



Здружение на граѓани **ХЕРА** Асоцијација за
здравствена едукација и истражување - Скопје

Примено: 04.05.2022			
Орг. Един.	Број:	Прилог:	Вредност:
0203	02		

Health Education and Research Association- “HERA” Skopje

Financial Statements for the Year Ended
31 December 2021 and

Independent Auditor's Report

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INDEPENDENT AUDITORS REPORT – FINANCIAL AUDIT

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FINANCIAL STATEMENTS

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To:
The Management of
Health Education and Research Association "HERA" Skopje

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Health Education and Research Association "HERA" Skopje, (in the following text "the Foundation"), which comprise the Balance Sheet as of 31 December 2021, 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 the standards for 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 the Auditing Standards applicable in the Republic of Macedonia. 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.

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.

To:
The Management of
Health Education and Research Association "HERA" Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of the Health Education and Research Association "HERA" Skopje, give a true and fair view, in all material aspects, of the financial position of the Association as of 31 December 2021, as well as the operating results and the changes in the funds for the year then ended, in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting, accepted in the Republic of North Macedonia.

A&BA Group doel, Skopje

Certified Auditor, Partner

Darko Kalin



Director

Darko Kalin



26 April 2022

STATEMENT OF REVENUES AND EXPENSES**As of 31 December 2021****In MKD thousands**

	Notes	31 December 2021	31 December 2020
Granted Donations	4	41.245	39.053
Other Revenues	5	427	323
Financial Revenues	6	-	5
		41.672	39.381
Material Expenses	7	7.466	7.348
Operating Expenses	8	16.321	14.025
Expenses for Employees	9	12.275	11.497
Capital Expenses	10	1.014	827
Exchange rate loss	11	78	76
		37.154	33.773
Surplus of revenues over expenses before taxes		4.518	5.608
Income tax		-	-
Surplus of revenues over expenses after taxation		4.518	5.608

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

The accompanying financial statements were authorized for issue by the Managing Board of the Association and were signed on its behalf by:


Rumena Gerdovska Kojcevska
 President

BALANCE SHEET
As of 31 December 2021
In MKD thousands

	Notes	31 December 2021	31 December 2020
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	7.253	7.753
Total Non-current assets		7.253	7.753
CURRENT ASSETS			
Cash and Cash Equivalents	13	25.030	21.057
Trade receivables	14	874	874
Other receivables	15	48	48
Total current assets		25.952	21.979
TOTAL ASSETS		33.205	29.732
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund		7.253	7.753
Revaluation of Depreciation		-	-
Surplus of Revenues Over Expenses After Taxation		25.904	21.108
Total Operating Fund/capital	16	33.157	28.862
Current Liabilities			
Deferrals	17	48	870
TOTAL OPERATING FUND		48	870
TOTAL LIABILITIES AND FUNDS		33.205	29.732

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

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2021
In MKD thousands

	Operating Fund	Reserves	Surplus of Revenues over Expenses	TOTAL
Balance as of 1 January 2020	7.953	-	15.500	23.453
Transferred surplus of revenues over expenses from previous year	-	-	(15.500)	(15.500)
Purchase of fixed assets	822	-	-	822
Depreciation	(1.022)	-	-	(1.022)
Surplus of revenues over expenses for next year	-	-	21.108	21.108
Balance as of 31 December 2021	7.753	-	21.108	28.862
Transferred surplus of revenues over expenses from previous year	-	-	(21.108)	(21.108)
Purchase of fixed assets	529	-	-	529
Revaluation	34	-	-	34
Depreciation	(1.063)	-	-	(1.063)
Surplus of revenues over expenses for next year	-	-	25.904	25.904
Balance as of 31 December 2021	7.253	-	25.904	33.157

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY

The Health Education and Research Association "HERA", Skopje (hereinafter: the Foundation) is foundation founded on 20.01.2000 . The Foundation is registered in the Central Registry of the Republic of North Macedonia with a unique identification number of the subject 5380120.

