



**Health Education and
Research Association-
“HERA” Skopje**

Financial Statements for the Year Ended
31 December 2022 and

Independent Auditor’s Report

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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 Association"), which comprise the Balance Sheet as of 31 December 2022, 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 2022, 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 dooel, Skopje

Certified Auditor, Partner

Darko Kalin



Director

Darko Kalin

09 May 2023

STATEMENT OF REVENUES AND EXPENSES
As of 31 December 2022
In MKD thousands

	Notes	31 December 2022	31 December 2021
Granted Donations	4	34.639	41.245
Other Revenues	5	399	427
Transferred surplus of revenue from the previous year	6	25.159	20.516
		60.198	62.187
Material Expenses	7	8.366	7.466
Operating Expenses	8	16.666	16.321
Expenses for Employees	9	15.951	12.275
Capital Expenses	10	330	1.014
Exchange rate loss	11	-	78
		41.313	37.154
Surplus of revenues over expenses before taxes		18.885	25.033
Income tax		-	-
Surplus of revenues over expenses after taxation		18.885	25.033

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 Kojceski
 President

BALANCE SHEET
As of 31 December 2022
In MKD thousands

	Notes	31 December 2022	31 December 2021
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	7.026	7.253
Total Non-current assets		7.026	7.253
CURRENT ASSETS			
Cash and Cash Equivalents	13	18.833	25.030
Trade receivables	14	3	3
Other receivables	15	49	49
Total current assets		18.885	25.082
TOTAL ASSETS		25.911	32.335
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund		7.026	7.253
Surplus of Revenues Over Expenses After Taxation		18.885	25.033
Total Operating Fund/capital	16	25.911	32.287
Current Liabilities			
Deferrals	17	-	49
TOTAL OPERATING FUND		-	49
TOTAL LIABILITIES AND FUNDS		25.911	32.335

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

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2022
In MKD thousands

	Operating Fund	Reserves	Surplus of Revenues over Expenses	TOTAL
Balance as of 1 January 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	-	-	25.033	25.033
Balance as of 31 December 2021	7.253	-	25.033	32.287
Transferred surplus of revenues over expenses from previous year	-	-	(25.033)	(25.033)
Purchase of fixed assets	250	-	-	250
Sale of fixed assets	(4.349)	-	-	(4.349)
Depreciation on assets sold	4.427	-	-	4.427
Depreciation	(26)	-	-	(26)
Accounting correction	(529)	-	-	(529)
Surplus of revenues over expenses for 2022	-	-	18.885	18.885
Balance as of 31 December 2022	7.026	-	18.885	25.911

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY

The Health Education and Research Association "HERA", Skopje (hereinafter: the Association) is founded on 20.01.2000 . The Association 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 Association are located on Str. Franklin Ruzvelt no. 51A-1/26, 1000 Skopje.

The number of employees as of 31.12.2022 is 15 employees (31.12.2021: 21 employees).

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Association 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 2022 and 2021. The current and comparative data stated in these financial statements are expressed in thousands of MKD, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

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 Association'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 Association 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 Association 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 2022

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 organizations 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 at the amount of 1% of the total income from the realized economic activity for the difference of the realized income over 1 million denars (2021: at the amount of 1% of the total income from the realized economic activity for the difference of the realized income over 1 million denars).

(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 2022

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 2022</u>	<u>31 December 2021</u>
1 USD	57,6535	54,3736
1 EUR	61,4932	61,6270

4. GRANTED DONATIONS

	<u>2022</u>	<u>2021</u>
Revenues from donations	34.628	41.225
Revenues from memberships	11	20
Total	<u>34.639</u>	<u>41.245</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Revenues from donations	601	758
Revenues from memberships	-	1
Total	<u>601</u>	<u>759</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

During 2022 and 2021, revenues from the following donations were realized:

	2022	2021
International Parenthood Planned Federation (IPPF)	13.329	10.729
Ministry of Health of the Republic of North Macedonia	4.643	9.643
Sigrid Rausing Trust	7.062	7.213
UN WOMEN	2.632	3.490
Kvinna Till Kvinna	2.040	2.101
Foundation Open Society – Macedonia	1.415	1.797
Federal Ministry of Social Affairs, Health, Care and Consumer Protection of Austria	1.380	747
City of Skopje	1.200	1.500
International Youth Health Organisation	477	-
Austrian Family Planning Association (OGF)	335	216
National Democratic Institute for International Affairs (NDI)	115	-
BILITIS FOUNDATION	-	1.203
Ministry of Labor and Social Policy of the Republic of North Macedonia	-	447
S-CASE SRO BRATISLAVA	-	375
European Commission	-	232
French Embassy in Republic of North Macedonia	-	182
UNICOMS SWITZERLAND GMBH SOFIA	-	62
Alliance for public health	-	1.132
Other revenues	-	156
Total	34.628	41.225

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

During 2022 and 2021, revenues from the following donations were realized:

In thousands of USD:

	<u>2022</u>	<u>2021</u>
International Parenthood Planned Federation (IPPF)	231	197
Ministry of Health of the Republic of North Macedonia	81	177
Sigrid Rausing Trust	122	133
UN WOMEN	46	64
The Kvinna till Kvinna Foundation	35	39
Foundation Open Society – Macedonia	25	33
Federal Ministry of Social Affairs, Health, Care and Consumer Protection of Austria	24	-
City of Skopje	21	28
International Youth Health Organisation	8	-
Austrian Family Planning Association (OGF)	6	-
National Democratic Institute for International Affairs (NDI)	2	-
BILITIS FOUNDATION		22
VEREIN MENNER AUSTRIA		14
Ministry of Labor and Social Policy of the Republic of North Macedonia		8
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
Alliance for public health		21
Other revenues		3
Total	<u>601</u>	<u>758</u>

