

REAC-IOR
research in action

Association of citizens “Reactor – research in action” Skopje

FINANCIAL STATEMENTS

for the year ended on 31 December 2014

with

INDEPENDENT AUDITOR’S REPORT

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GENERAL DATA

REAC-IOR
research in action

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President:

Damjan Zdravev

Banks:

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INDEPENDENT AUDITOR'S REPORT

To ASSOCIATION OF CITIZENS "REACTOR - RESEARCH IN ACTION" SKOPJE

Report on the Financial Statements

We have audited the accompanying financial statements of the ASSOCIATION OF CITIZENS "REACTOR - RESEARCH IN ACTION" SKOPJE, which include the balance sheet as of 31 December 2014, as well as the income statement and the summary of the 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 Law on Accounting for Non-profit Organizations, prepared on a modified cash basis, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. When 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

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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 OF CITIZENS "REACTOR - RESEARCH IN ACTION" SKOPJE as of December 31, 2014 and its financial success for the year ended on that date, in accordance with the Law on Accounting for nonprofit organizations.

Report on Compliance with Grant Contracts

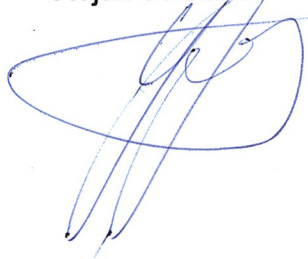
The ASSOCIATION OF CITIZENS "REACTOR - RESEARCH IN ACTION" SKOPJE has signed contracts with more donors. A list of Donors and signed Contracts for financing of Projects are attached to the report. The obligations of fund user are specified in the signed Contracts.

Opinion

In our opinion, the ASSOCIATION OF CITIZENS "REACTOR - RESEARCH IN ACTION" SKOPJE used granted funds in compliance with articles in signed contracts.

Skopje, 26.05.2016

Certified Auditor
Stojan Jordanov




Audit Company
RSM MAKEDONJA DOOEL Skopje
Certified Auditor
Stojan Jordanov



RSM
Друштво за ревизија РСМ
МАКЕДОНИЈА ДООЕЛ Скопје

PROFIT AND LOSS STATEMENT

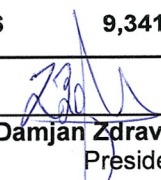
<i>(in thousand denars)</i>	Note	Year ended 31 Dec	
		2014	2013
INCOME			
Income from donations	4	10,174	7,157
Income from sales of training literature	4	51	-
Interest and exchange gains	4	85	53
Other income	4	22	-
Profits/losses carried from previous years	4	3,722	3,425
TOTAL INCOME		14,054	10,635
EXPENSES			
Operating expenditures	5	(8,781)	(6,912)
TOTAL EXPENSES		(8,781)	(6,912)
Income surplus before tax/ (uncovered expenses before tax)		5,273	3,723
Tax on unrecognized costs		-	-
Income surplus / (uncovered expenses)		5,273	3,723



Damjan Zdravev
 president

BALANCE SHEET

<i>(in thousand denars)</i>	Note	Year ended on 31 Dec	
		2014	2013
ASSETS			
Long-term assets		164	202
Tangible assets	6	161	195
Intangible assets	7	3	7
Current assets		5,252	3,812
Inventories		-	-
Receivables	7	-	-
Short-term financial receivables		62	62
Cash	8	5,190	3,750
Prepaid expenses		-	5,327
TOTAL ASSETS		5,416	4,014
FUNDS AND LIABILITIES			
Funds and reserve		39	114
Business fund		39	67
Revaluation reserves		-	47
Current liabilities		104	5,505
Accounts payable		23	178
Other taxes and contributions		81	-
Liabilities from received donations in cash from international organizations		-	5,327
ACCRUALS		5,273	3,722
Transfer of surplus of revenues for the next year		5,273	3,722
Accrued income		0	0
TOTAL FUNDS AND LIABILITIES		5,416	9,341



 Damjan Zdravev
 President

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL ON ASSOCIATION OF CITIZENS "REACTOR - RESEARCH IN ACTION" SKOPJE

Reactor is an independent, non-profit organization [think-tank]. It is formally established in January 2005, but existed as a grass-root organisation from May 2004.

The main aim is foster policy oriented research and initiate debates and public discussions on policies in Macedonia thus contributing to the development and EU integration of the country.

The Association of citizens "Reactor – research in action" is governed by Executive Board, President and Assembly.

Reactor is consisted of multidisciplinary team of young researchers committed to provide adequate, timely and independent data on the conditions in Macedonia and providing expert analysis.

Today, Reactor has friends in all country from Western Balkans, and cooperates with the other think-tanks from Macedonia.

Current situation of legal person in the Register of Citizens' Associations and Funds

Single Register Number	5954096
Name of legal person	Zdruzenie na gragjani "Reaktor – istrazuvanje vo akcija" Skopje, Republika Makedonija
Head Office	Str. Franklin Ruzvelt 46-2/8 SKOPJE - CENTAR, SKOPJE
Date of foundation	25.01.2005
Tax number	4030005548897

2. BASES FOR PREPARATION OF FINANCIAL STATEMENTS

Reactor prepares its financial statements in compliance with the Law on Accounting for Non-profit Organizations.

The financial statements are prepared according to the accounting principle for modified incurrence of business changes, i.e. transactions. The present Financial Statements are prepared on a cash basis, whereas revenues are recognized when are collected, and expenses are recognized when settled, within a period of 30 days after the end of the reporting period.

Financial statements are prepared with assumption for going concern, i.e. Reactor has no intention and no reason to discontinue the operation in a near future.