The mission of the Health Education and Research Association "HERA" is to be the initiator of a civil movement and to influence a social change focused on the recognition of the sexual rights and ensuring a better educational foundation and services regarding the sexual and reproductive health/wellbeing, especially focused on the marginalized communities.

The headquarters of the Foundation are located on Str. Franklin Ruzvelt no. 51A-1/26, 1000 Skopje.

The average number of employees for 2021 amounted to 21 employees (2020: 21 employees).

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Foundation are conducted in accordance with the Non-Profit Organization Accounting Law (Official Gazette no.24/2003, 17/2011, 80/2005, 154/2015); Rulebook of Accounting of Non-Profit Organization (Official Gazette no. 42/2003, 8/2009, 12/2009, 175/2011), Rulebook for the accounting plan and the balances of Non-profit Organizations (Official Gazette no. 117/2005, 11/2006) and the Rulebook on the content of individual accounts in the chart of accounts of non-profit organizations (Official Gazette no.117/2005).

The financial statements have been prepared as of and for the years ended 31 December 2021 and 2020. The current and comparative data stated in these financial statements are expressed in thousands of MKD, unless otherwise stated.

The Financial Statements of the Association for the year ended 31 December 2020 are audited by another auditor.

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2021****All amounts are expressed in MKD thousand, unless otherwise stated****3. BASIC ACCOUNTING POLICIES**

The financial statements of the Institute are conducted in accordance with the Non-Profit Organization Accounting Law and the International accounting standards for the public sector on cash basis published in the Republic of North Macedonia for 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 thousands of MKD, except when otherwise indicated in the text.

3.1 Cash and cash equivalents

The Foundation's cash comprises of the cash on hand and the cash on bank 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 NBRSM at the reporting date.

3.2 Material and non-material assets

Classified as material and non-material assets are:

- Assets kept for performing the activity
- Assets that are expected to be used more than one financial period and whose separate value at the moment of purchase is higher than 300 EUR in Macedonian Denar counter-value.

Material and non-material investments (fixed assets) are stated at their cost value. The cost of the fixed assets comprise the purchasing price increased for the purchase related costs. The operating fund of the Foundation increases for the amount of the value of fixed assets purchased. The revaluation of fixed assets (tangible and intangible assets), is performed because of additional valuation due to the increase of the annual inflation rate, measured with the official industrial product price index. Revaluation basis is the cost of the assets.

Sources of funding of the Foundation are increased for the amount of the material and non-material assets. Material and Non-Material assets are recognized as capital expenditure at the moment when they occur (payment).

All other continuous maintenance is evidenced as cost in the Statement of Revenues and Expenses during the period in which they occur.

3.3 Depreciation

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, so their cost and revaluated amount are depreciated in equal annual amounts during the estimated utilization period of the fixed assets.

The depreciation rates, applied by the Institute in 2018 are as follows: 5% for buildings, 10 – 20% for equipment, 12 – 16% for furniture and 25% for computer equipment.

The amount of the current depreciation is recorded on the burden of the operating fund.

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2021****All amounts are expressed in MKD thousand, unless otherwise stated**

3. BASIC ACCOUNTING POLICIES (Continued)**3.4 Recognition of the revenues and expenses**

Revenues and expenses of the non-profit Foundation are recognized according to the modified accrual basis of accounting.

- Revenues are measurable when they can be stated by their value. Revenues are available when they are realized, i.e. when they appear in the accounting period or within the period of 30 days after the accounting period, under condition to be related to the accounting period and serve for payment of the liabilities for the period.
- Expenses are measurable when they can be stated by their value. Expenses are available when they are realized, i.e. when they are paid in the accounting period or within the period of 30 days after the accounting period, under condition to be related to the accounting period.

3.5 Current and deferred income tax

Income tax for the reporting period is the sum of current and deferred income tax.

