

**Coalition of civic association
ALL FOR FAIR TRIALS Skopje**

**Financial statements
Year ended December 31, 2018 and**

Independent Auditor's report

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INDEPENDENT AUDITOR'S REPORT

**To the Management of the
Coalition of civic association
ALL FOR FAIR TRIALS Skopje**

We have audited the accompanying financial statements of the Coalition of civic association ALL FOR FAIR TRIALS Skopje (hereinafter: the Coalition) which comprise the statement of financial position as of December 31, 2018 and the income and expense statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the prevailing macedonian accounting regulations, 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 macedonian International Standards on Auditing and the macedonian Audit Law. 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 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 Coalition'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 Coalition'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.

(Continues)

INDEPENDENT AUDITOR'S REPORT

**To the Management of the
Coalition of civic association
ALL FOR FAIR TRIALS Skopje
(Continued)**

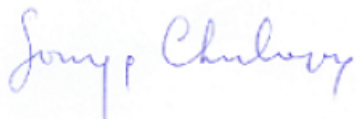
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Coalition of civic association ALL FOR FAIR TRIALS Skopje, as at December 31, 2018, and its financial performance for the year then ended in accordance with the prevailing macedonian accounting regulations, the Law on Accounting for non-profit organisations and the Rulebook for non-profit organisations.


Emphasis of Matter

The Coalition keeps its record and prepares its financial statements based on the accounting base of modified occurrence of business changes and transactions, in accordance with the Law on Accounting for non-profit organisations ("Official Gazette of Republic of Macedonia" 24/03 with amendments up to 17/11) and the Rulebook for non-profit organisations ("Official Gazette of Republic of Macedonia" 42/03 with amendments up to 175/11.) According to the articles of this Law, the Coalition is obligated to prepare and submit basic financial statements, consisted of: Statement of financial position, Income and expense statement and notes to the financial statements. According to this, the Coalition is not obligated to prepare Statement of cash flows.

TP REVIZIJA CULEVA-Skopje
Sonja Culeva, Manager



Sonja Culeva, Certified auditor



Skopje, March 5, 2019

INCOME AND EXPENSE STATEMENT
Year ended December 31, 2018
(In Denars)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
Revenues			
Revenues from grants	4	3,229,745	4,413,559
Other revenues	5	1,215,539	934,118
Financial revenues	9	95	61
		<u>4,445,379</u>	<u>5,347,738</u>
Expenses			
Staff costs	6	(3,594,710)	(3,186,166)
Operating expenses	7	(785,725)	(920,034)
Capital expenses	8	(22,007)	(25,999)
Financial income/(expenses)-net	9	-	-
		<u>(4,458,942)</u>	<u>(4,132,199)</u>
Excess of revenues over expenses for the year		<u><u>(13,563)</u></u>	<u><u>1,215,539</u></u>

*The accompanying notes on the following pages
are an integral part of these financial statements.*

These financial statements have been approved and adopted by the Coalition's management on 19 February, 2019.

Approved by,

Executive manager
Natali Petrovska

Certified accountant
Natasa Grozdanov

**STATEMENT OF FINANCIAL POSITION
As of December 31, 2018
(In Denars)**

	Notes	2018	2017
ASSETS			
Non-current assets			
Office equipment and furniture	10	36,141	20,800
Current assets			
Cash and cash equivalents	11	153,604	1,215,539
Other short term borrowings	12	-	-
Loss for the year		13,563	-
Total current assets		167,167	1,215,539
TOTAL ASSETS		203,308	1,236,339
FUNDS AND LIABILITES			
Funds			
Business fund	13	36,141	20,800
Excess of revenues over expenses	13	-	1,215,539
Total funds		36,141	1,236,339
Current liabilities			
Grants related liabilities			
Trade payables	14	-	-
Employees related payables	14	-	-
Other	14	167,167	-
Total current liabilities		167,167	-
TOTAL FUNDS AND LIABILITIES		203,308	1,236,339

*The accompanying notes on the following pages
are an integral part of these financial statements*

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

1. GENERAL INFORMATION

Coalition of civic association ALL FOR FAIR TRIALS Skopje (“Coalition”) is founded like non-profit organization on 12 of May year 2003 and it’s registered in the Central Registry of Republic of North Macedonia, or in the Register of asociatons and foundations under EMBS number 5782180.

