

Regional Press Development Institute



Financial Report
December 31, 2014

CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 -2
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6 – 25

INDEPENDENT AUDITORS' REPORT

TO THE MANAGEMENT OF REGIONAL PRESS DEVELOPMENT INSTITUTE

Report on the financial statements

We have audited the accompanying financial statements of *REGIONAL PRESS DEVELOPMENT INSTITUTE* (the "Company") on pages 2 to 25 which comprise statement of financial position as at 31 December 2014, and the statements of profit or loss and other comprehensive income and cash flows for the year 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European which are the accounting instructions of *REGIONAL PRESS DEVELOPMENT INSTITUTE* and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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. Our audit procedures also included the additional procedures. International Standards on Auditing 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 of financial statements that give a true and fair view 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, if any, made by the 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 give a true and fair view of the financial position of the Organization as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Irina Shtefanyo
Managing Partner

Riqueza Capital Group LLC
5 Spaska Street, 6th floor
04071, Kyiv, Ukraine

31 August 2015



A handwritten signature in blue ink, consisting of a large, stylized initial 'I' followed by several loops and a long horizontal stroke.

Regional Press Development Institute

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2014**

(in UAH, unless otherwise stated)

	Notes	2014	2013
Revenue	5	5 319 373	3 485 298
Total revenue		5 319 373	3 485 298
 Program expenses	 6	 5 319 373	 3 485 298
Total expenses		5 319 373	3 485 298
 <i>Net Assets</i>	 7		
Administrative expenses		(50 574)	(13 993)
Financial income/(expense), net		7 794	(5 811)
Movement in net assets		(42 780)	(19 804)

Regional Press Development Institute

**STATEMENT OF FINANCIAL POSITION
as of 31 December 2014**

(in UAH, unless otherwise stated)

	Notes	31-12-2014	31-12-2013	01-01-2013
Assets				
<i>Non-current assets</i>				
Property, plant and equipment	9	37 859	35 589	29 844
Intangible assets	10	3 100	3 875	6 958
Total non-current assets		40 959	39 464	36 802
<i>Current Assets</i>				
Targeted financing - receivable	11	47 399	-	68 684
Prepayments and other assets	12	6 981	3 189	1 180
Cash in bank	13	314 252	181 828	158 814
Total current assets		368 632	185 017	228 678
Total assets		409 591	224 481	265 480
Liabilities And Net Assets				
<i>Current Liabilities</i>				
Targeted financing - payable	11	180 840	111 215	102 996
Accruals and other payables	14	250 282	93 512	125 587
Deferred income	15	40 959	39 464	36 802
Total current liabilities		472 081	244 191	265 385
Total liabilities		472 081	244 191	265 385
<i>Net Assets</i>				
Unrestricted	7	(62 490)	(19 710)	95
Total net assets		(62 490)	(19 710)	95
Total liabilities and net assets		409 591	224 481	265 480

Regional Press Development Institute

**STATEMENT OF CAHS FLOWS
for the year ended 31 December 2014**

(in UAH, unless otherwise stated)

	2014	2013
<i>Cash flow from operating activities</i>		
Cash received to cover program services	5 067 823	3 441 821
Currency exchange, net results	326 490	67 284
Total cash received	5 394 313	3 509 105
Cash paid to full-time contracted experts, remuneration	2 022 926	965 350
Cash paid to employees, salaries	584 823	439 646
Cash paid to cover payroll and other salary related taxes	476 916	392 057
Cash paid to other contracted experts, remuneration	175 496	107 867
Cash paid to suppliers for services and goods directly related to program services	1 729 433	1 370 059
Cash paid to cover office rent and utilities	165 111	153 380
Cash paid to cover bank services	27 379	17 304
Cash paid to cover telecommunication services	19 100	21 727
Cash paid to cover audit service	18 700	13 600
Total cash paid	5 219 884	3 480 990
Net cash provided/(used in) operating activities	174 429	28 116
Operating exchange difference	(42 005)	(5 102)
Net increase for the year	132 424	23 014
 Cash in bank		
Beginning	181 828	158 814
Net increase for the year	132 424	23 014
Cash in bank, ending	314 252	181 828

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 1. Nature of Activities

Regional Press Development Institute (RPDI or the “Organization”) is the non-profit non-government organization, incorporated under Ukrainian law as a legal entity in 2006. It has neither share capital, nor retained earnings. The main governing body of the Organization is the Board of Directors. RPDI is based in Kiev, Ukraine: Georgievskiy 7, office 407-408.