(a) Current Income Tax

Current income tax represents the amount calculated and paid in accordance with the Law on Profit Tax in the Republic of North Macedonia. Income tax is paid in the amount of 1% of the total income from the realized economic activity for the difference of the realized income over 1 million denars (2020: 10% of the tax base calculated in the annual tax return and is reduced for any by any applicable tax credits. The tax base stated in the income tax return includes profit for the year increased for unrecognized expenses, taxable income from related parties and unclosed balances of loans given, in accordance with the regulations in the Income Tax Law, decreased for any tax exemptions).

(b) Deferred tax

Deferred taxes are recognized in cases of differences between the carrying amounts of assets and the liabilities in the financial statements and the carrying amounts as per tax regulations and are reported using the balance sheet liability method. Deferred tax liabilities are recognised for all deductible temporary differences given that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In these financial statements, there are no temporary tax differences.

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2021****All amounts are expressed in MKD thousand, unless otherwise stated****3. BASIC ACCOUNTING POLICIES (Continued)****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. The average (closing) exchange rates of the denar related to the foreign exchange currencies (for one unit of foreign exchange currency) as of 31 December are as follows:

	<u>31 December 2021</u>	<u>31 December 2020</u>
1 USD	54,3736	50,2353
1 EUR	61,6270	61,6940

4. GRANTED DONATIONS

	<u>2021</u>	<u>2020</u>
Revenues from donations	41.225	39.038
Revenues from memberships	20	15
Total	<u>41.245</u>	<u>39.053</u>

In thousands of USD:

	<u>2021</u>	<u>2020</u>
Revenues from donations	758	777
Revenues from memberships	1	-
Total	<u>759</u>	<u>777</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021
All amounts are expressed in MKD thousand, unless otherwise stated

During 2021, revenues from the following donations were realized:

	2021	2020
International Parenthood Planned Federation (IPPF)	10.729	11.919
MINISTRY OF HEALTH OF Republic of North Macedonia	9.643	5.761
Sigrid Rausing Trust	7.213	3.459
UNWOMEN	3.490	5.499
Kvinna Till Kvinna	2.101	1.370
Foundation Open Society - Macedonia	1.797	3.628
SKOPJE CITY	1.500	3.409
BILITIS FOUNDATION	1.203	1.132
ASSOCIATION STRONGER TOGETHER	1.132	-
VEREIN MENNER AUSTRIA	747	-
Ministry of Labour & Social Policy of Republic of North Macedonia	447	447
S-CASE SRO BRATISLAVA	375	-
European Commission	232	-
OESTERR GES FAM.PLANING	216	-
FRENCH EMBACY IN Republic of North Macedonia	182	-
UNICOMS SWITZERLAND GMBH SOFIA	62	-
Embassy of United Kingdom	-	601
Alliance for public health	-	1.098
SEX OG POLITIKK-Forening for seks uell Christian Kroghs ga	-	110
Other revenues	156	605
Total	41.225	39.038

In thousands of USD:

	2021	2020
International Parenthood Planned Federation (IPPF)	197	237
MINISTRY OF HEALTH OF Republic of North Macedonia	177	115
Sigrid Rausing Trust	133	69
UNWOMEN	64	109
Kvinna Till Kvinna	39	27
Foundation Open Society - Macedonia	33	72
SKOPJE CITY	28	68
BILITIS FOUNDATION	22	23
VEREIN MENNER AUSTRIA	14	-
Ministry of Labour & Social Policy of Republic of North Macedonia	8	9
S-CASE SRO BRATISLAVA	7	-
European Commission	4	-
OESTERR GES FAM.PLANING	4	-
French Embassy in Republic of North Macedonia	3	-
UNICOMS SWITZERLAND GMBH SOFIA	1	-
Embassy of United Kingdom in Republic of North Macedonia	-	12
Alliance for public health	21	22
SEX OG POLITIKK-Forening for seks uell Christian Kroghs ga	-	2
Other revenues	3	12
Total	758	777