Headquarters: Str. Makedonija 11/2-10,Centar,Skopje

Executive manager: Natali Petrovska

Founders

- 1.Citizens association MOST – Skopje
- 2.Macedonian law resource center-Skopje
- 3.Association for protection of children rights-Skopje
- 4.PADS Megjashi-Skopje
5. Youth Educational Forum-Skopje
6. Helsinki Committee of human rights-Skopje
- 7.ASVIN-Skopje
- 8.R.O.Z.P.R - Skopje
- 9.Civil trails -Bitola
- 10.Association for democratic initiative – Gostivar
- 11.Femina-Kumanovo
- 12.FPR ARKA – Kumanovo
- 13.CDR – Tetovo
- 14.Civic information center Spectar – Shtip
15. The Council for Prevention of Juvenile Delinquency – Kavadarci
- 16.PHURT – Delchevo
17. Association for Roma Rights protection – Shtip
- 18.FOKUS- Resen

MANAGEMENT BOARD

Dragi Zmijanac
Luzim Haziri
Lazar Nanev
Vulnet Zenki
Simonida Kacarska

SUPERVISORY BOARD

Dimitar Nizamovski
Blerim Salihi
Cvetanka Kamceva

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

1. GENERAL INFORMATION (Continues)

MEMBER ORGANISATIONS

1. Defense for children's rights – Skopje
2. Youth Educational Forum-Skopje
3. Multikultura-Tetovo
4. Macedonian Young Lawyers Association-Skopje
5. European Policy Institute – Skopje
6. First Children's embassy of the world Megjasi-Skopje
7. Association for democratic initiative – Gostivar
8. Association for critical approach to gender and sexuality Subversive Front – Skopje
9. The Council for Prevention of Juvenile Delinquency – Kavadarci
10. Youth Cultural Center-Bitola
11. Humanitarian and Welfare Association of Roma – Moon – Gostivar
12. Citizens Association MOST – Skopje
13. Roma education center – AMBRELA - Skopje
14. Association of Roma rights protection – Shtip

Priority activities: 94.99.Activities of other organization based on subscription, not mention in other places.

Priority goals of the Coalition:

The main aims and tasks of the Coalition are:

- To increase respect for fair trial standards before domestic courts
- To establish public confidence in the legal system and the judiciary in general
- To indentify the inherited problems in the judicial system and the need for legal and institutional reform
- To inform the public about fair-trial standards and strengthen confidence of the citizens in the functioning of the judicial system
- To decrease the possibilities of unequal treatment of the parties in the process by the judges and other participants in the procedure and to ensure equal access to justice.

On December 31, 2018 in the Coalition there is 1 employee (31 December, 2017: no employees.)

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

1. GENERAL INFORMATION (Continues)

Completed projects in 2018/2017

1) Research on criminal law between theory and practice

The project started with activities on 01.01.2018. The main objective of this project is to monitor and evaluate the Impact Assessment of the Regulation on the quality of the proposed amendments to the Law on Criminal Procedure and the Law on Public Prosecution. The main activities proposed by this project are monitoring and transparency of the RIA process, evaluation of the quality of the implementation of the RIA process, analysis of the detected problems in the existing laws (LCP and LPP), and offered solutions and explanations in the RIA process and media and public promotion of findings and reports. 01.01.2018-21.11.2018

2) Support to Judicial and Criminal Justice Reforms

In this project the emphasis was placed on the application of the new Law in Criminal Procedure (LCP). We have prepared an analysis in order to strengthen the independence, efficiency and impartiality of the Macedonian judiciary. Within this project, 16 observers were deployed in 9 different courts and observed 25 main hearings. 01.03.2018-31.12.2018

3) Institutional grant from civica mobilitas financed from the Swiss Agency for Development and Cooperation (SDC) witch is implemented by NIRAS from Denmark, the Macedonian Center for International Cooperation (MCIC) and the Swedish Institute for Public Administration (SIPU international)

The goal of this project is to support the civil society in promoting social change in (strategic) areas, such as good governance, decentralization and civil society development. 01.04.2016-30.04.2018

4) The USAID Women's Legal Protection Project

The main objective of the project is to provide adequate legal protection for women victims of violence and discrimination, including domestic violence, sexual violence, trafficking women and sex workers through monitoring of court cases in criminal and civil proceedings. 01.03.2015-01.04.2019

5) Monitoring of court cases in the area of organized crime and corruption - funded by the Foundation Open Society - Macedonia

The purpose of this project is monitoring court hearing (cases) in the field of organized crime and corruption conducted under the new Criminal Procedural Law. Based on this work, new conclusions come to light witch helps the implementation of the Criminal procedural law but also contributes in the respect for human freedoms and rights, guaranteed by the Constitution and the law, before the court. 10.10.2018-10.01.2019

6) Legal assistance and support for strengthening the capacities for advocacy and sustainability of local civic organizations

The Legal Support Office of CSOs provides legal counseling to civil society organizations that are unable to use professional services and face problems related to some legal issues. 01.01.2018-30.06.2020

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

1. GENERAL INFORMATION (Continues)

Completed projects in 2018/2017

7) **Legal, financial and physical access to justice in the basic courts in the Republic of North Macedonia**

