

Здружение на граѓани Х.Е.Р.А. Асоцијација за
здравствена едукација и истражување-СКОПЈЕ

Примено:	22.03.2018		
Орг.един.	Врста	Содержина	Вредност
0203	02	✓	✓



Citizens' Association H.E.R.A. – Health Education and Research Association - Skopje

FINANCIAL STATEMENTS

FOR THE YEAR THAT ENDED ON 31 DECEMBER 2017

WITH

INDEPENDENT AUDITOR'S REPORT

March 2018

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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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 H.E.R.A. – Health Education and Research Association - Skopje as of 31 December 2017, and its financial performance for the year then ended, in accordance with the Law on Accounting for Non-profit Organizations.

Skopje, 22.03.2018


Certified Auditor
Vojdan Jordanov

Audit firm RSM MACEDONIA Skopje

Certified Auditor
Stojan Jordanov


Друштво за ревизија РСМ
МАКЕДОНИЈА ДООЕЛ Скопје



STATEMENT ON REVENUES AND EXPENSES

<i>(in thousand denars)</i>	Note	Year ended 31 Dec	
		2017	2016
INCOME			
Income from memberships, gifts and donations	4	52,341	47,163
Self generated income	4	108	-
Interest and exchange gains	4	6	65
Other income	4	-	22
Income from the current period		52,455	47,250
Profits/losses carried from previous years	4	14,779	12,369
TOTAL INCOME		67,234	59,619
EXPENSES			
Operating expenditures	5	48,395	44,825
TOTAL EXPENSES		48,395	44,825
Income surplus before tax/ (uncovered expenses before tax)		18,839	14,794
Tax on unrecognized costs		(21)	(15)
Income surplus / (uncovered expenses)		18,818	14,779

Skopje, 28.02.2018

Iva Mihajlovska
Chairwoman of the Board




Income by categories	Current year						Previous year	
	in '000 MKD			in '000 \$ US			in MKD	in \$ US
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total	Total
Governmental institutions	-	2,525	2,525	-	46	46	1,341	23
Multilateral organizations	-	18,353	18,353	-	336	336	8,230	141
Foreign governments	-	8,196	8,196	-	150	150	5,258	90
Foundations/Trusts/NGOs	6,190	16,790	22,980	113	307	421	31,826	546
Private sector	-	206	206	-	4	4	130	2
Membership fees	27	-	27	0	-	0	466	8
Individual donors and self generated revenues	168	-	168	3	-	3		
TOTAL INCOME	6,385	46,070	52,455	117	843	960	47,251	810
In Kind donations	-	-	-	-	-	-	432	7
Total income + In Kind	6,385	46,070	52,455	117	843	960	47,683	817

Expenses by Strategic Framework	Current year						Previous year	
	in '000 MKD			in '000 \$ US			in MKD	in \$ US
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Total	Total
Goal 1: Champion rights	13,189	129	13,318	257	3	260	-	-
Goal 2: Empowering community	9,339	1,620	10,959	182	32	214	-	-
Goal 3: Serve people	13,937	909	14,846	272	18	290	-	-
Goal 4: Unite and perform	5,851	3,081	8,932	114	60	174	-	-
Non-current strategic goals (up to 2016)								
Goal 1 Advocacy	-	-	-	-	-	-	10,107	179
Goal 2 Education and services	-	-	-	-	-	-	12,855	228
Goal 3 Development and research	-	-	-	-	-	-	18,680	331
Total	42,316	5,739	48,055	825	112	937	41,642	739

STATEMENT ON FINANCIAL POSITION

<i>(in thousand denars)</i>	Note	Year ended on 31 Dec	
		2017	2016
ASSETS			
<u>Long-term assets</u>		8,645	2,424
Tangible assets	6	8,645	2,424
Intangible assets		-	-
<u>Current assets</u>		19,732	20,298
Inventories		-	-
Receivables	7	890	5,495
Short-term financial receivables	8	8	94
Cash	9	18,834	14,709
TOTAL ASSETS		28,377	22,722
FUNDS AND LIABILITIES			
<u>Funds and reserve</u>		8,645	2,424
Business fund		8,645	2,424
<u>Current liabilities</u>		45	24
Accounts payable	10	35	21
Other taxes and contributions	11	10	3
<u>ACCRUALS</u>		19,687	20,274
Transfer of surplus of revenues for the next year		18,816	14,779
Deffered consideration	12	871	5,495
TOTAL FUNDS AND LIABILITIES		28,377	22,722

Skopje, 28.02.2018

Iva Mihajlovska
Chairwoman of the Board



OPERATING FUND

Review of movement of business fund, revaluation reserves and accumulated surplus of revenues