RPDI promotes democratic civil society through the development of professional, sustainable and pluralistic media in Ukraine. The main objectives of RPDI are : 1) to provide regular and demand-driven training and education for media professionals; 2) to offer partnership opportunities and the exchange of information and experience between media outlets of Ukraine and other countries through internships, study tours; 3) to provide legal support to journalists and media primarily in areas of prepublication screening and defamation cases; 4) to maintain information resources, such as media research and manuals, for access by media professionals; 5) to promote transparency and facilitate access to information; 6) to improve and promote unbiased media coverage of topics of public significance.

RPDI has become a leader in training and networking of investigative reporters and one of the leader in providing new media and innovative technologies training in Ukraine as well as other types of special training for journalists and media employees.

Having a strong team of its media lawyers and maintaining the regional network of lawyers all over Ukraine, RPDI renders a comprehensive legal support and media law education to journalists and media that helps journalists to stand for their rights more effectively, diminishes external pressures and self-censorship, and allows them producing more professional stories.

With the support from the National Endowment for Democracy in 2010-2013 and Czech Foreign Ministry in 2014, RPDI has been monitoring 56 key governmental websites (Governmental portal, all ministries, state services, central executive bodies with special status, and other central authorities). The project is sought to increase governmental transparency through better passive access to public information at governmental websites by media and public as well as foster state’s commitment to e-governance development. The rating of authorities monitored is published annually.

Promptly reacting on current challenges of 2014 RPDI administered IWPR’s series of training workshops for Ukrainian and Kyrgyz reporters on working in hostile environment, digital security, professional and ethical standards of covering war.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 1. Nature of Activities (cont)

With the support from the National Democratic Institute project on the role of women in politics funded by Swedish Government, in 2014 RPDI held a series of gender-related training workshops and launched a campaign website against sexism in politics and media.

In 2011-2014, U-Media supported two RPDI projects (\$675,411 in total) in the areas of investigative journalism, new media, legal support and training for journalists as well as elections coverage and legal advice to journalists. In April 2014, U-Media in cooperation with the Canada's Department of Foreign Affairs, Trade and Development, supported the RPDI's "Strengthening Investigative Reporting in Ukraine" Project (\$84,542 in total) to be implemented before 31 March 2017.

During 8 years of its activity, RPDI has successfully implemented more than 55 media supporting projects financed by a diverse group of donors for more than US\$ 2.6 million.

RPDI is constantly expanding its competences and its donor network, which currently includes such international donors and organizations as: Internews Network, National Endowment for Democracy (NED), International Renaissance Foundation (IRF), International Research & Exchanges Board (IREX), Media Development Fund (MDF) at the US Embassy, and Alliances for Quality Education (Community Connections Program), National Democratic Institute for International Relations (USA, funded by the Swedish government), Media Legal Defense Initiative (UK), Institute for War and Peace Reporting (IWPR, USA and UK), Danish international project SCOOP (managed by FUJ and IMS, funded by Danish then Norwegian MFA), the German Embassy, Polish partner Common Europe Foundation (funded by International Solidarity Fund), Czech partner Transitions Online (funded by Czech Foreign Ministry), Swedish partner Fojo Media Institute (funded by Swedish Institute).

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the IASB.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Going concern basis

The financial statements have been prepared on a going concern basis.

(d) Adoption of new and revised International Financial Reporting Standards and Interpretations

As from 1 January 2014, the Organization adopted all of the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS), which are relevant to its operations.