The purpose of this project is to provide support for improving access and quality to justice with a special focus on civil litigation and vulnerable categories of citizens (marginalized groups and persons with disabilities) in the four appellate regions: Skopje, Gostivar, Bitola and Stip. 01.06.2018-30.11.2020

8) **“FOR JUSTICE”**

The projects implementation is based on main and secondary activities as operational goals. The expectations on the long run is the increased involvement of the civil society organizations in the process of implementation of reforms in the judiciary sector. With the influence we strive for better accountability in decision-makers who are a service to the citizens. The citizens need to be protected, and we need to have depolitization as well as overall improvement and professionalism, transparency, independence of the judicial authorities and integrity. The long term plan is to restore the confidence in the judiciary and improve living quality by bringing the country closer to EU membership.

9) **Handbook "Human Rights Based Approach" - funded by the CIVICA Mobilitas program**

In this project, we prepared a manual in order to help CSOs understand their place in the "Human Rights-Based Approach", its principles, content and how to apply everyday work in the Republic of North Macedonia.

10) **International monitoring - funded by the Foundation Open Society – Macedonia**

In this project we have conducted a research for the needs of the “Foundation Open Society – Macedonia” regarding the need for international monitoring in comparison with other countries. The survey conducted by the Coalition concerned the observation of trials related to war crimes committed during the Croatian War of Independence from 1991 to 1995.

11) **Monitoring and strengthening the capacities of the institutions in the fight against organized crime and corruption – funded by EU**

The main goal of the project is to contribute to the work of the institutions in the fight against organized crime and corruption. The project activities include: monitoring and evaluation of the transparency and accessibility of the institutions that are fighting organized crime and corruption, monitoring of the Special Public Prosecutor's Office, the Public Prosecutor's Office for Prosecution of Organized Crime and Corruption and the State Commission for Prevention of Corruption in relation to the public and transparency, monitoring of court cases in the field of organized crime and corruption in the Basic Court Skopje 1 Skopje. 12/28/2018-30/06/2021

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The financial statements of the Coalition have been prepared in accordance with the Law on Accounting for Non - profit Organizations in order to provide true and fair presentation of the balance sheet positions, balance of assets, liabilities, sources of assets, income and expenses and the operating results.

The financial statements of Coalition have been prepared in accordance with the accepted macedonian legal regulations in relation to the work of the non-profit organizations, the Law on Accounting for Non-profit Organizations (“Official Gazette of Republic of Macedonia” 24/03 with amendments up to 17/11) and the Rulebook for non-profit organizations (“Official Gazette of Republic of Macedonia“ 42/03 with amendments up to 175/11.)

The Coalition’s financial statements are presented in macedonian Denars (“MKD”). All amounts in the financial statements and related notes are presented in Denars, unless otherwise stated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of the financial statements are presented further in this report. The Coalition is requested to apply the accounting policies consistently.

3.1 Recognition of income and expenses

The recognition of the income and expenses is in accordance with article 13 from the Law on Accounting for Non-profit Organizations (“Official gazette of Republic of Macedonia” no.24/03, 80/05, 17/11) and article 18 from the Rulebook for Non-profit Organizations (“Official gazette of Republic of Macedonia” no.42/03, 11/09, 11/06, 08/09, 175/11), i.e. according the accounting base of modified occurrence of business changes and transactions.

According the accounting base for modified occurrence of business changes and transactions, the revenues are recognized in the accounting period in which have occurred according the criteria of measurability and availability. Revenues are earned when are generated in the accounting period or 30 days after the end of the accounting period, with condition they are related to the accounting period and are used to cover the liabilities related to that accounting period.

According the accounting base for modified occurrence of business changes and transactions, expenses are recognized in the accounting period in which have occurred or paid within 30 days after the end of the accounting period only if the obligation for payment has occurred in that accounting period. Expenses for used short term assets are recognized at the moment and in the amount of the actual cost incurred.

Other income (Rendering services)

Income from rendering services is recognized during the period in which customers paid for the delivered services.

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continues)

3.2 Foreign Exchange Transaction

Transactions denominated in foreign currencies have been translated into Denars at the rates set by the National Bank of Republic of North Macedonia applicable at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the end of the reporting period using official rates of exchange ruling on that date.

Net foreign exchange gains or losses resulting from foreign currency translation are included in income and expense statement in the period in which they arise.

3.3 Taxation

According to the Law on Corporate Income Tax, non-profit organizations are exempt from paying income tax on the revenues generated from membership fees, sponsorships and donations that are collected and allocated for a intended purposes and are not intended for business purposes.

Current income tax is paid to non deductible expenses. The income tax rate for 2018 is 10%.

3.4 Equipment and software

Equipment and software, if any, are recorded at cost value. The cost value of the equipment comprises the purchase price plus import duties, value added tax, cost of transportation and all other expenses directly attributable to the cost value i.e. to the purchase cost. The value of purchased assets is presented as expense at the time of purchase with increasing the business fund of the Coalition.