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

5. OTHER REVENUES

	2021	2020
Revenues from economic activities	427	323
Total	427	323

In thousands of USD:

	2021	2020
Revenues from economic activities	8	6
Total	8	6

6. FINANCIAL REVENUES

	2021	2020
Interest rate revenues	-	5
Total	-	5

In thousands of USD:

	2021	2020
Interest rate revenues	-	0
Total	-	0

7. MATERIAL EXPENSES

	2021	2020
Materials	3.183	3.149
Water, Electricity, telephone	329	282
Investment maintenance of assets	267	460
Other services	1.619	1.368
Transport	642	616
Advertising	402	164
Rent	1.010	1.177
Other expenses	14	132
Total	7.466	7.348

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2021****All amounts are expressed in MKD thousand, unless otherwise stated**

In thousands of USD:

	2021	2020
Materials	59	63
Water, Electricity, telephone	6	6
Investment maintenance of assets	5	9
Other services	30	27
Transport	12	12
Advertising	7	3
Rent	19	23
Other expenses	-	3
Total	137	146

8. OPERATING EXPENSES

	2021	2020
Intellectual services	14.707	10.977
Transferred assets	495	1.606
Provisions	137	366
Per Diems and Travel costs	100	213
Reimbursement of costs for workers and citizens	590	551
Insurance premiums	25	22
Taxes	6	43
Memberships fees	4	-
Other Expenses	257	247
Total	16.321	14.025

In thousands of USD:

	2021	2020
Intellectual services	270	219
Transferred assets	9	32
Provisions	3	7
Per Diems and Travel costs	2	4
Reimbursement of costs for workers and citizens	11	11
Insurance premiums	-	-
Taxes	-	1
Memberships fees	-	-
Other Expenses	5	5
Total	300	279

Health Education and Research Association "HERA"

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

9. EXPENSES FOR EMPLOYEES

	2021	2020
Salaries	12.275	11.497
Total	12.275	11.497

In thousands of USD:

	2021	2020
Salaries	226	229
Total	226	229

10. CAPITAL EXPENSES

	2021	2020
Equipment, inventory and other assets	1.014	827
Total	1.014	827

In thousands of USD:

	2021	2020
Equipment, inventory and other assets	19	16
Total	19	16

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

11. FOREIGN EXCHANGE LOSSES

	<u>2021</u>	<u>2020</u>
Foreign exchange losses	78	76
Total	<u>78</u>	<u>76</u>

In thousands of USD:

	<u>2021</u>	<u>2020</u>
Foreign exchange losses	1	2
Total	<u>1</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

12. PROPERTY, PLANT, EQUIPMENT

	Plant	Equipment, Furniture and transport vehicles	Total material assets
Cost			
Balance as of 01.01.2020	6.602	9.195	15.797
Additions	-	822	822
Revaluation of assets	-	7	7
Balance as of 31.12.2020	6.602	10.024	16.625
Additions	-	529	529
Revaluation of assets	-	34	34
Balance as of 31.12.2021	6.602	10.587	17.189
Accumulated Depreciation			
Balance as of 01.01.2020	160	7.691	7.851
Depreciation	66	956	1.022
Revaluation of depreciation	-	-	-
Balance as of 31.12.2020	226	8.647	8.873
Depreciation	66	997	1.063
Revaluation of depreciation	-	-	-
Balance as of 31.12.2021	292	9.644	9.936
Net book value as of:			
31 December 2021	6.310	943	7.253
31 December 2020	6.376	1.377	7.753

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

In thousands of USD:

