

**ASSOCIATION FOR EMANCIPATION,
SOLIDARITY AND EQUALITY OF WOMEN
SKOPJE - ESE**

Financial Statements for the year ended December 31, 2018
and Independent Auditors' Report

Skopje, May 2019

CONTENTS

	Page
Independent Auditors' Report to the ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN	3
Financial Statements	
Statement of Income and Expenditures	5
Statement of Financial Position	6
Notes to the Financial Statements	7



MSFI AUDIT TP – SKOPJE

MSFI
Audit

October 11th 1A, Floor 2, Macedonia Square BBSkopje

VAT N^o: 5080012502283

Phone: 02 3 1123 23 and Mobile: 070333 713

Web-site: www.msfirevizija.com.mk; e-mail: revizija@msfi.mk

INDEPENDENT AUDITORS' REPORT TO THE MANAGEMENT OF THE ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN SKOPJE - ESE

We have audited the accompanying financial statements of the ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN SKOPJE - ESE (hereinafter referred to as the "Association"), which is comprised the Statement of Financial Position as of December 31, 2018 and the related Statement of Income and Expenditures for the year then ended, and the summary of Significant Accounting Policies and Other Explanatory Notes.

Management's Responsibility for the Financial Statements

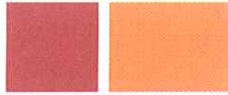
The Association's management is responsible for the preparation and fair presentation of these financial statements in accordance with the Law on Accounting for Non-Profit Organizations and the Standards for Financial Reporting under the Cash Basis of Accounting. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; the selection and application of appropriate accounting policies as well as making judgments and estimates that are reasonable and prudent.

Auditors' Responsibility

Our responsibility is to express our opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing and the Audit Law of the Republic of Macedonia. Those standards require that we comply with the 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 auditor's 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 the accounting policies used and the reasonableness of the accounting estimates made by the 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.



MSFI
Audit

MSFI AUDIT TP – SKOPJE

October 11th 1A, Floor 2, Macedonia Square BBSkopje

VAT N^o: 5080012502283

Phone: 02 3 1123 23 and Mobile: 070333 713

Web-site: www.msfirevizija.com.mk; e-mail: revizija@msfi.mk

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MANAGEMENT OF THE ASSOCIATION FOR EMANCIPATION,
SOLIDARITY AND EQUALITY OF WOMEN SKOPJE - ESE

Opinion

In our opinion, the financial statements, present fairly in all material respects, the financial position of the Association as of December 31, 2018, and its financial performance for the year then ended, in accordance with the Law on Accounting for Non-Profit Organizations and the Standards for Financial Reporting under the Cash Basis of Accounting.

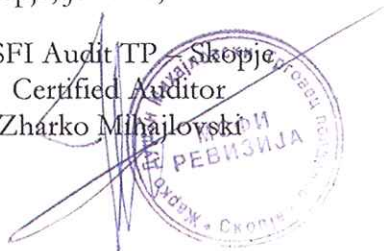
Report on Other Legal and Regulatory Requirements

The Association's management is also responsible for the preparation of the Annual Report on the Association's activities in accordance with the Law on Associations and Foundations. Our responsibility, in accordance with the Audit Law, is to express an opinion whether the Annual Report is consistent with the Annual Account and the Financial Statements for the year ended December 31, 2018. Our work as to the annual report has been performed in accordance with ISA 720 and has been limited to expressing an opinion on whether the historical financial information provided in the Annual Report is consistent with the Annual Account and the audited Financial Statements.

The financial information in the Annual report is consistent, in all material respects, with the Annual Account and the audited Financial Statements of the ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN SKOPJE - ESE for the year ended December 31, 2018.

