund. The depreciation rates, applied by the Association in 2011 are as follows: 5% for buildings, 10-20% for equipment and vehicle, 12-16% for furniture, 25% for computer equipment and 10% for intangibles.

The Association has adopted the depreciation rates prescribed in the Nomenclature as its own depreciation rates for the purposes of the financial reporting.

The calculation of the depreciation is performed separately for each item, and not for groups of assets.

3.4 Inventories

The inventory of materials at the moment of their purchasing are recognized at cost. The value of the operating fund is increased for the value of inventory purchased. The decrease of the materials is recognized at the moment of their utilization, on the burden of the operating fund.

Small inventory comprises those fixed assets whose value at the moment of the purchase is lower than 100 EUR converted in MKD. Small inventory write-off is performed at the moment of their purchase.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continued)

3.5 Recognition of the revenues and expenses

The recognition of the revenues and expenses for non-profit Associations is based upon the accounting principle for modified presentation of the operating transactions.

The accounting principle for modified presentation of the operating transactions means recognition of the revenues and the expenses during the period of their appearance according to the criteria of measurement and disposal. Revenues, i.e. expenses are measurable when they can be stated at value. Revenues, i.e. expenses are on disposal when they are realized, i.e. when they appear (when collected, i.e. paid) during the accounting period or within 30 days after this period, used for covering this period's liabilities, i.e. the payment liability arisen during this period.

3.6 Amounts stated in foreign currency

The transactions in foreign currency are stated in MKD according to the Official exchange rate of NBRM at the date of transaction.

Foreign exchange assets and liabilities of the balance sheet are stated in MKD according to the official exchange rates on the balance sheet date.

The Income Statement includes the net foreign exchange gains and losses that resulted from the conversion of the amounts in foreign currency in the period when they occur.

Transactions is US Dollars (breakdown of income, expences, assets and liabilities)

Income, expences, assets and liabilities are translated into US Dollars by using the middle exchange rate of the National Bank of Republic of Macedonia on the last reporting date of the reporting period as follows:

Currency	2011	2010
USD	47,5346	46,3140

4. REVENUES FROM CONTRIBUTIONS AND DONATIONS

	2011	2010
Revenues from membership fee	323.563	314.411
Revenues from donations of domestic Associations	7.861.588	1.058.520
Revenues from donations of international Associations	10.373.511	22.270.543
Total	18.558.662	23.643.474

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

5 . OTHER REVENUES

	<u>2011</u>	<u>2010</u>
Financial revenues	21.526	56.864
Liabilities write-off	523	115
Insurance premium received	6.880	4.952
Returned given donations	-	38.466
Contracted services	-	596.599
Total	<u>28.929</u>	<u>696.996</u>

6 . OPERATING EXPENSES

	<u>2011</u>	<u>2010</u>
Materials	1.928.958	993.407
Communal services	177.696	179.419
Maintenance services	601.482	48.843
Printing and other services	1.317.536	745.717
Postal services	1.221.927	870.176
Representation	-	566.122
Rent	2.111.032	995.251
Costs of goods sold	-	31.622
Seminars	46.791	69.637
Bank provision	124.320	62.314
Insurance	81.696	79.512
Travel costs	982.218	936.059
Perdiems	1.218.092	1.792.600
Foreign exchange loss	74.466	33.747
Hotel services	100.240	-
Intellectual services	8.723.941	9.018.431
Other services	3.428	468.849
Total	<u>18.713.823</u>	<u>16.891.706</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

7 . SOCIAL TRANSFERS

	<u>2011</u>	<u>2010</u>
Social welfare, charity, donations and other transfers	406.152	387.700
Total	<u>406.152</u>	<u>387.700</u>

8 . CAPITAL EXPENSES

	<u>2011</u>	<u>2010</u>
Expenses for equipment	108.410	254.817
Expenses for office materials	5.580	-
Total	<u>113.990</u>	<u>254.817</u>

9 . EXPENSES FOR EMPLOYEES

	<u>2011</u>	<u>2010</u>
Salaries	2.615.438	1.931.316
Total	<u>2.615.438</u>	<u>1.931.316</u>

10 . TAXES

	<u>2011</u>	<u>2010</u>
Personal income tax	321.094	220.401
Total	<u>321.094</u>	<u>220.401</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

