

**FOUNDATION FOR MEDIA AND CIVIL SOCIETY
MACEDONIAN INSTITUTE FOR MEDIA
SKOPJE**

**Financial Statements for the Year Ended 31
December 2016 in accordance with
International Financial Reporting Standards
accepted and published in Republic of
Macedonia and**

Independent Auditor's Report

March 2017, Skopje

To:

The Management of
FOUNDATION FOR MEDIA AND CIVIL SOCIETY
MACEDONIAN INSTITUTE FOR MEDIA
SKOPJE

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Foundation for media and civil society "Macedonian Institute for Media", Skopje (in the following text "the Foundation"), which comprise the Balance Sheet as of 31 December 2016, 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 the standards for 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.

To:
The Management of
FOUNDATION FOR MEDIA AND CIVIL SOCIETY
MACEDONIAN INSTITUTE FOR MEDIA
SKOPJE

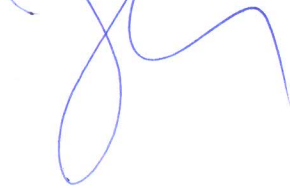
INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of Foundation for media and civil society "Macedonian Institute for Media", Skopje give a true and fair view of the financial position of the Organization as of 31 December 2016, 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 standards for reporting under the cash basis of accounting.

Skopje, 6 March 2017

Certified Auditor
Zvonko Kocovski



Manager
Dragan Dimitrov



STATEMENT OF REVENUES AND EXPENSES
For the Year Ended 31 December 2016 and 2015
In MKD thousands

	Notes	2016	2015
Revenues from donations	4	13.753	15.876
Other revenues	5	7.828	8.217
Financing revenues	6	45	61
TOTAL REVENUES		21.626	24.154
Operating expenses	7	(15.236)	(16.321)
Capital expenses	8	(286)	(117)
TOTAL EXPENSES		(15.522)	(16.438)
Surplus of revenues over expenses		6.104	7.716

The accompanying notes form an integral part of these financial statements.

The accompanying financial statements were authorised for issue by the management of the Organization on 28 February 2017 and were signed on its behalf by:

Executive Manager
Biljana Petkovska



BALANCE SHEET
As of 31 December 2016 and 2015
In MKD thousands

	Notes	31 December 2016	31 December 2015
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	18.296	18.519
		18.296	18.519
CURRENT ASSETS			
Accounts receivable		-	-
Other current assets and prepayments	10	465	447
Cash and cash equivalents	11	6.104	7.716
		6.569	8.163
TOTAL ASSETS		24.865	26.682
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund	12	18.296	18.519
Surplus of revenues over expenses		6.104	7.716
		24.400	26.235
CURRENT LIABILITIES			
Accounts payable	13	456	342
Other short term liabilities and accruals	14	9	105
		465	447
TOTAL LIABILITIES AND FUNDS		24.865	26.682

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN OPERATING FUND
As of 31 December 2016 and 2015
In MKD thousands

	Operating Fund	Rezerves	Surplus of revenues over expenses	TOTAL
Balance as of 01 January 2015	18.979	-	7.597	26.576
Transferred surplus of revenues over expenses from previous year	-	-	(7.597)	(7.597)
Additions of fixed assets	117	-	-	117
Depreciation	(577)	-	-	(577)
Surplus of revenues over expenses	-	-	7.716	7.716
Balance as of 31 December 2015	18.519	-	7.716	26.235
Transferred surplus of revenues over expenses from previous year	-	-	(7.716)	(7.716)
Additions of fixed assets	283	-	-	-
Depreciation	(506)	-	-	-
Surplus of revenues over expenses	-	-	6.104	6.104
Balance as of 31 December 2016	18.296	-	6.104	24.400

The accompanying notes form an integral part of these financial statements.