

Нансен Дијалог Центар НДЦ

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СКОПЈЕ

**THE AUDITOR'S REPORT  
FINANCIAL STATEMENTS  
For 2008  
NANSEN DIALOGUE CENTRE  
SKOPJE**

**Skopje, May 2009**

**DIMITROV REVIZIJA DOO**  
*Correspondent member of DFK International London*

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**DFK**  
INTERNATIONAL

**ДИМИТРОВ РЕВИЗИЈА**

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To  
The Management of  
Nansen Dialogue Centre  
Skopje

## AUDITOR'S REPORT

We have audited the accompanying financial statements of Nansen Dialogue Centre - NDC Skopje (in the following text "the Organization"), which comprise the Balance Sheet as of 31 December 2008, 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 financial 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 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 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.



**DFK**  
INTERNATIONAL

**ДИМИТРОВ РЕВИЗИЈА**

Друштво за ревизија

*Auditor's opinion*

In our opinion, the financial statements of Nansen Dialogue Centre - NDC Skopje give a true and fair view of the financial position of the Organization as of 31 December 2008, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and financial reporting under the cash basis of accounting.

Skopje, 20 May 2009

Manager  
Zvonko Kocovski, Certified Auditor



**Nansen Dialogue Centre - Skopje**

**BALANCE SHEET**  
As of 31 December

		(In thousands of MKD)	
	Note	2007	2008
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	1.216	1.203
Other receivables and prepayments	5	47	401
<b>Total current assets</b>		<b>1.263</b>	<b>1.604</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		1.055	808
<b>Total non-current assets</b>	6	<b>1.055</b>	<b>808</b>
<b>TOTAL ASSETS</b>		<b>2.318</b>	<b>2.412</b>
<b>LIABILITIES AND OPERATING FUND</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	7	98	45
Other short term liabilities	8	31	49
<b>Total current liabilities</b>		<b>129</b>	<b>94</b>
<b>OPERATING FUND AND SURPLUS OF REVENUES OVER EXPENSES</b>			
Operating Fund		1.055	808
Current surplus of revenues over expenses deferred for future periods		1.134	1.509
<b>Total Operating fund and surplus of revenues over expenses</b>	9	<b>2.189</b>	<b>2.317</b>
<b>TOTAL LIABILITIES AND OPERATING FUND</b>		<b>2.318</b>	<b>2.411</b>

Notes to the financial statements on pages 6 - 12 are part of the financial statements

The accompanying financial statements were authorised for issue by the management of the Association and were signed on its behalf by:

\_\_\_\_\_  
Saso Stojkoski  
Executive Director

**Nansen Dialogue Centre - Skopje**

**STATEMENT OF REVENUES AND EXPENSES**  
**For 2007 and 2008**

(In thousands of MKD)			
	Note	2007	2008
Granted donations	10	10.554	11.977
Other revenues	11	34	1.153
<b>Total Revenues</b>		<b>10.588</b>	<b>13.130</b>
Operating expenses	12	(9.454)	(11.621)
<b>Total Expenses</b>		<b>(9.454)</b>	<b>(11.621)</b>
<b>Surplus of revenues over expenses</b>		<b>1.134</b>	<b>1.509</b>

Notes to the financial statements on pages 6 - 12 are part of the financial statements

**STATEMENT FOR CHANGES IN FUNDS**  
For 2007 and 2008

(In thousands of MKD)

	<b>Operating Fund Fixed Assets</b>	<b>Total</b>
<b>Balance as of 01.01.2007</b>	<b>1.581</b>	<b>1.581</b>
Additions of equipment	494	494
Sold vehicle	(588)	(588)
Depreciation	(432)	(432)
<b>Balance as of 31.12.2007</b>	<b>1.055</b>	<b>1.055</b>
<b>Balance as of 01.01.2008</b>	<b>1.055</b>	<b>1.055</b>
Depreciation	(247)	(247)
<b>Balance as of 31.12.2008</b>	<b>808</b>	<b>808</b>

Notes to the financial statements on pages 6 - 12 are part of the financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1. ESTABLISHMENT AND ACTIVITY

Nansen Dialogue Center - NDC is association of citizens established at 17.01.2000 according to the Law of Associations of Citizens and Foundations (Official Gazette of RM No.31/98). The Association is registered in the register of the Association of Citizens and Foundations with Registration No. 01/ZG.956/2000.