11. PLANT AND EQUIPMENT

In MKD	Office Furniture	Office Equipment	Computers & Accessoires	Medical/ clinical Equipment	Vehicles	Total
Cost or valuation						
At 1 January 2011	313.502	502.745	1.214.270	1.258.600	511.369	3.800.486
Additions	-	-	-	-	-	-
Disposals	8.100	36.790	63.520	-	-	108.410
At 31 December 2011	321.602	539.535	1.277.790	1.258.600	511.369	3.908.896
Depreciation						
At 1 January 2011	244.226	335.331	884.611	739.428	338.781	2.542.377
Charge for the year	-	-	-	-	-	-
Release on disposal	15.291	47.603	136.600	188.790	76.704	464.988
At 31 December 2011	259.517	382.934	1.021.211	928.218	415.485	3.007.365
Net book values						
At 31 December 2010	69.276	167.414	329.659	519.172	172.588	1.258.109
At 31 December 2011	62.085	156.601	256.579	330.382	95.884	901.531

In USD	Office Furniture	Office Equipment	Computers & Accessoires	Medical/ clinical Equipment	Vehicles	Total
Cost or valuation						
At 1 January 2011	6.595	10.576	25.545	26.478	10.758	79.952
Additions	-	-	-	-	-	-
Disposals	171	774	1.336	0	0	2.281
At 31 December 2011	6.766	11.350	26.881	26.478	10.758	82.233
	0	0	0	0	0	0
Depreciation						
At 1 January 2011	5.138	7.054	18.610	15.556	7.127	53.485
Charge for the year	-	-	-	-	-	-
Release on disposal	322	1.002	2.874	3.971	1.614	9.783
At 31 December 2011	5.460	8.056	21.484	19.527	8.741	63.268
	0	0	0	0	0	0
Net book values						
At 31 December 2010	1.457	3.522	6.935	10.922	3.631	26.467
At 31 December 2011	1.306	3.294	5.397	6.951	2.017	18.965

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2011
All amounts are expressed in MKD, unless otherwise stated

Statement of changes in donor fund balances for the year ended 31 December 2011

In MKD	IPPF	GF TBC	GF HIV/AIDS	Two little girls	City Skopje	NCA	Institute for Public Health Macedonia	UNFPA	CCM	CIRA	UNDP	FIDM	ESC	EATG	Campaign	DUES	British Concul	Total
Restricted funds and reserves																		
Fund balance at the beginning of the year	-	437,222	2,610,436	51,364	-	1,973,944	625,997	488,596	956,246	501,280	-	-	-	-	-	-	-	7,647,085
Grant remittances	-	152,930	4,138,411	360,271	200,000	2,811,115	18,386	90,880	3,378,217	289,902	525,535	2,068,044	276,780	76,477	-	-	120,000	14,506,948
Inventories donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed assets donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	590,152	6,748,847	411,635	200,000	4,785,059	644,383	579,476	4,336,463	791,182	525,535	2,068,044	276,780	76,477	-	-	120,000	22,154,033
Expenditures during the year	-	589,685	6,686,173	395,888	66,969	4,783,762	613,496	357,555	2,568,939	783,292	426,853	598,619	480	73,973	-	-	211	17,945,895
Total expenditures	-	589,685	6,686,173	395,888	66,969	4,783,762	613,496	357,555	2,568,939	783,292	426,853	598,619	480	73,973	-	-	211	17,945,895
Fund balance at the end of the year	-	467	62,674	15,747	133,031	1,297	30,887	221,921	1,767,524	7,890	98,682	1,469,425	276,300	2,504	-	-	119,789	4,208,138
Unrestricted funds and reserves																		
Fund balance at the beginning of the year	1,766,173	-	-	-	-	-	-	-	-	-	-	-	-	-	-	558,165	-	2,324,338
Grant remittances	3,470,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,470,651
Inventories donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257,500	323,563	-	581,063
Interest income	3,332	574	6,661	168	10	4,191	219	610	2,954	424	-	620	-	-	37	1,726	-	21,526
Fixed assets donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,404	-	7,404
Subtotal	5,240,156	574	6,661	168	10	4,191	219	610	2,954	424	-	620	-	-	257,537	890,858	-	6,404,982
Expenditures during the year	4,192,142	-	-	-	-	-	-	-	-	-	-	-	-	-	16,248	16,211	-	4,224,601
Total expenditures	4,192,142	-	-	-	-	-	-	-	-	-	-	-	-	-	16,248	16,211	-	4,224,601
Fund balance at the end of the year	1,048,014	1,041	69,335	15,915	133,041	5,488	31,106	222,531	1,770,478	8,314	98,682	1,470,045	276,300	2,504	241,289	874,647	119,789	6,388,519