The following Standards, Amendments to Standards and Interpretations had been issued but are not yet effective for the year ended 31 December 2014:

- "Defined Benefit Plans: Employee Contributions" (Amendments to IAS 19) - effective for annual periods beginning from 1 July 2014;
- Annual improvement to IFRSs 2010-2012 cycle - effective for annual periods beginning from 1 July 2014;
- Annual improvement to IFRSs 2011-2013 cycle - effective for annual periods beginning from 1 July 2014
- IFRS 14 "Regulatory Deferral Accounts" - Annual improvement to IFRSs 2010-2012 cycle - effective for annual periods beginning from 1 January 2016;
- "Accounting for Acquisition of Interests in Joint Operations" (Amendments to IFRS 11) - effective for annual periods beginning from 1 January 2016;
- "Clarification of Acceptable Methods of Depreciation and amortization" (Amendments to IAS 16 and IAS 38) - effective for annual periods beginning from 1 January 2016;
- "Agriculture: Bearer plants" (Amendments to IAS 16 and IAS 41) - effective for annual periods beginning from 1 January 2016;
- IFRS 15 "Revenue from Contracts with Customers" - effective for annual periods beginning from 1 January 2017;
- IFRS 9 "Financial Instruments" - effective for annual periods beginning from 1 January 2018.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 2. Basis of preparation (cont)

The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the financial statements of the Organization.

(e) Use of estimates and judgments

The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognized in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

(f) Functional and presentation currency

The functional currency of the Organization is the Ukrainian Hryvnia (UAH). Transactions in currencies other than the functional currency are treated as transactions in foreign currencies. Management decided to use Ukrainian Hryvnia (UAH) as the presentation currency for financial and management reporting purposes.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 3. Significant Accounting Policies

The following accounting policies have been applied consistently for all the years presented in these financial statements and in stating the performance and financial position of the Organization.

Foreign currency translation

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Organization at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities are translated into the functional currency at the rates ruling at the end of the reporting period. Foreign exchange gains and losses, arising from transactions in foreign currency, and also from translation of monetary assets and liabilities into the functional currency at the rate ruling at the end of the year, are recognized in profit or loss.

(ii) Presentation currency

As the presentation and functional currencies are the Ukrainian Hryvnia (UAH) no relevant translation differences arise.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognized in profit or loss on the straight-line method over the useful lives of each item of property, plant and equipment. Useful lives applied for the current and comparative periods are as follows:

Type of Asset	years
Computers and office equipment	2-5
Furniture	4
Other equipment	1

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Depreciation starts from the following month of the date an asset is available for use, and depreciation is fully accumulated when useful life terminates.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 3. Significant Accounting Policies (cont)

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Intangible assets

Intangible assets are measured initially at purchase cost and are amortized on a straight-line basis over their estimated useful lives. Useful live applied for the current and comparative periods is equal to 5 years.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is de-recognized.

Targeting financing – receivable

Targeting financing – receivable arises when cumulative cash tranches received as at reporting date to fund program expenses are less than recognized program expenses as at the same date.

Prepayments and other current assets

Prepayments and other current assets represent regular prepayments to suppliers for goods and services. These are recognized when cash payments are made and are originally measured in the amount of payments. Subsequently these are carried at historic cost less impairment provision.

Cash and cash equivalents

For the purpose of the statements of financial position and cash flows, cash and cash equivalents comprise cash at bank.

Deferred income

Deferred income represents reallocation from program revenues and other income to the extent of cash payments made for which expenses will be recognized in future periods.

Targeting financing – payable

Targeting financing represents current balance of settlements with donors of program revenues. These are recognized when cash tranches are received from donors. During the recognition of expenses, directly related to specific program activities, these balances are released to program revenues in the equivalent amount.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 3. Significant Accounting Policies (cont)

Accruals and other payables

Accruals and other payables represent liabilities incurred by the Organizations in the course of its ordinary activities when relevant payments have not yet been settled. These are carried at amortized cost.

Net Funding Position

A positive net funding position represents unrestricted resources available to support organizational operations, which arise from prior activities of Organization, when expenses incurred for specific programs and unallocated expenses were less than assets received from donors for the same purpose and zero targeting financing balances were confirmed by the donors. Conversely, if expenses incurred for specific programs and unallocated expenses exceed assets received from donors for the same purpose and zero targeting financing balances are confirmed by the donor, a negative net funding position arises. At each reporting date net funding position represents undesignated own funds and property, plant and equipment unrestricted for use less accrued liabilities, not related to any donor-financed program activities.