Tangible and intangible assets are depreciated on a straight-line basis so that the cost or revaluation value of the fixed assets is depreciated in equal annual amounts over their estimated useful lives.

The depreciation charge for the year is recorded on the business fund accounts.

The annual depreciation rates applied are the following:

Equipment	10%-20%
Furniture	16%

3.5 Cash and cash equivalents

Cash and cash equivalents comprise from cash in hand and cash on bank accounts in commercial banks.

Cash in hand and cash on bank accounts in Macedonian denars are recorded at their nominal value, and cash in foreign currencies are translated according to the foreign exchange rate of the Central Bank of Republic of North Macedonia on the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continues)

3.6 Trade payables and other liabilities

Trade payables and other liabilities are stated at fair value on initial recognition and subsequently measured at amortized cost.

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

4. REVENUES FROM GRANTS

	In Denars	
	Year Ended	
	December 31,	
	2018	2017
Revenues from grants	3,229,745	4,413,559
	3,229,745	4,413,559

5. OTHER REVENUES

	In Denars	
	Year Ended	
	December 31,	
	2018	2017
Revenues transferred from previous year	1,215,539	895,496
Other revenues	-	38,612
Revenues from previous years	-	10
	1,215,539	934,118

6. STAFF COSTS (ENGAGED EXPERTS)

	In Denars	
	Year Ended	
	December 31,	
	2018	2017
Gross salaries	153,230	-
Allowances for the experts engaged	3,331,114	3,023,990
Per diems for business trips	110,366	162,176
	3,594,710	3,186,166

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

7. OPERATING EXPENSES

	In Denars	
	Year Ended December 31,	
	2018	2017
Office materials	234,959	150,151
Energy (electricity & fuel)	62,569	60,727
Operational services	182,881	331,707
Telephone and postal services	29,451	30,000
Advertising and propaganda	-	139,965
Rent	189,697	115,500
Bank charges	44,441	36,474
Other operating expenses	41,727	85,510
	785,725	920,034

8. CAPITAL EXPENSES

	In Denars	
	Year Ended December 31,	
	2018	2017
Purchase of equipment	22,007	25,999
	22,007	25,999

9. FINANCIAL REVENUES (EXPENSES) – net

	In Denars	
	Year Ended December 31,	
	2018	2017
Interest gain	95	61
Interest loss	-	-
FOREX gain	-	-
FOREX loss	-	-
	95	61

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

10. NON CURRENT ASSETS

	In Denars	
	Year Ended	
	December 31,	
	2018	2017
Computer equipment	25,999	25,999
Accumulated depreciation	(10,398)	(5,199)
Equipment	22,007	-
Accumulated Depreciation	(1,467)	-
	36,141	20,800

11. CASH AND CASH EQUIVALENTS

	In Denars	
	Year Ended	
	December 31,	
	2018	2017
Cash in banks - denars	153,604	1,215,539
Cash in hand-denars	-	-
	153,604	1,215,239

12. OTHER SHORT-TERM ASSETS

	In Denars	
	Year Ended	
	December 31,	
	2018	2017
Overpaid Contributions and taxes payroll related	-	-
Other receivables	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

**13. BUSINESS FUND & EXCESS OF REVENUES
OVER EXPENSES (In Denars)**

	<u>Business Fund</u>	<u>Excess of revenues over expenses</u>	<u>TOTAL</u>
As of January 1,2018	20,800	1,215,539	1,236,339
Additions	22,007	-	22,007
Current depreciation - charge for the year	(6,666)	-	(6,666)
Excess of revenues over expenses	-	(1,215,539)	(1,215,539)
As of December 31, 2018	36,141	-	36,141
As of January 1,2017	45,844	895,496	941,340
Additions	25,999	-	25,999
Write off	(45,844)	-	(45,844)
Current depreciation - charge for the year	(5,199)	-	(5,199)
Excess of revenues over expenses	-	320,043	320,043
As of December 31, 2017	20,800	1,215,539	1,236,339

14. LIABILITIES

	<u>In Denars</u>	
	<u>Year Ended</u>	
	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
Trade payables	-	-
Employee related payables	-	-
	-	-

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018**

15. OTHER LIABILITIES

	In Denars	
	Year Ended	
	31 December,	
	2018	2017
Liability for short term loan	137,000	-
Accruals	30,167	-
	167,167	-

16. FOREIGN EXCHANGE RATES

The official foreign exchange rate of significant currency used for transaction disclosure of items denominated in foreign currencies on December 31, 2018 and 2017 is as follows:

	December 31, 2018	December 31, 2017
EUR	61,4950	61,4907
USD	53,6887	51,2722