Skopje, June 13, 2019

MSFI Audit TP - Skopje
Certified Auditor
Zharko Mihajlovski



STATEMENT OF INCOME AND EXPENDITURES
for the year ending on December 31, 2018 & 2017
(in MKD)

	Note	December 31, 2018	December 31, 2017
Total Revenues	4	25.128.202	23.672.661
Total Expenditure	5	(20.358.276)	(24.324.036)
Previous Year Surplus	4	5.122.196	5.773.571
<i>Surplus of revenues-profit before taxation</i>		<u>9.865.122</u>	<u>5.122.196</u>
Profit tax		-	-
<i>SURPLUS OF REVENUES OVER EXPENDITURES AFTER TAXATION</i>		<u><u>9.865.122</u></u>	<u><u>5.122.196</u></u>

The accompanying notes are an integral part of these financial statements
*The accompanying financial statements were approved for public release by the
Management of the Association on March 15, 2019, and were signed on the behalf of
the Management as follows:*


Financial Statements prepared by
TD CON DOO – Skopje


 
Chief Executive Officer
Jasminka Frishchik

STATEMENT OF FINANCIAL POSITION
on December 31, 2018 & 2017
(in MKD)

	Note	December 31, 2018	December 31, 2017
A ASSETS			
NON-CURRENT ASSETS			
Property, plant, equipment	6	5.269.888	5.328.888
<i>Total Non-Current Assets</i>		<u>5.269.888</u>	<u>5.328.888</u>
CURRENT ASSETS			
Cash and cash equivalents	7	8.442.293	3.748.427
Other receivables	8	1.422.829	1.373.769
<i>Total Current Assets</i>		<u>9.865.122</u>	<u>5.122.196</u>
Prepayments and deferred expenses		-	-
TOTAL ASSETS		<u>15.135.010</u>	<u>10.451.084</u>
B SOURCES OF BUSINESS FUNDS			
Business Fund	9	5.269.888	5.328.888
Surplus of revenues over expenditures after taxation		9.865.122	5.122.196
<i>Total Business Funds</i>		<u>15.135.010</u>	<u>10.451.084</u>
C LIABILITIES			
Accounts Payable	10	-	-
<i>Total Current Liabilities</i>		-	-
TOTAL BUSINESS FUNDS AND LIABILITIES		<u>15.135.010</u>	<u>10.451.084</u>

The accompanying notes are an integral part of these financial statements

The accompanying financial statements were approved for public release by the Management of the Association on March 15, 2019, and were signed on the behalf of the Management as follows:



Financial Statements prepared by
TD CON DOO – Skopje



Chief Executive Officer
Jasminka Frishchikj

1. GENERAL INFORMATION ABOUT THE ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN SKOPJE

The Association for Emancipation, Solidarity and Equality of Women Skopje, or ESE Skopje for short, was founded February 10, 1995 as a non-profit organization in accordance with the Law on Associations of Citizens and Foundations, and was entered into the Register of Associations and Foundations under the registry num. 89.

Address: Maksim Gorke Num. 20/1-4 Skopje

Taxpayer Identification Number 4030995341485

Legal Entity Identification Number 4970705

The Association works to develop and encourage women's and citizens' leadership as well as to uphold human rights and social justice in the Macedonian society. In order to achieve that goal, the Association mobilizes and organizes financial, material and human resources both within the country and out of it.

The principle tasks of the Association encompass the following:

- Promoting women's health
- Health promotion in the Roma community
- Right to health and protection of patients' rights
- Fiscal transparency and accountability of public institutions
- Equal opportunities for women and men.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis for Preparation

The Association prepares its financial statements in accordance with the current legal framework in the Republic of Macedonia that regulates the work of non-profit organizations, the most important act being the Accounting Law for Non-Profit Organizations (Official Gazette of the Republic of Macedonia, issue no. 24/03...154/15) and its respective bylaws and regulations.

These financial statements present the assets and liabilities and the revenues and expenditure generated by the Association.

The mere fact that the Association continues to exist and pursue its goals attests to the credibility of these financial statements.

