



## Financial statements and Independent Auditor's Report

Association HELSINKI COMMITTEE FOR HUMAN  
RIGHTS OF THE REPUBLIC OF MACEDONIA Skopje

31 December 2015

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## Independent Auditor's Report

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To the Assembly and the Board of Directors of  
Association HELSINKI COMMITTEE FOR HUMAN RIGHTS OF THE REPUBLIC OF  
MACEDONIA, Skopje

We have audited the accompanying financial statements of the Association HELSINKI COMMITTEE FOR HUMAN RIGHTS OF THE REPUBLIC OF MACEDONIA Skopje, (“Association”) which comprise the Balance sheet as at 31 December 2015 and the Statement of income and expenses and Statement of changes in the sources of funds for the year then ended, and a summary of significant accounting policies and other explanatory notes, included on page 3 to 13.

### *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 standards for non-profit organizations adopted in the Republic of Macedonia, and for such internal control as Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' 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 about 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 auditors' judgment, 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 Association'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 Association'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.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2015, and its financial performance for the year then ended in accordance with the accounting standards for non-profit organizations adopted in the Republic of Macedonia.

Skopje,  
20 June 2016

Grant Thornton DOO, Skopje

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Suzana Stavrik  
Director

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Suzana Stavrik  
Certified Auditor

Financial statements  
31 December 2015

## Balance Sheet

	Note	(In MKD thousand) As of 31 December	
		2015	2014
<b>Assets</b>			
Cash and cash equivalents	3	189	552
Trade receivables and other receivables	4	350	24
Equipment	5	162	256
<b>Total assets</b>		<b>701</b>	<b>832</b>
<b>Liabilities and sources of funds</b>			
Other liabilities	6	350	51
Accrued liabilities and revenues		189	525
<b>Total liabilities</b>		<b>539</b>	<b>576</b>
<b>Sources of funds</b>			
Fund		162	256
<b>Total liabilities and sources of funds</b>		<b>701</b>	<b>832</b>

These financial statements have been approved by the Assembly of the Association on 16 June 2016 and signed on its behalf by:

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**Gordan Kalajdziev**  
President

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**Biljana Ginova**  
Financial manager

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## Statement of income and expenses

		(In MKD thousand)	
		For the year ended	
		As of 31 December	
	Note	2015	2014
<b>Operating income</b>			
Donations	7	16,067	15,088
Foreign exchange gains		27	74
Other income	8	15	141
		<b>16,109</b>	<b>15,303</b>
<b>Operating expenses</b>			
Capital expenditures	9	-	221
Personnel expenses	10	10,761	9,003
Other expenses	11	5,348	6,079
		<b>16,109</b>	<b>15,303</b>
<b>Surplus / (deficit) for the year</b>		-	-

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## Statement of Changes in the sources of funds

	Fund	(In MKD thousand) Total sources of funds
<b>Balance as of 01 January 2015</b>	<b>256</b>	<b>256</b>
Depreciation of tangible assets	(94)	(94)
<b>Balance as of 31 December 2015</b>	<b>162</b>	<b>162</b>
<b>Balance as of 01 January 2014</b>	<b>420</b>	<b>420</b>
Additions of tangible assets	221	221
Depreciation of tangible assets	(89)	(89)
Disposals of tangible assets, net	(296)	(296)
<b>Balance as of 31 December 2014</b>	<b>256</b>	<b>256</b>

See accompanying notes to the financial statements

# Notes to the financial statements

## 1 General information

Association HELSINKI COMMITTEE FOR HUMAN RIGHTS OF THE REPUBLIC OF MACEDONIA Skopje (further referred to as “Association”) is citizens association established in accordance with the Law on Associations and foundations (Official Gazette of RM No. 52/10). In 2012, LGBT Support Centre was registered as Association’s subsidiary. The Association is registered in the Central Registry of the Republic of Macedonia under ID number 4920783. The headquarter of the Association is at Naum Naumovski – Borche 83-1, Skopje, Republic of Macedonia.