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2011
All amounts are expressed in MKD, unless otherwise stated

Statement of changes in donor fund balances for the year ended 31 December 2011

In USD	IPPF	GF TBC	GF HIV/AIDS	Two little girls	City Skopje	NCA	Institute for Public Health Macedonia	UNFPA	CCM	CIRA	UNDP	FIOM	ESC	EATG	Campaign	DUES	British Council	Total
Restricted funds and reserves																		
Fund balance at the beginning of the year	-	9,440	56,364	1,109	-	42,621	13,516	10,550	20,690	10,824	-	-	-	-	-	-	-	165,114
Grant remittances	-	3,302	89,356	7,779	-	60,697	397	1,962	72,942	6,259	11,347	44,653	5,976	1,651	-	-	2,591	313,230
Inventories donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed assets donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	12,742	145,719	8,888	4,318	103,318	13,913	12,512	93,632	17,083	11,347	44,653	5,976	1,651	-	-	2,591	478,344
Expenditures during the year	-	12,732	144,366	8,548	1,446	103,290	13,246	7,720	55,468	16,913	9,217	12,925	10	1,597	-	-	-	387,483
Total expenditures	-	12,732	144,366	8,548	1,446	103,290	13,246	7,720	55,468	16,913	9,217	12,925	10	1,597	-	-	-	387,483
Translation differences	-	-	(35)	(9)	(73)	(1)	(17)	(123)	(980)	(4)	(55)	(814)	(153)	(1)	-	-	(66)	(2,333)
Fund balance at the end of the year	-	10	1,318	331	2,799	27	650	4,669	37,184	166	2,076	30,913	5,813	53	-	-	2,520	88,528
Unrestricted funds and reserves																		
Fund balance at the beginning of the year	38,135	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,052	50,187
Grant remittances	74,937	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,937
Inventories donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,560	6,986	-	12,546
Interest income	72	12	144	4	-	90	5	13	64	9	-	13	-	-	1	37	-	465
Fixed assets donated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160
Subtotal	113,144	12	144	4	-	90	5	13	64	9	-	13	-	-	5,561	19,235	-	138,295
Expenditures during the year	90,516	-	-	-	-	-	-	-	-	-	-	-	-	-	351	350	-	91,217
Total expenditures	90,516	-	-	-	-	-	-	-	-	-	-	-	-	-	351	350	-	91,217
Translation differences	(581)	-	(3)	-	-	(3)	(1)	(1)	(2)	-	-	-	-	-	(134)	(485)	-	(1,209)
Fund balance at the end of the year	22,047	22	1,459	335	2,799	115	654	4,681	37,246	175	2,076	30,926	5,813	53	5,076	18,400	2,520	134,397

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

12. ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Accounts receivable	893.009	893.009
Balance at 31 December	<u>893.009</u>	<u>893.009</u>

13. PREPAYMENTS

	<u>2011</u>	<u>2010</u>
Other prepayment and accrued income	149.604	354.967
Balance at 31 December	<u>149.604</u>	<u>354.967</u>

14. CASH AND CASH EQUIVALENTS

	<u>2011</u>	<u>2010</u>
Bank accounts - domestic	6.383.342	9.966.395
Bank account - foreign	5.176	5.029
Balance at 31 December	<u>6.388.518</u>	<u>9.971.424</u>

15. OPERATING FUND

	<u>2011</u>	<u>2010</u>
Operating fund - assets	901.531	1.258.109
Balance at 31 December	<u>901.531</u>	<u>1.258.109</u>

16. ACCOUNTS PAYABLE

	<u>2011</u>	<u>2010</u>
Domestic account payable	126.450	354.967
Balance at 31 December	<u>126.450</u>	<u>354.967</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2011

All amounts are expressed in MKD, unless otherwise stated

17. OTHER SHORT TERM LIABILITIES

	<u>2011</u>	<u>2010</u>
Personal income tax	23.154	-
Balance at 31 December	<u>23.154</u>	<u>-</u>

18. ACCRUED EXPENSES AND DEFERRED INCOME

	<u>2011</u>	<u>2010</u>
Accrued expenses	893.009	893.009
Balance at 31 December	<u>893.009</u>	<u>893.009</u>