3. ACCOUNTING POLICIES

What follows is a summary of the most important accounting policies applied during the preparation of the Financial Reports of the Association for the year ended December 31, 2018.

3.1 Income and Expenditures

The recognition of income and expenditure in the Association's books is performed in accordance with Article 13 of the Accounting Law for Non-Profit Organizations (Official Gazette of the Republic of Macedonia No. 24/03...154/15) and Article 18 of the Accounting Rulebook for Non-Profit Organizations (Official Gazette of the Republic of Macedonia No. 42/03, 08/09, 175/11), i.e. they are recognized in accordance with the modified accrual accounting.

According to the modified accrual basis of accounting, the incomes are to be recognized in the accounting period when they have been earned, according to the criteria of measurability and availability. The incomes are measurable when the amount of the income is subject to reasonable estimation. The incomes are available when the income is subject to collection within the current accounting period, or within 30 days of the end of the period, but in time to pay liabilities outstanding at the end of the current period.

According to the modified accrual basis of accounting, expenditures are recognized in the period the liability is incurred or within 30 days of the end of the period when it was incurred.

3.2 Fixed Assets

3.2.1. Initial Evaluation

Fixed Assets (Plant and Equipment) are initially evaluated in accordance with Article 14 of the Accounting Law for Non-Profit Organizations, which stipulates that long-term fixed assets comprise all assets whose useful life extends beyond the period of one year and whose value at the moment of acquisition exceeds 300 Euros in denar counter value. The Association initially recorded its fixed assets at cost, reduced for the calculated depreciation. The acquisition value of the fixed assets comprises the purchase price increased for the import customs, VAT, transportation expenses and all other expenses that can be added to the cost, i.e. to the purchasing price.

3.2.2. Subsequent expenses

All expenses incurred for the replacement of a part of the fixed assets are recorded separately and are only capitalized for potential future economic benefits of the Association.

3.2.3. Depreciation

Fixed Assets are consistently depreciated using the straight-line method in the course of every accounting period, by using the official annual depreciation rates prescribed in the Accounting Rulebook for Non-Profit Organizations. The calculation of depreciation is performed separately for each and every item, within the norms set in the Rulebook, until the fixed asset has been fully depreciated. The estimated useful life, i.e. the depreciation period of the fixed assets, is determined in accordance with the rates prescribed. What follows is the annual depreciation rates for the fixed assets in terms of some more important items:

Buildings	2,5%
Equipment	14%
Computer Equipment and Software	20%
Furniture	12%

3.2.4. Revaluation

The Association calculates the revaluation of its fixed assets (tangible and intangible) in accordance with Article 15 of the Accounting Law for Non-Profit organizations and Articles 29 and 29-a from the Accounting Rulebook for Non-Profit organizations. In accordance with the aforementioned legal provisions, revaluation is carried out in the following cases:

- 1) When the fixed assets are to be disposed of or expropriated, or
- 2) For the purpose of revaluation of the fixed assets, in accordance with the growth rate of consumer prices announced by the State Statistical Office.

The base for revaluation of the fixed assets is the purchase price of the assets and their accumulated depreciation (corrected value). In the case of the tangible and intangible assets (their purchase value and corrected value) acquired in the years leading up to 31.12.2017 and non-expropriated during 2018, i.e. the fixed assets stated in the inventory conducted on 31.12.2018 and presented in the Statement of Financial Position of said date (which requires the use of Form REV-1), the revaluation has not been calculated since the unique revaluation coefficient for 2018 was negative and amounted to -0,008.

3.3 Receivables

Receivables are recognized according to the amounts agreed upon in the contract.

3.4 Cash and Cash Equivalents

Cash and Cash equivalents comprise cash on hand, cash on denar or foreign currency bank accounts, bank deposits and highly liquid investments that are readily convertible to known amounts of cash. Money on the cash account and the domestic currency accounts is stated at its nominal value, while the foreign exchange currency is stated according to the exchange rate of NBRM on the reporting date.