The Association operates in accordance with the Law of Associations of Citizens and Foundations and a Statute. According them, the Association is non-governmental, non-party and non-profit association of citizens, which operates in the field of strengthening the democratic consciousness, peace, mutual tolerance, dialogue and cooperation in the society, as well as giving basic assistance to those who need it. The Association's management bodies are Assembly, Executive Body - Board, Manager of the Executive Body - Board and Council. The Association is located in Skopje, with address 31-10 Naroden Front Street – Centre.

### NOTE 2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Organization are conducted in accordance with the Non-Profit Organization Accounting Law and the financial reporting under the cash basis of accounting. The amounts in the statements and the notes are stated in thousands of MKD, except when otherwise indicated in the text.

### NOTE 3. BASIC ACCOUNTING POLICIES

The basic accounting policies used for preparation of the financial statements are listed in the following text. The accounting polices of the Association are being adequately applied from year to year.

#### **Cash and cash equivalents**

Statements require presentation of the Association's cash that comprises the cash on hand and the cash on giro 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 NBRM at the reporting date.

#### **Tangible and intangible assets**

Tangible and intangible assets (fixed assets) are stated at cost. The cost of the fixed assets comprise the purchasing price increased for the import customs, VAT, manipulative expenses and all other expenses that can be added to the cost, i.e. to the purchasing expenses.

The operating fund of the Association increases for the amount of the value of fixed assets purchased. According to the accounting policy concerning fixed assets, they are all recognized as expenses for the period they are purchased, i.e. when the funds (in cash or non-current assets) are received from the donors.



### Depreciation

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, by using the official depreciation rates prescribed in the Nomenclature for depreciable assets for non-profit association, so their cost and revaluation are depreciated in equal annual amounts during the estimated utilization period of the fixed assets.

The current depreciation amount is entered on the burden of the operating fund.

The calculation of the depreciation is performed separately for each item, and not for groups of assets.

### Recognition of the revenues and expenses

The recognition of the revenues and expenses for non-profit organizations is based upon the accounting principle for modified presentation of the operating transactions.

The accounting principle for modified presentation of the operating transactions means recognition of the revenues and the expenses during the period of their appearance according to the criteria of measurement and disposal. Revenues, i.e. expenses are measurable when they can be stated at value. Revenues, i.e. expenses are on disposal when they are realized, i.e. when they appear (when collected, i.e. paid) during the accounting period or within 30 days after this period, used for covering this period's liabilities, i.e. the payment liability arisen during this period.

### 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 MKD related to the foreign exchange currencies (for one unit of foreign exchange currency) as of 31 December are as follows:

(In MKD)		
Currency	2007	2008
EUR	61,2016	61,4123
USD	41,6564	43,5610
CHF	36,8595	41,0428

**Nansen Dialogue Centre - Skopje**

**NOTE 4. CASH AND CASH EQUIVALENTS**

	(In thousands of MKD)	
	2007	2008
Gyro account	1.010	1.055
Cash	206	148
<b>Total</b>	<b>1.216</b>	<b>1.203</b>

**NOTE 5. OTHER RECEIVABLES AND PREPAYMENTS**

	(In thousands of MKD)	
	2007	2008
Advances to employees	-	378
Prepayments	47	23
<b>Total</b>	<b>47</b>	<b>401</b>

**NOTE 6. NON-CURRENT ASSETS**

	(In thousands of MKD)	
	Equipment, vehicles	Total
<i>Cost</i>		
<b>Balance at 01.01.2008</b>	1.487	<b>1.487</b>
Additions in the year	-	-
<b>Balance at 31.12.2008</b>	<b>1.487</b>	<b>1.487</b>
<i>Valuation allowance</i>		
<b>Balance at 01.01.2008</b>	432	<b>432</b>
Current depreciation	247	247
<b>Balance at 31.12.2008</b>	<b>679</b>	<b>679</b>
<b>Carrying value at 31.12.2008</b>	<b>808</b>	<b>808</b>
<b>Carrying value at 31.12.2007</b>	<b>1.055</b>	<b>1.055</b>

**Nansen Dialogue Centre - Skopje**

**NOTE 7. ACCOUNTS PAYABLE**

	(In thousands of MKD)	
	2007	2008
Domestic account payable	98	45
<b>Total</b>	<b>98</b>	<b>45</b>

