

Друштво за ревизија
ЕФЕКТ-ПЛУС ДООЕЛ
Бр. 08-18.174
29.04 2022 год.
СКОПЈЕ

Stronger Together, Association for Support of People Living with HIV
Skopje

Financial Statements and Independent Auditor's Report

As of 31.12.2021

April, 2022

Contents:

INDEPENDENT AUDITOR'S REPORT	2
FINANCIAL STATEMENTS OF STRONGER TOGETHER, ASSOCIATION FOR SUPPORT OF PEOPLE LIVING WITH HIV SKOPJE - AS OF DECEMBER 31, 2021	4
INCOME STATEMENT	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6
1 GENERAL INFORMATION	6
2 BASIS FOR PREPARATION	7
3 BASIC ACCOUNTING POLICIES	7
4 DONATIONS	9
5 OTHER INCOMES	10
6 MATERIAL COSTS AND SERVICES	10
7 OTHER EXPENSES	11
8 SALARIES AND OTHER CONTRIBUTION	11
9 CAPITAL EXPENSES	11
10 TRANSFERRED ASSETS TO OTHER ENTITIES	11
11 PROPERTY, PLANTS AND EQUIPMENT	12
12 CASH	12
13 OTHER RECEIVABLES	12
14 DEFERRED EXPENSES	13
15 PAYABLES	13
16 TAX LIABILITIES	13
17 OTHER SHORT-TERM LIABILITIES	13
18 SURPLUS OF INCOME FOR TRANSFER TO NEXT YEAR	13
19 EVENTS AFTER THE BALANCE SHEET DATE	13
ANNEX 1 – LIST OF SUPPORTING DOCUMENTS FOR INSTITUTIONAL GRANT FINANCED BY CIVICA MOBILITAS FOR THE PERIOD COVERING 01.01-31.12.2021	14



Bul. Kuzman Josifovski Pitu.15 lok 11, contact@pkf.mk Tel: 02/2465-243, 2401-371; Fax 02/2401-372

TO THE MANAGEMENT, BOARD OF DIRECTORS AND THE ASSEMBLY OF
Stronger Together, Association for Support of People Living with HIV Skopje

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Stronger together, Association for support of People Living with HIV Skopje (hereinafter referred to as the Stronger together), which comprise the balance sheet as of December 31, 2021 and the income statement for the year that 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 Law on Accounting for Non Profit organizations in Republic of North Macedonia. 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.

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 Auditing, accepted and published in the Official Gazette of the Republic of North Macedonia no. 79 of June 11, 2010. 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. 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of the Stronger together as of December 31, 2021, and its financial performance, for the year then ended in accordance with Law on Accounting for Non-Profit organizations in North Macedonia.

Report of other legal and regulatory requirements

Opinion on compliance of Institutional Grant financial statement with contract conditions.

According to the institutional grant agreement supported by Macedonian Center for International Cooperation and within the Civica Mobilitas project, an independent audit opinion on the financial report is required.

In our opinion, the financial statement for the Institutional grant implemented by Stronger Together, Association for Support of People Living with HIV Skopje presented in Annex I to financial statements, presents fairly all costs and revenues for the period 01.01-31.12.2021 and total costs amounting 2.189.031 denars are incurred according to Legal regulations in North Macedonia and Institutional grant agreement number 11-219/1-2020 as of July 03, 2020 and Annex 11-90/6-2021 as of July 01, 2021. The participation of the Contracting authority is 100% of the costs.

EFEKT PLUS SKOPJE

CERTIFIED AUDITOR

Nikolaki Miov



Manager

Kristina Tilik

Skopje, 29.04.2022

Effect Plus DOOEL is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms

**FINANCIAL STATEMENTS OF STRONGER TOGETHER, ASSOCIATION FOR
SUPPORT OF PEOPLE LIVING WITH HIV SKOPJE - AS OF DECEMBER 31,
2021**

INCOME STATEMENT

	note	2021 in mkd	2020 in mkd
Incomes		<u>11.403.898</u>	<u>10.260.887</u>
Donations	(4)	9.327.402	7.840.148
Financial incomes		-	26.668
Other income	(5)	24.300	-
Transferred income from previous year		2.052.196	2.394.071
		-	-
Costs		<u>(10.371.157)</u>	<u>(8.208.691)</u>
Material costs and services	(6)	(1.519.976)	(1.438.666)
Other expenses	(7)	(3.513.163)	(1.251.333)
Salaries and other contributions	(8)	(2.812.757)	(2.519.349)
Capital expenses	(9)	(199.589)	(68.080)
Transferred assets to other entities	(10)	(2.325.672)	(2.931.263)
Income over expenses before taxation		<u>1.032.741</u>	<u>2.052.196</u>
Income tax			
Income over expenses for transfer to next year		<u>1.032.741</u>	<u>2.052.196</u>