3.5 Liabilities

Liabilities are recognized in accordance with the amounts agreed upon in the contract.

3.6 Tax Liabilities

Taxes are calculated and paid in accordance with the regulations applicable in the Republic of Macedonia. The activities carried out by the Association do not generate a turnover in the sense of the Law on Value Added Tax, and, therefore, they are not subject to VAT taxation.

4. TOTAL INCOME

The total income is comprised of the following:

	December 31, 2018	December 31, 2017
Income from donations, membership fees and gifts	25.118.960	18.548.556
Income from interest rates and exchange rate discrepancies	9.242	19.643
	<u>25.128.202</u>	<u>23.672.661</u>
Transferred surplus of revenues from previous year	5.122.196	5.773.571
<i>Total Income</i>	<u>30.250.398</u>	<u>29.446.232</u>

The Association gets its income from donations and grants.

4.1. Income from Donations

Income from donations transferred to the Association's bank account in the course of the year 2016, intended for the realization of its project activities. The donations were given by the following donors:

	December 31, 2018	December 31, 2017
FOSM (Foundation Open Society Macedonia)	14.279.653	12.610.756
European Commission	5.481.357	3.621.207
East West Management Institute	3.820.181	610.800
USAID	30.829	5.392.719
Other income	1.506.940	1.423.689
<i>Total Income</i>	<u>25.118.960</u>	<u>23.659.171</u>

5. TOTAL EXPENDITURES

The Total Expenditures are comprised of the following:

	December 31, 2018	December 31, 2017
Expenses for materials and supplies	240.708	288.973
Electricity costs	160.543	171.817
Maintenance	134.445	521.717
Services	306.989	1.649.646
Transportation and communication services	1.381.769	1.141.093
Promotional campaigns	832.316	1.344.214
Rent	112.703	71.898
Commission expenses for payment operations	108.115	94.119
Insurance	62.989	59.461
Per diems and travel expenses	2.511.975	2.464.296
Intellectual and other services	3.564.214	6.356.632
Procurement of equipment	632.591	826.573
Gross salaries	6.766.433	6.071.553
Seminars, counseling, training	923.196	1.515.128
Funds transferred to other organizations	2.324.686	1.564.016
Other expenditures	321.604	182.900
<i>Total expenditures</i>	<u>20.385.276</u>	<u>24.324.036</u>

The funds transferred to other organizations in amount of 2.324.686 MKD are funds reimbursed or advanced to EU project sub-recipients: Zenski Forum Tetovo in amount of 335.400 MKD, Akcija Združenska in amount of 1.012.821 MKD, MKC Bitola in amount of 363.350 MKD, GIZ Sveti Nikole in amount of 295.055 MKD and OZ Strumica in amount of 318.060 MKD.

5.1. Total expenditures for 2018 & 2017 per type of expenditure:

DESCRIPTION	2018		2017	
	Amount in MKD		Amount in MKD	
1. Materials and supplies				
- Office supplies	138.354		168.894	
- Various supplies	83.132		93.322	
- Cleaning products	19.222		26.757	
Total:		240.708		288.973
2. Electricity costs				
- Electricity bills	160.543		171.817	
Total:		160.543		171.817
3. Maintenance				
- Repairs and other services	9.398		413.356	
- Maintenance of business premises	80.839		72.369	
- Computer maintenance	44.208		35.992	
Total:		134.445		521.717
4. Services				
- Printing services	283.368		1.629.919	
- Other non-productive services	23.621		19.727	
Total:		306.989		1.649.646
5. Transportation and communication services				
- Transportation services (airfares, passenger transport, taxi)	1.241.479		1.019.343	
- Telecommunication, postal and internet services	140.290		121.750	
Total:		1.381.769		1.141.093
6. Promotional campaigns				
- Costs for visualization and promotion	832.316		1.344.214	
Total:		832.316		1.344.214
7. Rent				
- Rent	66.703		71.898	
- Equipment rental	46.000		-	
Total:		112.703		71.898
8. Expenses for payment operations				
- Bank commissions	108.115		94.119	
Total:		108.115		94.119
9. Insurance				
- Insurance of people	12.832		13.151	
- Insurance of property	50.157		46.310	
Total:		62.989		59.461