<i>(in thousand denars)</i>	Business fund	Accumulated surplus of revenues	Total
Balance at 01.01.2016	2,353	12,369	14,722
Income for the year		47,250	47,250
Expenses for the year		(39,976)	(39,976)
Tax on unrecognized costs		(15)	(15)
Increase of tangible assets / (capital expenditures - business premises)	660	(4,849)	(4,189)
Depreciation	(589)	-	(589)
Correction	-	-	-
Write-off of tangible assets	-	-	-
Balance at 31.12.2016	2,424	14,779	17,203
Balance at 01.01.2017	2,424	14,779	17,203
Income for the year		52,455	52,455
Expenses for the year		(46,108)	(46,108)
Tax on unrecognized costs		(21)	(21)
Increase of tangible assets / (capital expenditures - business premises)	6,912	(2,287)	4,625
Depreciation	(691)	-	(691)
Correction	-	-	-
Write-off of tangible assets	-	-	-
Balance at 31.12.2017	8,645	18,818	27,463

NOTES TO THE FINANCIAL STATEMENTS

1. General information on H.E.R.A. - Skopje

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 Street.

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.

Basic entity data

Unique ID of the entity	5380120
Full name of the entity	Citizens' Association H.E.R.A. Association for health education and research Skopje
Headquarters	Debarca 56-1/4 CENTAR – Skopje
Established on	03.06.2007
Unique tax number	4030000377539
Primary activity	88.99 Other social protection activities excluding accommodation, not listed elsewhere

Projects implemented in 2017

	Project name	Donor
1	Growing the CSE seeds	International Planned Parenthood Federation
2	Deliver rights-based services including for safe abortion & HIV	International Planned Parenthood Federation
3	Maintain high-performing and financially sustainable organization	International Planned Parenthood Federation
4	Keeping SRHR in the focus of the media	International Planned Parenthood Federation
5	New media for new narratives on Roma	Open Society Foundation Macedonia
6	Integrating SRHR and ICPD within national 2030 Agenda priorities	International Planned Parenthood Federation
7	Addressing anti-discrimination and LGBTI rights at Local-Government level	Ministry of foreign affairs of Netherlands
8	Outreach HIV testing services among LGBT and MSM in Macedonia	ViiV Healthcare UK Limited
9	Institutional Grant Civica Mobilitas	Swiss agency for Development and Cooperation
10	Ensuring responsible transition from Global Fund support to sustainable government funding of HIV programs for key populations in Macedonia	Open Society Foundation Macedonia
11	Improved reproductive health for Roma pregnant women living in Suto Orizari and other vulnerable groups 2017-2018	Open Society Foundation Macedonia
12	Counseling centers for prevention of using drugs and domestic violence	City of Skopje
13	Building inter-sectorial cooperation and implementation of a Multi-Agency Team (MAT) approach to deal on children victims of violence	UNICEF
14	Socially excluded and vulnerable groups are empowered to exercise their rights and enjoy a better quality of life and equitable access to basic service	UNFPA
15	Hosting Secretariat of Country Coordinating Mechanism to fight HIV and Tuberculosis in Macedonia	Global Fund to fight HIV, tuberculosis and malaria
16	Empowering Roma women trough social enterprise creation	European Union
17	HIV Testing and counseling	Ministry of health
18	Diagnosis and treatment of STI	Ministry of health
19	Youth Key Population	International Planned Parenthood Federation
20	Ensuring Sustainability of HIV programs for HIV affected groups in South East Europe	AIDS Health Care Foundation
21	Documenting the human rights impact on retrogressive legislative barriers on access to abortion in Macedonia	Center for reproductive rights
22	SRH centers	Global Fund to fight HIV, tuberculosis and malaria
23	TB prevention and screening among Roma people using the model of Roma Health Mediators	Global Fund to fight HIV, tuberculosis and malaria
24	Voluntary HIV testing and SRH services for key populations	Global Fund to fight HIV, tuberculosis and malaria

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25	Integration of the Roma Health Mediators programme into national and local planning and budgeting	UNICEF
26	Strengthening rule of law to protect LGBT Community 2016-2017	Ministry of foreign affairs of Netherlands
27	Using theater-based education 2016-2017	Open Society Foundation Macedonia
28	Improved reproductive health for Roma pregnant women living in Suto Orizari and other vulnerable groups 2015-2016	Open Society Foundation Macedonia

2. BASIS FOR PREPARATION 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 2016 are as follows: 5% for buildings, 10-20% for equipment and vehicle, 12-16% for furniture, 25% for computer equipment and 20% 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 300 EUR converted in MKD. Small inventory write-off is performed at the moment of their purchase.