Financial reports have been approved by the management of Stronger together, Association for support of People Living with HIV Skopje on 20.02.2022



For the Stronger Together,
Association for Support of People
Living with HIV Skopje

Notes are an integral part of the financial statements

BALANCE SHEET

	note	2021 in denars	2020 in denars
<u>Assets</u>			
Non-current assets		329.874	207.470
Property, plant and equipment	(11)	329.874	207.470
Current assets		1.498.634	2.337.227
Cash	(12)	1.482.693	2.290.439
Other receivables	(13)	516	31.363
Deferred expenses	(14)	15.425	15.425
Assets total		<u>1.828.508</u>	<u>2.544.697</u>
<u>Funds and liabilities</u>			
Asset sources (Funds)		329.874	207.470
Funds		329.874	207.470
Current liabilities		465.893	285.031
Payables	(15)	250.556	281.879
Tax liabilities	(16)	19.558	3.152
Other short-term liabilities	(17)	195.779	0
Surplus of income for transfer to next year	(18)	1.032.741	2.052.196
Funds and liabilities total		<u>1.828.508</u>	<u>2.544.697</u>



For the Stronger Together,
Association for Support of People
Living with HIV Skopje

[Handwritten signature]

[Handwritten signature]

Notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Full name of the entity: Stronger together, Association for support of People Living with HIV Skopje

Headquarters: Vasko Karajanov 2/4 Skopje

VAT number: 4080013541173

ID number: 6921035

Authorized persons: Aleksandar Temelkovski and Andrej Senih

Founders: Elmaz Arif, Rumena Krastovska, Ninoslav Mladenovikj, Ivan Domazetovski, Kire Blagoevski, Safet Ahmed, Suzana Petkova, Andrej Senih, Liljana Andova and Elizabeta Bozinovska

Main activity: 94.99 – Activities of other organizations, based on memberships, not mentioned in other places

Organizational form: Organizations, foundations, associations of citizens

Date of foundation: 05.10.2013

Management

According to the Statute, the bodies of the Council are:

- Assembly
- President
- Board of directors and
- Supervisory Board

Association with its action seeks to achieve the following specific objectives:

- Strengthening people living with HIV to be able to deal with health and social challenges of HIV infection;
- Eradicating stigma and discrimination against people living with HIV and those who are otherwise affected by HIV in all segments of social life;
- Providing self-help, mutual support, solidarity, care and external support for people living with HIV and their loved ones;
- Providing quality and dignified life for people living with HIV;
- Ensuring greater involvement of people with HIV in resolving all matters affecting them, in line with the 1983 Denver Principles, the 1994 internationally recognized GIPA Principle, and in line with the worldwide tradition of HIV / AIDS activism in the fight for human rights, for finding and improving therapies and treatments and for universal access to them;
- Improving the quality and availability of available health services for people living with HIV;
- Providing timely and continuous access to modern and quality antiretroviral therapy and comprehensive treatment and health care for people living with HIV, in accordance with the latest advances in science;
- Promotion and protection of civil, health, sexual and reproductive rights, as well as other human rights of people living with HIV in all segments of social life.

2 BASIS FOR PREPARATION

The financial reports that are audited and for which we have expressed our audit opinion, are prepared in accordance with the Law on Accounting for Non-profit Organizations.

The financial reports are based on the accounting principle of modified recognition of the effects of transactions and other events and going concern assumptions. The financial reports are prepared according to the accounting policies disclosed in note three.

The functional currency of the Association is the Macedonian denar (MKD).

All amounts in these financial statements and the accompanying notes are presented in MKD and based on the information from the year that ends as of December 31, 2021.

3 BASIC ACCOUNTING POLICIES

The basic accounting policies applied in preparing the financial statements are as follows:

3.1 Revenue recognition

The revenue is recognized based on the accounting principle of modified recognition of the effects of transactions and other events. The revenue can be measured when they can be stated as value. Revenues are available when they are realized in the accounting period or within 30 days after the expiration of the accounting period, provided that the revenues refer to the accounting period and serve to cover the liabilities of that accounting period.

Interest income is recognized according to the time that reflects the effective return on assets.

3.2 Expenses recognition

Expenses are recognized under the accounting principle of a modified occurrence of business changes or transactions, ie they are recognized in the accounting period in which they occurred or within 30 days after the expiration of the accounting period, provided that the payment obligation has occurred in that accounting period.

The interest expenses due to borrowing of assets or receiving loans from other entities are recognized in the period when they occur and that they reflect.

The NGO's calculate annual income tax on the total revenue from activities reduced for 1 million MKD, using a rate of 1%.