ASSOCIATION FOR EMANCIPATION, SOLIDARITY AND EQUALITY OF WOMEN – ESE, SKOPJE

Financial Statement Notes

December 31, 2018 and 2017

DESCRIPTION	2018		2017	
	Amount in MKD		Amount in MKD	
10. Per diems and travel expenses				
- Per diems for business trips	957.689		1.080.926	
- Travel expenses	1.554.286		1.383.370	
Total:		2.511.975		2.464.296
11. Intellectual and other services				
- Consulting services	1.385.915		4.096.129	
- Accounting, legal and notarial services	189.753		304.990	
- Audit and assessment	140.469		207.225	
- Translation and transcription	273.792		280.423	
- Temporary service contracts and other operational costs for projects	1.574.285		1.467.865	
Total:		3.564.214		6.356.632
12. Procurement of equipment				
- Procurement of computers	7.980		216.750	
- Software	200.183		-	
- Other equipment	424.428		609.823	
Total:		632.591		826.573
13. Gross salaries				
- Net salaries	4.512.134		4.042.686	
- Personal income tax	427.339		389.526	
- Contributions	1.826.960		1.639.341	
- Benefits			-	
Total:		6.766.433		6.071.553
14. Seminars, counseling, training				
- Seminars, counseling, training	923.196		1.515.128	
Total:		923.196		1.515.128
15. Funds transferred to other organizations				
- Funds transferred to other organizations	2.324.686		1.564.016	
Total:		2.324.686		1.564.016
16. Other expenses				
- Other expenses	321.604		182.900	
Total:		321.604		182.900
TOTAL:		20.385.276		24.324.036

As part of its 2018 program, the Association conducted the following program activities:

1. TO ENGAGE CITIZENS IN THE PROCESSES ON PLANNING, IMPLEMENTATION AND EVALUATION OF LEGAL REGULATIONS, BUDGETS AND SERVICES

- 1.1. Strengthening and promoting engagement of citizens in the processes on planning, implementation and evaluation of legal regulations, budgets and services, as part of the social accountability and legal empowerment approach
- 1.2. Capacity building for public institutions to involve citizens and CSOs in development, implementation and monitoring of legal regulations, budgets and services
- 1.3. Improving the health status and access to health services for women, mothers and children
- 1.4. Improving the health status and access to health services for Roma people
- 1.5. Improving access to the labour market for women
- 1.6. Offering systemic solutions to unpaid work as care for seriously ill people

2. TO ENSURE EQUAL ACCESS TO JUSTICE IN THE FIELD OF SOCIAL AND ECONOMIC RIGHTS

- 2.1. Strengthening capacity of CSO for providing paralegal assistance to poor and vulnerable groups of citizens
- 2.2. Provision of evidence on the need of provision legal assistance by CSOs in order to address the legal needs of poor and vulnerable groups of citizens and provision of evidence to facilitate access to justice
- 2.3. Improving legal protection of women who suffered violence

3. TO PROMOTE FISCAL TRANSPARENCY OF INSTITUTIONS IN THE FIELD OF SOCIAL AND ECONOMIC RIGHTS

- 3.1. Increasing public awareness on the importance of fiscal transparency and the need for priority-based budgeting
- 3.2. Assessing the level of fiscal transparency and accountability of public institutions
- 3.3. Advocacy for improved level of fiscal transparency

The Consolidated Annual Report on the activities of 2018, prepared by the Association, contains the specifics of all the activities carried out within each of the abovementioned program activities.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