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 in US Dollars (breakdown of income, expenses, assets and liabilities)

Income and expenses are translated into US Dollars by using the average middle exchange rate calculated on basis of all daily average middle exchange rates of the National Bank of Republic of Macedonia for the period of 01.01.2017 – 31.12.2017(the reporting period), or as follows:

Currency	2017	2016
USD	54.6450	58.3258

Note 4

	<i>(in thousand denars)</i>	
	2017	2016
Revenues	67,234	59,619
REVENUES FROM SALES OF PRODUCTS, GOODS AND SERVICES	108	-
Revenues from services	108	-
REVENUES FROM INTEREST AND POSITIVE EXCHANGE RATES	6	65
Revenues from interest on bank deposits	-	1
Revenues from positive exchange rates	6	64
REVENUES FROM MEMBERSHIP FEES, GIFTS, DONATIONS AND REVENUES FROM OTHER SOURCES	52,341	47,163
Revenues from membership fees, gifts and donations	52,341	47,163
OTHER REVENUES	-	22
Other revenues	-	22
PROFITS/LOSSES FROM PREVIOUS YEARS	14,779	12,369
Profits/losses from previous years	14,779	12,369

Note 5

	<i>(in thousand denars)</i>	
	2017	2016
Expenses	48,395	44,825
OPERATING EXPENSES, SERVICES AND DEPRECIATION	10,561	8,939
Supplies	2,574	2,441
Spent energy	213	266
Maintenance of assets	478	406
Other services	792	664
Transport services	1,183	1,458
Advertising, propaganda and representation	3,693	2,091
Rents and utilities	1,616	1,597
Other material expenses	12	16
OTHER EXPENSES	19,662	17,297
Bank fee	632	629
Insurance premium	22	97
Business trips and travel expenses	1,538	1,516
Allowances for expenses for workers and citizens	2,323	3,093
Negative currency adjustment costs	322	33
Membership fees	212	7
Intellectual and other services	14,613	11,908
Other expenses	-	14
TRANSFERRED ASSETS	42	611
Transferred assets to other subjects	42	611
NON-CURRENT AND OTHER ASSETS	2,287	4,849
Business premises	1,978	4,624
Equipment	309	225
ASSISTANCE, DONATIONS AND OTHER PAYMENTS	12	60
Assistance, donations and other payments to subjects	12	60
SALARIES AND CONTRIBUTIONS	14,547	11,863
Salaries	14,547	11,863
TAXES AND CONTRIBUTION THAT DO NOT DEPEND ON RESULT	1,284	1,206
Taxes and contribution that do not depend on result	1,284	1,206

Note 6*(in thousand denars)***Tangible assets**

	013	014	015	016	017	
2016	Equipment	Tools, plant and office inventory	Furniture	Transport vehicles	Other	Total
Cost						
Balance January 1	3,491	299	456	3,481	7	7,734
Additions	538	62	60	-	-	660
Disposals	-	-	-	-	-	-
Balance December 31	4,029	361	516	3,481	7	8,394
Accumulated depreciation						
Balance January 1	(2,235)	(216)	(326)	(2,604)	-	(5,381)
Depreciation for the year	(275)	(37)	(20)	(257)	-	(589)
Disposals	-	-	-	-	-	-
Balance December 31	(2,510)	(253)	(346)	(2,861)	-	(5,970)
Net book value December 31	1,519	108	170	620	7	2,424

	Equipment	Tools, plant and office inventory	Furniture	Transport vehicles	Other	Total
2017						
Cost						
Balance January 1	4,029	361	516	3,481	7	8,394
Additions	281	29	-	1	-	6,912
Disposals	-	-	-	-	-	-
Balance December 31	4,310	390	516	3,482	7	15,306
Accumulated depreciation						
Balance January 1	(2,510)	(253)	(346)	(2,861)	-	(5,970)
Depreciation for the year	(336)	(44)	(27)	(257)	-	(691)
Disposals	-	-	-	-	-	-
Balance December 31	(2,846)	(297)	(373)	(3,118)	-	(6,661)
Net book value December 31	1,464	93	143	364	7	8,645

Note 7

(in thousand denars)

	2017	2016
Accounts receivables	890	5,495
Accounts receivable	871	871
Accounts receivable	871	871
Receivables from advances and deposits	19	4,624
Receivables from advances and deposits	19	4,624

Note 8

(in thousand denars)

	2017	2016
Short-term financial receivables	8	94
Short-term financial receivables	8	94

Note 9

(in thousand denars)

	2017	2016
Monetary assets	18,834	14,709
Cash in bank	18,834	14,705
Foreign currency account	-	4

Note 10

(in thousand denars)

	2017	2016
Accounts payable	(35)	(21)
Domestic accounts payable	(35)	(21)

Note 11

	<i>(in thousand denars)</i>	
	2017	2016
Other current payables	(10)	(3)
Current income tax payables	(10)	(3)

Note 12

	<i>(in thousand denars)</i>	
	2017	2016
Deferred consideration	(18,816)	(19,403)
Pre-paid expenses	-	(4,624)
Transfer of surplus of revenues for the next year	(18,816)	(14,779)

Note 13. Off-balance records

As of 31 December 2017, the Association has not off-balance sheet exposure.

Note 14. Subsequent events

There are no material subsequent events that would have an impact on understanding of the financial statements.