3.3 Capital costs

Capital costs are recognized when purchased assets increase the expected future economic benefits of intangible assets. Capital costs are recorded when fixed assets are purchased or manufactured which adds value to existing fixed assets. They are recorded as an asset in the balance and are also recorded in the funds of the Association.

3.4 Calculation of the foreign currencies and accounting treatment of the exchange rate differences

The calculation of all receivables and liabilities in foreign currencies in their MKD equivalent, are stated at average exchange rate valid on the balance sheet.

The positive and negative exchange rate differences caused by the calculation of receivables and liabilities in the value of foreign currencies in their MKD equivalent are shown in the income statement as income or funding expenses in the year to which they apply.

The value of the currencies used as of 31.12.2021 is presented below

Currency	2021 MKD	2020 MKD
1 EUR	61,6270	61,6940
1 USD	54,3736	50,2353

3.5 Property, plant and equipment

An asset is recognized as equipment when it is certain that the entity owns it and that it will realize future economic benefits and when the cost of its acquisition can be objectively measured.

The cost of an asset includes the cost of its acquisition, which includes:

- invoice value of the asset (decreased by any discounts and rebates)
- customs and taxes during the purchasing;
- costs to prepare the venue;
- initial costs associated with shipping and handling;
- installation costs and
- compensate for experts related to the asset.

Equipment is recognized by its historical value lowered for the accumulated depreciation and impairment of assets. The costs incurred for the maintenance are recognized as administrative and sales costs. In the case of disposal of the assets, their value is recognized as other costs. The value of assets up to 300 EUR is recorded as an inventory.

The calculation of depreciation is a straight-line depreciation method prescribed under the annual depreciation rates for 2021 are as follows:

Description	2021	2020
Computers and equipment	14-20%	14-20%
Furniture	20%	20%

3.6 Receivables

Receivables are recognized by the calculated amounts in accordance with the legal regulations.

3.7 Cash and equivalents

The cash and cash equivalents include cash in hand, cash and accounts in domestic banks and deposits with a maturity of up to three months, the cash and the accounts in domestic currency are presented in nominal amount, and in foreign currency In MKD according to the exchange rate of the National Bank of North Macedonia on the day of the balance.

3.8 Liabilities to suppliers and other liabilities

Liabilities to suppliers and other liabilities are translated at the height of the nominal amounts resulting from business transactions.

3.9 Funds and reserves

Funds are principal sources for their own assets. They include an initial deposit for the founding of the Association and additional assets. Retain earning is stated separately from funds and comprises all undistributed earnings until the balance sheet day.

Uncovered loss is stated separately from the funds and comprises all uncovered losses until the day of the balance sheet.

3.10 Contributions for retirement and disability insurance and liability in respect of the termination of employment

The Association is making payments of contributions for pension and disability insurance to employees in accordance with domestic legislation. Contributions based on salaries of employees shall be paid into the national fund and through it to private pension funds to individual employees. Association doesn't have any additional obligations related to the payment of these contributions.

Association is obligated to pay the employees who leave for retirement severance minimum corresponding to two average monthly salaries paid in state at the time of retirement. Association doesn't have any reservations about this right to employees because it is considered that the amount is insignificant for the financial statements and the probability of their occurrence is currently low.

4 DONATIONS

The total amount of donations as of 31.12.2021 is 9.327.402 denars (2020: 7.840.148 denars) distributed as follows:

		(in denars)
Donor		2021
International Charitable Foundation "Alliance for Public Health" from Ukraine		5.867.897
Charities Aid Foundation (CAF)		513.236
Ministry of Health of the Republic of North Macedonia		1.701.816
Macedonian Center for International Cooperation		1.728.845
Makedonija Lek		20.000
Other donors		3.000
Foundation Open Society Macedonia		(507.392)
Total		9.327.402

In 2021, the Association has returned the donation of 507.392 denars from 2020 to the Foundation Open Society Macedonia, due to non-implementation of activities.

The Association is implementing the following projects:

Donor	Project	Period of implementation	Amount according to agreement
International Charitable Foundation "Alliance of Public Health"	Sustainability of services for key population in Eastern Europe and Central Asia region	01.04.2019-31.12.2021	239.941,00 USD
International Charitable Foundation "Alliance of Public Health"	Sustainability of services for key population in Eastern Europe and Central Asia region	01.02.2021-31.12.2021	40.781,10 USD
Ministry of Health of the Republic of North Macedonia	Positive prevention and psychosocial support for people living with HIV and their MSM prevention partners	31.01.2021-31.12.2021	1.700.000,00 MKD
ViiV Healthcare/Charities Aid Foundation CAF	Improving health outcomes for men who have sex with men in Macedonia	03/2020-03/2022	25.000,00 €
Macedonian Center for International Cooperation (MCIC)	Institutional grant	01.07.2020-30.06.2021	1.992.870,00 MKD
Macedonian Center for International Cooperation (MCIC)	Institutional grant	01.07.2021-30.06.2022	2.526.199,00 MKD
Deutsche aids - Hilfe E.V, Berlin	European HIV Legal Forum - Discrimination against people living with HIV in health care settings	01.09.2020-31.12.2021	4.000,00 €

5 OTHER INCOMES

In the current year, the Association has income from voluntary contributions within the charity event organized on the occasion of December 1 - World AIDS Day 2021 amounting 24.300 denars (2020: none).