Association’s primary activity is with code 94.99 Activities of other organizations on a membership basis, not mentioned elsewhere. The aims and objectives of the Association, the form of association, internal organization, the name and headquarter, terms and manner of membership and termination of membership, rights, obligations and responsibilities of the Association, advocacy and representation, financing, marks of the Association, changes and amendments to the Statute, the manner of making a decision for termination, disposal of property in case of termination of operation and other issues are defined in Statute of the Association. Statute of the Association was adopted and approved at the session of the Assembly of the Association on September 30, 2010, while on the meeting of May 23, 2014 the amendments were adopted.

Helsinki Committee for human rights of the Republic of Macedonia is nongovernmental, non-religious, non-party organization with members who are proven and expert professionals in different areas, as well as citizens dedicated to safeguard the human rights and who voluntary become a Committee member by signing a statement of affiliation.

The operation is transparent and all members of the Association are informed regularly for all operations, by insight into the realization of the programs, providing reports for the operating to the Associations’ management bodies for the financial operations and similar. The bodies of the Association are obliged to provide methods of informing the general public, which comprises the press, radio and television as well as other electronic media.

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015

General information (continued)

The purpose of the Association is to work for promotion, protection and respect of the fundamental human rights and freedoms embedded in the Final Helsinki Act from 1975 and other international document for human rights. Special objectives are:

- To monitor the human rights conditions, on systematic basis, in Macedonia and abroad;
- To prepare reports on human rights issues and to distribute them in the country and abroad;
- To prepare, translate and distribute materials in respect of the human right theory and practice;
- To organize conferences, seminars, public events and other legal forms of civil activities in respect of human rights protection;
- To protect the rights of individuals and legal entities on the territory of RM and abroad;
- To provide a free of charge legal assistance to a sample of individuals and legal entities in respect of protecting their rights and
- To develop democracy, civil society and human rights.

The Association is managed by organized membership directly or through their representatives. Managing bodies of the Association are Assembly, Board of Directors, President, Supervisory Board, Executive director and specialist department. The Executive Board should be comprised of at least five, but not more than nine members, elected by the Assembly with the majority of the total number of representatives present in the Assembly.

As of 31 December 2015, the Association has 13 employees (2014: 6 employees).

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015  
Accounting policies (continued)

## 2 Accounting policies

Following are the principal accounting policies adopted in the preparation of these financial statements. The Accounting policies are consistently applied to all periods disclosed in the financial report.

### 2.1 Basis of preparation

This financial statements are prepared in accordance with the Law of accounting for non-for-profit organizations (Official Gazette of RM No. 24/2003, 17/2011), Rulebook for accounting for non-for-profit organizations (Official Gazette of RM No. 42/2003, 8/2009, 12/2009, 175/2011), Rulebook for the chart of accounts and financial statements for non-for-profit organizations (Official Gazette of RM No. 117/2005, 11/2006) and Rulebook for the content of the separate accounts in the chart of accounts for non-for-profit organization (Official Gazette of RM No. 117/2005).

The financial statements have been prepared as of and for the years ended 31 December 2015 and 2014. Functional and presentation currency of the Association is Macedonian denar. Current and comparative data stated in these financial statements are expressed in denar thousands, except otherwise stated.

### 2.2 Cash and cash equivalents

Cash and cash equivalents comprise of cash in banks and cash on hand.

### 2.3 Trade receivables

Receivables are recognized at nominal value stated in the documents according to settled amounts, less for allowance for uncollectable receivables due to their maturity, final court decision and declaration of uncollectibility of receivables from entities in bankruptcy and liquidation.

### 2.4 Equipment

The equipment is stated at cost less accumulated depreciation. Cost includes expenses directly attributable to purchase of assets. Subsequently, at each Balance sheet date the equipment is revalued applying the official announced revaluation indices to its (revalued) cost and (revalued) accumulated depreciation. The net revaluation effect is recognized directly in the sources of funds.

The sources of funds of the Association increases for the cost of purchased equipment. Equipment is recognized as capital expenditure in the period of acquisition, i.e. when the funds (in cash or in assets) are received from the donors.