**NOTE 8. OTHER SHORT-TERM LIABILITIES**

	(In thousands of MKD)	
	2007	2008
Personal Tax	9	-
Remunerations	22	49
<b>Total</b>	<b>31</b>	<b>49</b>

**NOTE 9. OPERATING FUND**

	(In thousands of MKD)	
	2007	2008
Operating fund	1.055	808
Current surplus of revenues over expenses	1.134	1.509
<b>Total</b>	<b>2.189</b>	<b>2.317</b>

Changes of the operating fund are stated in the Statement of Changes in the Operating Fund on page 6.

**NOTE 10. GRANTED DONATIONS**

	(In thousands of MKD)
<b>Donors</b>	<b>2008</b>
Ministry of Foreign Affairs of Kingdom of Norway	11.977
<b>Total</b>	<b>11.977</b>

## Nansen Dialogue Centre - Skopje

### NOTE 11. OTHER REVENUES

(In thousands of MKD)

Donors	2008
Financial revenues	40
Surplus of revenues over expenses from preceding period	1.113
<b>Total</b>	<b>1.153</b>

### NOTE 12. OPERATING EXPENSES

The operating expenses are from the operating activities of the Association. They are presented in the following table:

(In thousands of MKD)

	2007	2008
Office materials	343	1.231
Energy	293	272
Equipment costs	494	-
Other project related costs	454	1.655
Transportation and communication costs	1.133	1.128
Maintenance services	13	90
Rents	489	308
Other costs	122	22
Travel expenses and contributions	174	129
Marketing, representation	209	323
Insurance	28	56
Bank services	39	47
Intellectual and other services	1.758	2.828
Additionally determined expenses	76	-
Salaries	3.829	3.532
<b>Total</b>	<b>9.454</b>	<b>11.621</b>

## Nansen Dialogue Centre - Skopje

### NOTE 13. REVENUES AND EXPENSES RELATED TO DIFFERENT PROJECTS

The review stated below shows the revenues and expenses in 2008 structured by donors and projects. The revenues are stated using the cash basis i.e. total amount of received money in current year and the deferred (unspent) surplus of revenues from previous year.

(in thousands of MKD)

<b>Revenues</b>	
Revenues from Nansen Dialogue Network for 2008	11.934
Donation from Nansen dialogue Network (preceding period)	996
Exchange rate gains (according to agreed donation exchange rate)	44
Exchange rate gains (according to NBRM)	39
<b>Total Revenues from Nansen Dialogue Network for 2008</b>	<b>13.013</b>
Donation from Agency for Youth and Sport and Municipality of Centar (Preceding period)	16
Donation of Ministry of Foreign Affairs of Kingdom of Norway (preceding period)	21
Donation of Ministry of Foreign Affairs of Kingdom of Norway (returned funds to the donor)	(21)
Donation Nansenskolen (preceding period)	74
Exchange rate gains (preceding period)	28
<b>Total Other Revenues</b>	<b>117</b>
<b>TOTAL REVENUES</b>	<b>13.130</b>
<b>Financed Activities from Nansen Dialogue Centre</b>	
Office and activities costs	11.605
<b>Total costs financed from Nansen Dialogue Network</b>	<b>11.605</b>
Costs Agency for Youth and Sport and Municipality of Centar	16
<b>Total other costs</b>	<b>16</b>
<b>TOTAL COSTS</b>	<b>11.621</b>
<b>Surplus of revenues over expenses</b>	
Surplus of revenues over expenses - Nansen Dialogue Network 2009	1.408
Surplus of revenues over expenses - Nansenskolen	73
Surplus of revenues over expenses - exchange rate gains from preceding period	28
<b>Surplus of revenues over expenses as of 31.12.2008</b>	<b>1.509</b>

**NOTE 14. INCOME TAX**

		(In thousands of MKD)
		<b>2008</b>
I.	Surplus of revenues over expenses	1.509
II.	Net adjustments in the Tax Statement	(1.509)
III.	Surplus of revenues over expenses before taxes (I+II)	-
IV.	Income tax (III *10%)	-
V.	<b>Surplus of revenues over expenses after taxation (I-IV)</b>	<b>1.509</b>