6 MATERIAL COSTS AND SERVICES

Description	(in denars)	
	2021	2020
Consumable supplies	138.358	135.402
Consumed energy	150.038	78.475
Other services	761.382	683.132
Transport services	139.913	106.276
Expenses for advertising, propaganda	44.628	175.775
Rents	285.657	259.606
Total	1.519.976	1.438.666

7 OTHER EXPENSES

(in denars)		
Description	2021	2020
Bank provision	64.689	53.958
Travel expenses and daily allowances	96.115	73.201
Intellectual and other services	3.049.540	907.284
Negative exchange rate differences	17.980	28.380
Other expenses	840	20.215
Donations	61.000	108.600
Taxes and contributions that do not depend on the result	222.999	59.695
Total	3.513.163	1.251.333

Intellectual and other services include costs for contract services for engaging external personnel, costs for accounting services, costs for design and graphic adaptation and repair and servicing services, etc.

8 SALARIES AND OTHER CONTRIBUTION

The costs for salaries for 2021 are amounting 2.812.757 denars (2020: 2.519.349 denars). The number of employees at 31.12.2021 is 4 persons (2020: 4 persons).

9 CAPITAL EXPENSES

As of 31.12.2021, the Association has procured equipment amounting 199.589 denars (2020: 68.080 denars).

10 TRANSFERRED ASSETS TO OTHER ENTITIES

In 2021, the Association has transferred assets to other entities amounting 2.325.672 denars (2020: 2.931.263 denars).

The transferred funds refer to the following Associations with which the Association has cooperation within the regional program Sustainability of services for key populations in Eastern Europe and Central Asia funded by the Global Fund to Fight AIDS, Tuberculosis and Malaria.

(in denars)	
Association	2021
HERA - Health Education and Research Association Skopje	1.131.971
Association HOPS - Healthy Options Project Skopje	825.326
Public Healthcare Institution University Clinic For Infectious Diseases and Febrile Conditions Skopje	368.375
Total	2.325.672

11 PROPERTY, PLANTS AND EQUIPMENT

The opening balance, changes during 2021 and the balance of non-current assets as of 31.12.2021 is as follows:

(in denars)	
Description	Equipment
Cost	
Balance as of 01.01.2021	465.533
Additions during the year	199.589
Revaluation	96.152
Balance as of 31.12.2021	761.274
Balance as of 01.01.2020	389.291
Additions during the year	68.080
Revaluation	8.162
Balance as of 31.12.2020	465.533
Accumulated impairment	
balance as of 01.01.2021	258.063
Depreciation for the year	110.882
Revaluation	62.455
Balance as of 31.12.2021	431.400
Balance as of 01.01.2020	146.526
Depreciation for the year	106.038
Revaluation	5.499
Balance as of 31.12.2020	258.063
Balance as of 31.12.2021	329.874
Balance as of 31.12.2020	207.470

12 CASH

(in denars)		
Description	2021	2020
Bank accounts	1.480.113	2.287.859
Foreign currency account	0	0
Cash on hand	2.580	2.580
Total	1.482.693	2.290.439

13 OTHER RECEIVABLES

(in denars)		
Description	2021	2020
Donor receivables	0	30.847
Receivables for overpaid income tax	516	516
Total	516	31.363

14 DEFERRED EXPENSES

(in denars)		
Description	2021	2020
Deposit for rent	15.425	15.425
Total	15.425	15.425

15 PAYABLES

Payables as of 31.12.2021 amounting 250.556 denars. (2020: 281.879 denars).

16 TAX LIABILITIES

As of 31.12.2021, the Association has obligations for taxes and contributions under a temporary employment contract amounting 19.558 denars (2020: 3.152 denars)

17 OTHER SHORT-TERM LIABILITIES

As of 31.12.2021, the Association has liabilities to individuals engaged under a temporary employment contract within the project activities amounting 195.779 denars and they were paid in January 2022.

18 SURPLUS OF INCOME FOR TRANSFER TO NEXT YEAR

As of 31.12.2021 the Association has surplus of income for transfer to next year amounting 1.032.741 denars. (2020: 2.052.196 denars).

19 EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date which should be disclosed in this report.