2018	Buildings	Plant and Equipment	TOTAL
Revaluated Purchase Value			
<i>Balance at January 1, 2018</i>	6.591.000	2.440.075	9.031.075
Increase	-	424.428	424.428
Write-offs	-	-	-
Revaluation	-	-	-
Other assets	-	-	-
<i>Balance at December 31, 2018</i>	6.591.000	2.864.503	9.455.503
Revaluated Corrected Value			
<i>Balance at January 1, 2018</i>	2.474.371	1.227.816	3.702.187
Depreciation for 2016	164.775	318.653	483.428
Revaluation of corrections	-	-	-
Write-offs	-	-	-
Other changes	-	-	-
<i>Balance at December 31, 2018</i>	2.639.146	1.546.469	4.185.615
<i>Net Accounting Value At December 31, 2018</i>	<i>3.951.854</i>	<i>1.318.034</i>	<i>5.269.888</i>
<i>Net Accounting Value at January 1, 2018</i>	<i>4.116.629</i>	<i>1.212.259</i>	<i>5.328.888</i>
2017			
Revaluated Purchase Value			
<i>Balance at January 1, 2017</i>	6.500.000	1.732.618	8.232.618
Increase	-	681.595	681.595
Write-offs	-	-	-
Revaluation	91.000	25.862	116.862
Other assets	-	-	-
<i>Balance at December 31, 2017</i>	6.591.000	2.440.075	9.031.075
Revaluated Corrected Value			
<i>Balance at January 1, 2017</i>	2.277.708	909.853	3.187.561
Depreciation for 2017	162.500	301.270	463.770
Revaluation of corrections	34.163	16.693	50.856
Write-offs	-	-	-
Other changes	-	-	-
<i>Balance at December 31, 2017</i>	2.474.371	1.227.816	3.702.187
<i>Net Accounting Value at December 31, 2017</i>	<i>4.116.629</i>	<i>1.212.259</i>	<i>5.328.888</i>
<i>Net Accounting Value at January 1, 2017</i>	<i>4.222.292</i>	<i>822.765</i>	<i>5.045.057</i>

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	December 31, 2018	December 31, 2017
MKD Bank Accounts	8.413.542	3.724.109
MKD Cash Account	27.488	22.392
Foreign Currency Account	1.263	1.262
Other Cash Receivables	-	664
<i>Total Cash and Cash Equivalents</i>	<u>8.442.293</u>	<u>3.748.427</u>

8. OTHER RECEIVABLE

The account other receivables includes the following:

	December 31, 2018	December 31, 2017
Outstanding advances	1.329	13.769
Bank deposits	1.360.000	1.360.000
Receivables from employees	61.500	-
<i>Total other receivables</i>	<u>1.422.829</u>	<u>1.373.769</u>

The Bank Deposits item entails the time deposit in amount of 1.360.000 MKD deposited in Komercijalna Banka AD Skopje in accordance with Contract num. 100-200-51108 of 26.10.2018. The time deposit contract is renewed every six months. At the end of the reporting period, the aforementioned assets were still deposited in the bank.

9. BUSINESS FUND

The Business Fund originates from the following:

	December 31, 2018	December 31, 2017
Business Fund	5.269.888	5.328.888
<i>Total Business Fund</i>	<u>5.269.888</u>	<u>5.328.888</u>

10. ACCOUNTS PAYABLE AND OTHER LIABILITIES

The accounts payable and other liabilities comprise the following:

	December 31, 2018	December 31, 2017
Domestic suppliers	-	-
Tax Liabilities	-	-
<i>Total accounts payable and other liabilities</i>	-	-

The total outstanding accounts payable and other liabilities arise from the day-to-day operations of the Association.

11. POTENTIAL LIABILITIES

As of December 31, 2018 the Association was not involved in any court proceedings with other physical or legal entities, neither as complaining nor as defending party.

12. SUBSEQUENT EVENTS

After the date of preparation of the Financial Statements, there have not been any events of material importance that should be stated in the financial statement.