Program revenues

Program revenues are recognized in the amount of expenses incurred for program activities and in the period when these expenses are incurred. RPDI does not account for contributions to be received in the form of unconditional promises to give or pledges.

The Organization receives funding from donors. The Organization does not have any sources of income, other than funds obtained as grants, sub-grants or under cooperation agreements, partnership agreements and service contracts.

Expenses

Expenses are recognized on the accrual basis. Program expenses included direct program expenses and allocated joint costs.

Tax status

The Foundation is a not-for-profit organization exempt from income tax and VAT under Ukrainian Law.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 4. Operating segments

A reportable segment is a detachable component of the Organization's activities which represents main areas of statutory objectives. The Organization receives financing from donors for implementation of these statutory objectives. Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The operating components have independent revenues and are managed separately. As the Organization is established as non-profit NGO, reportable segments expenses are equals to relevant revenues and managed separately from other segments as well. All expenses are allocated to specific reportable segments, except general administrative expenses which could not be directly allocated. Similar to profit and losses, at each reporting date all balance sheet items are allocated to specific reportable segments, except those which could not be allocated.

In each reporting period there were no intra-segment transactions, as well as vertical integration between reportable segments.

In the year ended 31 December 2014 the Organization identified the following reportable segments:

- 1) Training and education for media professionals;
- 2) Legal support and media law education;
- 3) Promoting of government transparency and facilitation of access to information;
- 4) Improvement of unbiased media coverage of topics of public significance;
- 5) Organization development.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 4. Operating segments (cont)

Information by operating segments for the year ended 31 December 2014 is presented as follows:

	Training and education for media professionals	Legal support and media law education	Promoting of government transparency and facilitation of access to information	Improvement of unbiased media coverage of topics of public significance	Organization development	Unallocated	TOTAL
Program revenues	2 654 594	1 585 616	351 721	526 910	200 532	-	5 319 373
Program expenses	(2 654 594)	(1 585 616)	(351 721)	(526 910)	(200 532)	-	(5 319 373)
Net unallocated expenses	-	-	-	-	-	(42 779)	(42 779)
Change in net funding position	-	-	-	-	-	(42 779)	(42 779)
<i>As at 31 December 2014</i>							
Non-current assets	20 440	12 209	2 708	4 057	1 545	-	40 959
Current assets	153 626	91 192	11 953	87 985	7 828	16 049	368 633
Total assets	174 066	103 401	14 661	92 042	9 373	16 049	409 592
Current liabilities	178 006	74 911	12 117	109 612	36 544	60 892	472 082
Total liabilities	178 006	74 911	12 117	109 612	36 544	60 892	472 082

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 4. Operating segments (cont)

Information by operating segments for the year ended 31 December 2013 is presented as follows:

	Training and education for media professionals	Legal support and media law education	Promoting of government transparency and facilitation of access to information	Improvement of unbiased media coverage of topics of public significances	Organization development	Unallocated	TOTAL
Program revenues	1 569 329	782 757	723 025	298 516	111 671	-	3 485 298
Program expenses	(1 569 329)	(782 757)	(723 025)	(298 516)	(111 671)	-	(3 485 298)
Net unallocated expenses	-	-	-	-	-	(19 804)	(19 804)
Change in net funding position	-	-	-	-	-	(19 804)	(19 804)
<i>As at 31 December 2013</i>							
Non-current assets	17 770	8 863	8 187	3 380	1 264	-	39 464
Current assets	47 133	44 180	71 696	-	6 858	15 150	185 017
Total assets	64 903	53 043	79 883	3 380	8 122	15 150	224 481
Current liabilities	64 626	52 971	86 896	3 380	26 811	9 507	244 191
Total liabilities	64 626	52 971	86 896	3 380	26 811	9 507	244 191

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 5. Revenues

During 2014, the Organization obtained funding from different donors under grants, sub-grants, cooperative, partnership and service agreements:

	2014	2013
Program revenues	5 322 590	3 495 132
<i>Deduction from revenue</i>	(3 217)	(9 834)
	5 319 373	3 485 298