	Plant	Equipment, Furniture and transport vehicles	Total material assets
Cost			
Balance as of 01.01.2020	131	183	314
Additions	-	16	16
Revaluation of assets	-	0	0
Balance as of 31.12.2020	131	200	331
Additions	-	10	10
Revaluation of assets	-	1	1
Balance as of 31.12.2021	121	195	316
Accumulated Depreciation			
Balance as of 01.01.2020	3	153	156
Depreciation	1	19	20
Revaluation of depreciation	-	-	-
Balance as of 31.12.2020	4	172	177
Depreciation	1	18	20
Revaluation of depreciation	-	-	-
Balance as of 31.12.2021	5	177	183
Net book value as of:			
31-Dec-21	116	17	133
31-Dec-20	127	27	154

13. CASH AND CASH EQUIVALENTS

	2021	2020
Bank account	24.987	21.042
Foreign currency bank account	61	15
Total	25.030	21.057

In thousands of USD:

	2021	2020
Bank account	460	419
Foreign currency bank account	1	0
Total	460	419

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

14. ACCOUNTS RECEIVABLE

	2021	2020
Domestic receivables	874	874
Total	874	874

In thousands of USD:

	2021	2020
Domestic receivables	16	17
Total	16	17

15. OTHER RECEIVABLES

	2021	2020
Short-term loans and deposits	48	48
Total	48	48

In thousands of USD:

	2021	2020
Short-term loans and deposits	1	1
Total	1	1

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

16. OPERATING FUND

	<u>2021</u>	<u>2020</u>
Operating fund	7.253	7.753
Reserve	-	-
Current surplus of revenues over expenses	25.904	21.108
Total	<u>33.157</u>	<u>28.861</u>

In thousands of USD:

	<u>2021</u>	<u>2020</u>
Operating fund	133	154
Reserve	-	-
Current surplus of revenues over expenses	476	420
Total	<u>610</u>	<u>575</u>

The changes in the Operating fund are stated in the Statement of changes in the operating funds on page 5.

17. DEFERRALS

	<u>2021</u>	<u>2020</u>
Deferred expenses	48	48
Other deferrals	-	822
Total	<u>48</u>	<u>870</u>

In thousands of USD:

	<u>2021</u>	<u>2020</u>
Deferred expenses	1	1
Other deferrals	-	16
Total	<u>1</u>	<u>17</u>

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2021****All amounts are expressed in MKD thousand, unless otherwise stated****18. OFF-BALANCE RECORDS**

As of 31 December 2021, the Foundation has no off-balance sheet exposure.

19. SUBSEQUENT EVENTS

After 31 December 2021 - the reporting date, until the day of approval of these financial statements, the following events are materially significant for disclosure in these financial statements:

- After 31 December 2021, the spread of COVID-19 is seriously affecting many local economies around the world. In many countries, businesses are forced to suspend their operations or limit their activities for a longer or indefinite period. The measures taken to stop the spread of the virus, including travel bans, quarantine, social distancing and the closure of non-essential services that have caused significant disruption to businesses around the world, have resulted in economic slowdown. Global stock markets are also experiencing major uncertainties and significant weakening. Governments and central banks have also responded with monetary and fiscal interventions to stabilize the economic situation. The Association considers that these events are non-corrective events after the reporting period. Accordingly, the financial position and the results of the Association's operations of and for the year ending on 31 December 2021 are not corrected to reflect this impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the response by the government and the central bank, remain unclear at this time. It is not possible to make a reliable assessment of the duration and severity of these consequences, as well as the impact of the financial position and the results of the Association's operations and cash flows in the future.
- The military action in Ukraine by the Russian forces that started on February 24, 2022 is a far-reaching event that will also leave evident traces in the global economy, and thus in corporate financial reporting. Impacts were immediately felt on the commodities and the financial markets, especially with the imposition of severe sanctions against Russia. The consequences for Russia and the imposing countries are immediately visible, but in the long run there will also be significant consequences for the global economy. It is currently difficult to predict how long this crisis will last, which may also intensify with further actions even after the end of military actions. Therefore, the Association considers these events to be non-adjusting subsequent events. Consequently, the financial position and results of operations of and for the period ended 31 December 2021 are not adjusted to reflect this impact.