All other regular maintenances and repairs are recognized as expenses in the Statement of income and expenses during the financial period in which they occur.

Depreciation of equipment is calculated using the straight - line method as to allocate the cost to their residual value during the estimated useful life, as follows:

	2015	2014
Leasehold improvements	2.5%	2.5%
Computers, furniture and other equipment	20%-25%	20%-25%

Depreciation expenses are charged against the sources of funds.

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015  
Accounting policies (continued)

## **2.5 Current income tax**

Current tax expenses at 10% is paid for the year which is determined as the difference between total revenues and total expenses for the period, increased with the non - recognized expenses for tax purposes adjusted for tax credit and less declared revenue.

## **2.6 Sources of funds**

Funds are initially created by founders' contributions made in monetary and/or in kind assets carried at their fair values. Subsequently, funds are increased/ decreased through additional founders' contributions, than results (surplus/shortages) from operations during the periods, as well as changes in the net carrying amounts of the equipment and intangibles (capital expenditures) as explained in Note 2.4.

## **2.7 Liabilities**

Liabilities to suppliers and employees, as well as obligations for salaries, taxes, contributions and other current liabilities are recognized at nominal value.

Liabilities denominated in foreign currencies have been translated at the NBRM middle exchange rate.

## **2.8 Revenue and expense recognition**

The recognition criteria of the revenues and expenses of the Association are based on the accounting principle for modified presentation of the operating transactions, as it follows:

- Revenues are recognized in the accounting period in which they occurred, if they are measurable and available. Revenues are measurable when they can be expressed as value and are available when occurred in the accounting period or within 30 days after the end of the accounting period as long as the revenues refer to that accounting period and serve to cover the liabilities of that accounting period. Revenues are recognized in the amount equal to the expenses which occurred at the reporting period.
- Expenses are recognized in the accounting period in which they occurred or within 30 days after the end of the accounting period as long as the payment obligation occurred in that accounting period.

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015  
Accounting policies (continued)

## 2.9 Foreign currencies

Transactions denominated in foreign currencies have been translated into Macedonian denars at the middle exchange rate at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Macedonian denars (“denars”) at the National Bank of the Republic of Macedonia middle exchange rate on the last day of the reporting period. All gains and losses resulting from foreign currency translation or exchange are included in the Statement of Income as financial income or expenses in the period in which they arose. The middle exchange rates used for conversion of the balance sheet items denominated in foreign currencies are as follows:

	<u>31 December 2015</u>	<u>31 December 2014</u>
1 EUR	61.5947 denars	61.4814 denars
1 USD	56.3744 denars	50.5604 denars

## 2.10 Events after the reporting date

Events after the reporting date that provide additional information about the Association’s position at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015  
(All amounts expressed in Denar thousands, unless otherwise stated)

### 3 Cash and cash equivalents

	2015	2014
Bank account in Denars	25	374
Bank accounts in foreign currency	164	171
Cash on hand in Denars	-	7
	<b>189</b>	<b>552</b>

### 4 Trade receivables and other receivables

	2015	2014
Prepaid expenses	345	-
Income tax receivables	5	-
Domestic trade receivables	-	9
Receivables for given advances	-	15
	<b>350</b>	<b>24</b>

### 5 Equipment

	Equipment	Leasehold improvements	Total
<b>Cost</b>			
01 January 2014 (unaudited)	4,022	176	4,198
Additions	88	133	221
Disposals	(3,706)	(309)	(4,015)
<b>31 December 2014/ 01 January 2015</b>	<b>404</b>	<b>-</b>	<b>404</b>
<b>31 December 2015</b>	<b>404</b>	<b>-</b>	<b>404</b>
<b>Accumulated depreciation</b>			
01 January 2014 (unaudited)	3,772	6	3,778
Depreciation for the year	82	7	89
Disposals	(3,706)	(13)	(3,719)
<b>31 December 2014/ 01 January 2015</b>	<b>148</b>	<b>-</b>	<b>148</b>
Depreciation for the year	94	-	94
<b>31 December 2015</b>	<b>242</b>	<b>-</b>	<b>242</b>
<b>Net carrying amount</b>			
As of 01 January 2014 (unaudited)	250	170	420
<b>As of 31 December 2014</b>	<b>256</b>	<b>-</b>	<b>256</b>
<b>As of 31 December 2015</b>	<b>162</b>	<b>-</b>	<b>162</b>