Deduction from revenue represents deferral of revenue in the amount of expenses that will be recognized in future periods

Program revenues per type of agreements are presented as follows:

	2014	2013
Grant	707 014	1 460 824
Cooperative agreement	526 910	-
Sub-grant	3 313 993	1 735 792
Partnership agreement	540 158	298 516 -
Services agreement	234 515	-
	5 322 590	3 495 132

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 5. Revenues (cont)

Program revenues by Donors are presented as follows:

	2014	2013
Internews Network, Ukraine (U-Media program)	3 048 035	1 735 792
National Democratic Institute, USA	526 910	-
Transitions, Czech Republic	522 714	-
German Embassy, Kiev, Ukraine	317 196	-
Canadian International Development Agency	265 958	-
The Institute of War and Peace Reporting, USA	234 514	-
US Embassy, Kiev, Ukraine	217 941	47 255
International Renaissance Foundation, Ukraine	105 092	690 544
National Endowment for Democracy, USA	66 785	334 643
Fojo Media Institute, Sweden	17 445	-
IREX	-	388 382
Common Europe Foundation	-	298 516
	5 322 590	3 495 132

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 6. Program Expenses

During 2014, the Organization incurred the following expenses directly related to programs:

	2014	2013
Full-time contracted experts remuneration	2 118 826	1 146 827
Travel, per diem and accommodation of program participants	844 423	454 655
Employee salaries and related taxes	929 764	716 070
Other contracted experts remuneration and related taxes	545 692	411 329
Rent of premises for program activities	288 188	118 425
Organizational services	195 100	119 932
Office rent expenses and utilities	166 698	153 380
Cost of materials used	51 729	20 529
Unused vacation expenses and related taxes	49 743	43 030
Audit services	35 000	18 700
Depreciation and amortization	22 977	19 983
Telecommunication services	20 992	20 646
Bank services	27 385	17 304
Other direct program expenses	22 856	224 488
	5 319 373	3 485 298

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 7. Movement In Net Funding Position

	2014	2013
As at 1 January	(19 710)	94
Exchange differences	7 794	(5 811)
Movement in unallocated unused vacations reserve	(32 225)	(9 193)
Other unallocated administrative expenses	(18 349)	(4 800)
As at 31 December	(62 490)	(19 710)

Note 8. Payroll and related charges

	2014	2013
Full-time contracted experts remuneration	2 118 826	1 146 827
Employee salaries	710 289	533 817
Contributions to social funds	219 475	182 254
Unused vacations accrual and related charges	81 968	52 223
	3 130 558	1 915 121

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 9. Property Plant & Equipment

Cost	Computer and office equipment	Non-current low-value equipment	Total
Balance at 1 January 2013	105 997	60 670	166 667
Additions	21 388	8 429	29 817
Disposals	-	-	-
Balance at 31 December 2013	127 385	69 099	196 484
Depreciation			
Balance at 1 January 2013	(76 153)	(60 670)	(136 823)
Charge for the year	(15 643)	(8 429)	(24 072)
Balance at 31 December 2013	(91 796)	(69 099)	(160 895)
Carrying amounts			
Balance at 31 December 2013	35 589	-	35 589
Balance at 1 January 2014	127 385	69 098	196 484
Additions	22 622	5 417	28 039
Disposals	(3 016)	(2 033)	(5 049)
Balance at 31 December 2014	146 991	72 482	219 474
Depreciation			
Balance at 1 January 2014	(91 796)	(69 098)	(160 894)
Charge for the year	(18 507)	(5 417)	(23 924)
On disposals	1 170	2 033	3 203
Balance at 31 December 2014	(109 133)	(72 482)	(181 615)
Carrying amounts			
Balance at 31 December 2014	37 859	-	37 859

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 10. Intangible Assets

As at each reporting date intangible assets represent computer software used for program activities. Changes in the carrying amount fully relate to amortization charge. During 2014 amortization charge is UAH 785 (2013: UAH 3 083). The amounts of cost and accumulated amortization as at 31 December 2014, 2013 and 1 January 2013 are presented below:

