

Annual Financial Report for Helvetas Swiss Intercooperation from Switzerland – branch office in Skopje for 2020

The Annual Financial Report for Helvetas Swiss Intercooperation from Switzerland, branch office in Skopje (HSI Subsidiary Skopje) refers to the period starting on 01st of January 2020 and ends on 31st of December 2020.

In the preparation of the Annual Financial Report, the appropriate legislation and the international accounting standards and principles have been applied accordingly.

On the closing day of the annual account which is 31.12.2020, the status is as follows:

1. STATEMENT OF INCOME AND EXPENDITURE

<u>Description</u>	<u>2020</u>	<u>2019</u>
Total income	41.948.608	53.259.292
Total expenditure	30.404.094	34.015.975
Difference income-expenditure (prior taxation)	11.544.514	19.243.317
Tax on total income (1%)	0	0
Difference income - expenditure (after taxation)	11.544.514	19.243.317

1.1. Total income

The category of total income is comprised of the following sub-categories:

<u>Description</u>	<u>Account</u>	<u>2020</u>	<u>2019</u>
Income from donations	730	41.506.645	52.872.386
PERD	721	441.963	386.916

a) The sub-category **Income from donations** is composed of received monetary and material funds/assets from the donor the Swiss Agency for Development and Cooperation.

b) The sub-category **PERD** is composed of positive exchange rate difference. PERD (Positive exchange rate difference) is an accounting category, and it represents the difference in the exchange rate of the currencies from the moment of their arrival until their transfer to the mkd transaction account.

1.2. Total expenditure

The category Total Expenditure is composed of the following sub-categories:

<u>Description</u>	<u>Account</u>	<u>2020</u>	<u>2019</u>
Supplies	400	146.576	102.727
Other services	403	6.104.001	8.639.607
Transportation services	404	94.961	1.161.660
Representation and marketing	405	265.311	433.044
Rents	408	1.096.147	1.145.568
Bank provisions	410	50.667	77.928
Insurance premiums	412	31.043	40.180

Per Diems	413	95.541	237.767
Compensation for employees and citizen	414	2.675.516	1.899.383
Negative exchange rate difference	415	412.836	179.716
Membership fees	416	250	550
Intellectual and other services	417	385.922	303.393
Equipment	441	274.490	74.254
Legal entity donations	450	13.532.355	15.397.506
Calculated gross salaries	460	4.948.829	4.112.047
Taxes and surcharges not dependent on final result	470	289.649	210.645

a) The sub-category **Other services** is composed of communication expenses such as telephony, mobiles, internet, post, vehicle maintenance, employee trainings, printing services and other services related to the implementation of the project activities;

b) The sub-category **Compensation for employees and citizen** is composed of paid compensation/fees to hired consultants, translators/interpreters, transcriptions, advisors etc.

c) The sub-category **Intellectual and other services** is comprised of expenditures/costs for audit, accounting services, lawyers' fees and other non-production services;

d) The sub-categories **Legal entity donations** are the expenditures for program activities, carried out with the partners or through the direct support to the private sector and the schools.

1.3. Difference between income and expenditure

The category titled Difference between income and expenditures is an accounting category and indicates excess/shortage of income in relation to the made expenditures.

2. BALANCE SHEET

After the distribution of the difference between the income and the expenditures and after the taxation under specific purposes, the Balance Sheet is as follows:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Assets	13.721.532	21.729.956
Liabilities and Funds	13.721.532	21.729.956

2.1. Assets

The category Assets is comprised of the following sub-categories:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Fixed assets	1.555.912	1.812.750
Current assets and deposits	7.255.630	19.453.994
Advance liabilities	4.909.990	463.212

a) The sub-category **Fixed assets** is comprised of basic assets.

b) The sub-category **Current assets and deposits** is comprised of monetary assets/means allocated in separate mkd accounts and a foreign currency account.

c) The sub-category **Advance liabilities** is comprised of paid advances to contractors/vendors for a specific time period.

2.2. Liabilities and Funds

The category assets is comprised of the following sub-categories:

<u>Description</u>	<u>2020</u>	<u>2019</u>
Business fund	1.511.715	1.812.750
Revaluation reserves	44.197	
Liabilities towards contractors/vendors	621.105	603.889
Other short-term liabilities		70.000
Retained earnings	11.544.515	19.243.317

a) The sub-category **Liabilities towards contractors/vendors** is comprised of short-term liabilities matured for the month of December 2020.

b) The sub-category **Other short-term liabilities** is comprised of liabilities towards physical persons/entities as well as personal income tax.

c) The sub-category **Retained earnings** is composed of a distributed excess of income over expenditures per separate years (2019-2020), decreased by the expressed loss for 2020.

Skopje, 28.02.2021.

Maja Lostova
Financial Manager