5. OTHER REVENUES

	<u>2022</u>	<u>2021</u>
Revenues from economic activities	30	427
Sale of equipment	369	-
Total	<u>399</u>	<u>427</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Revenues from economic activities	1	8
Sale of equipment	6	-
Total	<u>7</u>	<u>8</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

6. MATERIAL EXPENSES

	<u>2022</u>	<u>2021</u>
Materials	2.290	3.183
Water, Electricity, telephone	332	329
Investment maintenance of assets	432	267
Other services	2.341	1.619
Transport	803	642
Advertising	481	402
Rent	1.530	1.010
Other expenses	156	14
Total	<u>8.366</u>	<u>7.466</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Materials	40	59
Water, Electricity, telephone	6	6
Investment maintenance of assets	7	5
Other services	41	30
Transport	14	12
Advertising	8	7
Rent	27	19
Other expenses	3	-
Total	<u>145</u>	<u>137</u>

7. OPERATING EXPENSES

	<u>2022</u>	<u>2021</u>
Intellectual services	13.502	14.707
Transferred assets	443	495
Provisions	156	137
Per Diems and Travel costs	932	100
Reimbursement of costs for workers and citizens	1.360	590
Insurance premiums	1	25
Taxes	21	6
Memberships fees	4	4
Other Expenses	247	257
Total	<u>16.666</u>	<u>16.321</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

In thousands of USD:

	2022	2021
Intellectual services	234	270
Transferred assets	8	9
Provisions	3	3
Per Diems and Travel costs	16	2
Reimbursement of costs for workers and citizens	24	11
Other Expenses	4	5
Total	289	300

8. EXPENSES FOR EMPLOYEES

	2022	2021
Salaries	15.951	12.275
Total	15.951	12.275

In thousands of USD:

	2022	2021
Salaries	277	226
Total	277	226

9. CAPITAL EXPENSES

	2022	2021
Equipment, inventory and other assets	330	1.014
Total	330	1.014

In thousands of USD:

	2022	2021
Equipment, inventory and other assets	6	19
Total	6	19

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

10. FOREIGN EXCHANGE LOSSES

	<u>2022</u>	<u>2021</u>
Foreign exchange losses	-	78
Total	-	78

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Foreign exchange losses	-	1
Total	-	1

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

11. PROPERTY, PLANT, EQUIPMENT

	Plant	Equipment, Furniture and transport vehicles	Total material assets
Cost			
Balance as of 01.01.2021	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
Additions	-	250	250
Correction	-	(529)	(529)
Disposals	-	(4.439)	(4.439)
Balance as of 31.12.2022	6.602	5.959	12.561
Accumulated Depreciation			
Balance as of 01.01.2021	226	8.647	8.873
Depreciation	66	997	1.063
Revaluation of depreciation	-	-	-
Balance as of 31.12.2021	292	9.644	9.936
Depreciation	-	26	26
Revaluation of depreciation	-	(4.427)	(4.427)
Balance as of 31.12.2022	292	5.243	5.535
Net book value as of:			
31 December 2022	6.310	716	7.026
31 December 2021	6.310	943	7.253

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

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 01.01.2021	115	184	306
Additions	-	10	10
Revaluation of assets	-	1	1
Balance as of 31.12.2021	121	195	316
Additions	-	4	4
Correction	-	(9)	(9)
Sale of fixed assets	-	(77)	(77)
Balance as of 31.12.2022	121	113	234
Accumulated Depreciation			
Balance as of 01.01.2021	4	159	163
Depreciation	1	18	19
Revaluation of depreciation	-	-	-
Balance as of 31.12.2021	5	177	182
Depreciation	-	1	1
Depreciation on assets sold	-	(77)	(77)
Balance as of 31.12.2022	5	101	106
Net book value as of:			
31-Dec-22	116	12	128
31-Dec-21	116	18	134

12. CASH AND CASH EQUIVALENTS

	2022	2021
Bank account	18.833	24.987
Foreign currency bank account	-	61
Total	18.833	25.030

In thousands of USD:

	2022	2021
Bank account	327	460
Foreign currency bank account	-	1
Total	327	461

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

13. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Domestic receivables	874	874
Less: provisions for impairment of domestic receivables	<u>(871)</u>	<u>(871)</u>
Total	<u>3</u>	<u>3</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Domestic receivables	15	16
Less: provisions for impairment of domestic receivables	<u>(15)</u>	<u>(16)</u>
Total	<u>-</u>	<u>-</u>

14. OTHER RECEIVABLES

	<u>2022</u>	<u>2021</u>
Short-term loans and deposits	<u>49</u>	<u>49</u>
Total	<u>49</u>	<u>49</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Short-term loans and deposits	<u>1</u>	<u>1</u>
Total	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022

All amounts are expressed in MKD thousand, unless otherwise stated

15. OPERATING FUND

	<u>2022</u>	<u>2021</u>
Operating fund	7.026	7.253
Current surplus of revenues over expenses	18.885	25.033
Total	<u>25.911</u>	<u>32.386</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Operating fund	122	133
Current surplus of revenues over expenses	328	460
Total	<u>449</u>	<u>594</u>

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

16. DEFERRALS

	<u>2021</u>	<u>2021</u>
Deferred expenses	-	49
Total	<u>-</u>	<u>49</u>

In thousands of USD:

	<u>2022</u>	<u>2021</u>
Deferred expenses	-	1
Total	<u>-</u>	<u>1</u>

17. OFF-BALANCE RECORDS

As of 31 December 2022, the Association has no off-balance sheet exposure.

18. SUBSEQUENT EVENETS

After 31 December 2022 – date of reporting, until the date of approval of these financial statements, there are no material subsequent events that would have an impact on understanding of financial statements, or which would require correction of the financial statements.