Financial statements are presented in thousands denars, unless it is otherwise stated.

3. BASIC ACCOUNTING POLICIES

The fundamental accounting policies that have been applied in the preparation of the Financial Statements for year 2014 are presented below.

3.1 Revenue and expense recognition policy

Revenue and expense recognition is performed according to the accounting principle for modified incurrence of business changes, i.e. transactions.

Accounting principle for modified incurrence of business changes, i.e. transactions means recognition of revenues for the accounting period in which they incurred, in accordance with the criteria for scalability and availability. Revenues are measurable when they can be presented as a value. Revenues are available when they are realized in the accounting period or in a period of 30 days after the accounting period, under the condition that revenues refer to the accounting period and serve to cover the liabilities from that period.

Accounting principle for modified incurrence of business changes, i.e. transactions, means recognition of expenses for the accounting period in which they incurred or in a period of 30 days after the accounting period, under the condition that the payment liability has incurred in that accounting period.

3.2 Cash

Cash consists of cash at hand, cash deposits in a bank and cash deposits in bank in foreign currency accounts.

NOTE 4

(in thousand denars)

	2014	2013
Revenues	14,054	10,635
REVENUES FROM SALES OF PRODUCTS, GOODS AND SERVICES	51	-
Revenues from services	51	-
REVENUES FROM INTEREST AND POSITIVE EXCHANGE RATES	85	53
Revenues from interest on bank deposits	1	1
Revenues from positive exchange rates	84	52
REVENUES FROM MEMBERSHIP FEES, GIFTS, DONATIONS AND REVENUES FROM OTHER SOURCES	10,174	7,157
Revenues from membership fees, gifts and donations	10,174	7,157
OTHER REVENUES	22	-
Other revenues	22	-
PROFITS/LOSSES FROM PREVIOUS YEARS	3,722	3,425
Profits/losses from previous years	3,722	3,425

The primary sources of funds for the association's activities are donations.

The donors with which contracts have been concluded and amounts of transferred assets in this year can be seen in the table below.

(in thousand denars)

Received funds by donors	2014	2013
French embassy	1,345	-
CID Kumanovo (Center for Intercultural Dialogue)	315	-
MCET (Macedonian Centre for European Training)	401	-
Foundation Open Society	-	616
Gender Equality Council	2,331	-
TTF (Think Tank Fund)	1,032	2,396
USAID	1,231	1,668
OSI (Open Society Institute)	-	1,191
Network of European Foundations	-	191
US Department	-	759
Youth Educational Forum	-	127
Center for Intercultural Dialogue	-	209
Eko-svest	129	-
GGAN	498	-
RRPP (Regional Research Promotion Programme)	2,493	-
UNDP (United Nations Development Programme)	398	-
TOTAL RECEIVED FUNDS	10,173	7,157

NOTE 5

	<i>(in thousand denars)</i>	
	2014	2013
Expenses	(8,781)	(6,912)
OPERATING EXPENSES, SERVICES AND DEPRECIATION	(758)	(3,230)
Supplies	(42)	(57)
Spent energy	(59)	(53)
Maintenance of assets	(10)	-
Other services	(85)	(2,623)
Transport services	(368)	(272)
Advertising, propaganda and representation	-	(25)
Rents and utilities	(194)	(113)
Other material expenses	-	(87)
OTHER EXPENSES	(4,814)	(1,215)
Bank fee	(36)	(45)
Business trips and travel expenses	(30)	(2)
Negative currency adjustment costs	(11)	(106)
Membership fees	(1)	(2)
Intellectual and other services	(4,394)	(1,060)
Other expenses	(342)	-
SALARIES AND CONTRIBUTIONS	(3,209)	(2,467)
Salaries	(3,209)	(2,467)

Costs distribution under separate items is a reflection of legal regulation, which determines accounts for non-profit organizations.

NOTE 6

(in thousand denars)

Tangible assets

	013	015	
2013	Equipment	Furniture	Total
Cost			
Balance January 1	562	130	692
Additions	-	88	88
Disposals	-	-	-
Balance December 31	562	218	780
Accumulated depreciation			
Balance January 1	(481)	(25)	(506)
Depreciation for the year	(54)	(25)	(79)
Disposals	-	-	-
Balance December 31	(535)	(50)	(585)
Net book value December 31	27	168	195

	Equipment	Furniture	Вкупно
2014			
Cost			
Balance January 1	562	218	780
Additions	37	-	37
Disposals	-	-	-
Balance December 31	599	218	817
Accumulated depreciation			
Balance January 1	(535)	(50)	(585)
Depreciation for the year	25	(96)	(71)
Disposals	-	-	-
Balance December 31	(510)	(146)	(656)
Net book value December 31	89	72	161

The depreciation of material assets is being posted as a decrease in the capital fund and not as an expense in the same period. The calculations regarding depreciation of assets are being conducted according to the legally determined rates of depreciation for different tangible assets.

NOTE 7

(in thousand denars)

Intangible assets

	2014	2013
Supply values		
Balance January 1	13	13
Balance December 31	13	13
Depreciation		
Balance January 1	(6)	(3)
Current depreciation	(4)	(3)
Balance December 31	(10)	(6)
Current value at 31.12	3	7

NOTE 8

(in thousand denars)

	2014	2013
Monetary assets	5,190	3,750
Cash in bank	3,194	1,168
Foreign currency account	1,939	2,548
Other cash	57	34

The monetary assets at the end of year 2014 stand in the amount of 5.190 thousand denars and are sum of the assets on the bank account of the association in a commercial bank.