### 6 Other liabilities

	2015	2014
Trade payables	200	-
Liabilities to employees	145	-
Income tax payables	-	21
Other liabilities	5	30
	<b>350</b>	<b>51</b>

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015  
(All amounts expressed in Denar thousands, unless otherwise stated)

## 7 Donations

	2015	2014
Foundation open society Macedonia (FOSM)	4,315	1,952
The Sigrid Rausing Trust	2,547	2,246
National Endowment for Democracy	1,706	1,971
Organisation for security and cooperation in Europe (OSCE)	1,617	1,493
Foundation open society Macedonia (FOSM)-USAID Civic Society Project	1,338	907
Foundation Open Society Institute (FOSI) Switzerland	1,291	1,152
U.S. Embassy Skopje	1,009	126
Association of Local Democracy Agencies	868	461
Stihting Nederlands	425	-
ILGA EUROPE	318	-
European Commission	267	1,423
OMST Geneva	116	-
Donation project Joint efforts	91	-
Embassy of the Kingdom of the Netherlands	73	1,071
Embassy of the Federal Republic of Germany	68	1,513
Regionale Arbeitsstellen fue	18	-
Front Line Bol the Intl Foundation for the Protection	-	303
Union of the National Council for gender equality	-	221
Donation from an individual	-	108
Joint stock company for insurance Eurolink Skopje	-	90
Beta consulting	-	30
Europeische rehstakademi	-	21
	<b>16,067</b>	<b>15,088</b>

## 8 Other revenues

	2015	2014
Revenues from insurance for damage	-	105
Other revenue	15	36
	<b>15</b>	<b>141</b>

## 9 Capital expenditures

	2015	2014
Purchase of furniture and other equipment	-	88
Leasehold improvements	-	133
	<b>-</b>	<b>221</b>

## 10 Personnel expenses

	2015	2014
Expenses for honoraria	2,133	5,228
Net salaries	5,668	2,354
Mandatory contributions for health and social insurance	2,287	952
Personal income tax	512	221
Volunteers allowances	161	248
	<b>10,761</b>	<b>9,003</b>

Notes to the financial statements (continued)  
As of and for the year then ended on 31 December 2015  
(All amounts expressed in Denar thousands, unless otherwise stated)

## 11 Other expenses

	2015	2014
Hotel services	755	423
Rent expenses	752	791
Travel expenses	704	770
Intellectual services	605	440
Catering services	585	425
Expenses for supplies and other materials	569	717
Expenses for telecommunication	514	404
Utilities	220	217
Expenses for litigations and executors	171	38
Expenses for advertisements and promotions of projects	74	588
Bank charges	59	59
Expenses for research and training	48	445
Отпис на побарувања	12	-
Tax expense	5	21
Write-off of cash on hand	-	190
Other expenses	275	551
	<b>5,348</b>	<b>6,079</b>

## 12 Contingencies and commitments

### *Litigations*

As of 31 December 2015, the legal proceedings raised against the Association amount to Denar 107 thousands (2014: Denar 161 thousands). No provision has been made as of the balance sheet date, as professional advice indicates that it is unlikely that any significant loss will arise. In addition, various legal actions and claims may be asserted in the future against the Association from litigations and claims incident to the ordinary course of business. Related risks have been analyzed as to likelihood of occurrence. Although the outcome of these matters cannot always be ascertained with precision, the Management of the Association believes that no material liabilities are likely to occur.

## 13 Events after the reporting date

After 31 December 2015 – the reporting date until the approval of these financial statements, there are no adjusting events reflected in the financial statements or events that are materially significant for disclosure in these financial statements.