	Cost	Accumulated amortization	Net book value
As at 1 January 2013	15 417	(8 459)	6 958
As at 31 December 2013	15 417	(11 542)	3 875
As at 31 December 2014	15 417	(12 317)	3 100

Note 11. Targeted Financing

Targeted financing by donors is presented as follows:

	31-12-2014	31-12-2013	1-01-2013
Internews Network, Ukraine (U-Media program)	33 244	(39 519)	48 209
National Democratic Institute, USA	(87 985)	-	-
Canadian International Development Agency	14 155	-	20 475
The Institute of War and Peace Reporting, USA	(16 574)	-	-
US Embassy, Ukraine	(32 087)	-	-
International Renaissance foundation, Ukraine	(11 953)	-	(102 996)
National Endowment for Democracy, USA	-	(71 696)	-
Fojo Media Institute, Sweden	(32 241)	-	-
	(133 441)	(111 215)	(34 312)

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 11. Targeted Financing (cont)

Summary of Targeted financing outstanding amounts is presented as follows:

	31-12-2014	31-12-2013	1-1-2013
Targeted financing payable	(180 840)	(111 215)	(102 996)
Targeted financing - receivable	47 399	-	68 684
	(133 441)	(111 215)	(34 312)

Note 12. Prepayments and other assets

At each reporting date prepayments and other assets consist of the following:

	31-12-2014	31-12-2013	1-1-2013
Prepayments for services	3 341	3 022	1 030
Payroll taxes and contributions prepaid	3 640	167	150
	6 981	3 189	1 180

Note 13. Cash in Bank

Cash and cash equivalents at each reporting date include accounts opened with Procredit Bank in USD, EUR and UAH.

	31-12-2014	31-12-2013	1-1-2013
Cash in bank denominated in USD	143 652	88 121	-
Cash in bank denominated in UAH	120 458	93 707	158 814
Cash in transit	50 144	-	-
	314 254	181 828	158 814

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 14. Accruals and other payables

At each reporting date accruals and other payables consist of the following:

	31-12-2014	31-12-2013	1-1-2013
Payables for goods and services	27 029	5 630	1 539
Provision for audit services	35 000	18 700	13 600
Provision for other assurance services	-	-	300
Unused vacations reserve	84 958	34 186	31 734
Payroll, related taxes and contributions	103 295	34 995	78 414
	250 282	93 512	125 587

Note 15. Deferred income

At each reporting date deferred income consists of the following:

	31-12-2014	31-12-2013	1-1-2013
Deferred income on restricted in use PPE	(7 056)	(8 778)	(15 950)
Deferred income on unrestricted in use PPE	(33 903)	(30 686)	(20 852)
	(40 959)	(39 464)	(36 802)

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 16. Related Party Transactions

The organization is managed by the Board of Directors.

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

According to these criteria the related parties of the Organization are divided into the following categories:

- a. Key management personnel;
- b. Members of the Board of Directors;

(a) Key management remuneration

	2014	2013
Payroll and related taxes	320 268	229 717
/	320 268	229 717
	320 268	229 717

(b) Services

	2014	2013
Organizational services	195 100	119 932
Contracted experts remuneration	190 535	90 759
	385 635	210 691
	385 635	210 691

There are no outstanding balances with identified related parties as of 31 December 2014, 2013 and 1 January 2013.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2014
(all amounts are in UAH unless stated otherwise)

Note 17. Contingent liabilities

Pension and other liabilities

Organization's employees receive pension benefits from the State Pension Fund, a Ukrainian Government organization, in accordance with the applicable laws and regulations of Ukraine. The Organization is obliged to contribute a specified percentage of salaries to the State Pension Fund to finance the benefits. The only obligation of the Organization with respect to this pension plan is to make the specified contribution from salaries.

As at 31 December 2014, 2013 and 1 January 2013 the Organization had no liabilities for any supplementary pension payments, health care, insurance or retirements indemnities to its current or former employees.

The Organization had no contingent liabilities as at 31 December 2014.

Note 18. Events after reporting date

There were no material events after the reporting period, which affect the financial statements as at 31 December 2014.