

Regional Press Development Institute



Financial Report

December 31, 2015

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INDEPENDENT AUDITORS' REPORT

TO MANAGEMENT OF REGIONAL PRESS DEVELOPMENT INSTITUTE

Report on the financial statements

We have audited the accompanying financial statements of *REGIONAL PRESS DEVELOPMENT INSTITUTE* (the "Organization") on pages 2 to 26 which comprise statement of financial position as at 31 December 2015, 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 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 2015, 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

Russell Bedford RCG LLC
5 Spaska Street, 6th floor
04071, Kyiv, Ukraine

18 October 2016

Regional Press Development Institute

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2015**

(in UAH, unless otherwise stated)

	Notes	2015	2014
Revenue	5	9 335 292	5 319 373
Total revenue		9 335 292	5 319 373
Program expenses	6	9 335 292	5 319 373
Total expenses		9 335 292	5 319 373
<i>Unallocated (expenses) / income</i>	9		
Administrative and other expenses		(32 365)	(50 574)
Financial income, net		4 995	7 794
Movement in net funding position		(27 370)	(42 780)

Regional Press Development Institute

**STATEMENT OF FINANCIAL POSITION
as of 31 December 2015**

(in UAH, unless otherwise stated)

	Notes	31-12-2015	31-12-2014
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	10	57 345	37 859
Intangible assets	11	-	3 100
Total non-current assets		57 345	40 959
<i>Current Assets</i>			
Targeted financing – receivable	12	128 292	47 399
Prepayments and other assets	13	358 124	6 981
Cash in bank	14	1 383 019	314 252
Total current assets		1 869 435	368 632
Total assets		1 926 780	409 591
Liabilities And Net Assets			
<i>Current Liabilities</i>			
Targeted financing – payable	12	1 194 778	180 840
Accruals and other payables	15	764 517	250 282
Deferred income	16	57 345	40 959
Total current liabilities		2 016 640	472 081
Total liabilities		2 016 640	472 081
<i>Net funding position</i>			
Unrestricted	9	(89 860)	(62 490)
Total net funding position		(89 860)	(62 490)
Total liabilities and net funding position		1 926 780	409 591

On 18 October 2016, Management of Regional Press Development Institute authorised these financial statements for issue.


Olga Trufanova
First deputy executive director


Lyudmyla Safarova
Deputy executive director for
development and finance

Regional Press Development Institute

**STATEMENT OF CASH FLOWS
for the year ended 31 December 2015**

(in UAH, unless otherwise stated)

	2015	2014
<i>Cash flow from operating activities</i>		
Cash received to cover program services	10 317 027	5 067 823
Currency exchange, net results	99 913	326 490
Total cash received	10 416 940	5 394 313
Cash paid to regular contracted experts, remuneration	3 213 947	2 022 926
Cash paid to suppliers for services and goods directly related to program services	2 991 778	1 729 433
Cash paid to employees, salaries	1 213 797	584 823
Cash paid to other contracted experts, remuneration	1 048 037	175 496
Cash paid to cover payroll and other salary related taxes	484 361	476 916
Cash paid to cover office rent and utilities	209 172	165 111
Cash paid to cover bank services	36 623	27 379
Cash paid to cover audit service	35 000	18 700
Cash paid to cover telecommunication services	20 543	19 100
Total cash paid	9 253 258	5 219 884
Net cash provided from operating activities	1 163 682	174 429
Operating exchange difference	(94 915)	(42 005)
Net increase for the year	1 068 767	132 424
Cash in bank		
Beginning	314 252	181 828
Net increase for the year	1 068 767	132 424
Cash in bank, ending	1 383 019	314 252

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

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.

In 2015, RPDI main areas of concern were as follows:

- regular and demand-driven training and education for media professionals;
- legal support to journalists and media primarily in areas of prepublication screening, defamation cases and access to information;
- regular support to investigative journalists;
- partnership opportunities and the exchange of information and experience between media outlets of Ukraine and other countries through internships, study tours;
- maintenance of information resources, such as media research and manuals, for access by media professionals;
- promotion of transparency and facilitated access to information;
- improvement and promotion of unbiased media coverage of topics of public significance.

Throughout 2015, RPDI has kept its position as a leader in training, developing and supporting networks of investigative reporters and one of the leaders in providing special trainings for journalists and media employees. All programs run by RPDI are designed to address journalists’ immediate needs and fill in their professional gaps. List of RPDI training courses includes:

- data journalism & visualization workshops for beginners;
- programming skills & project development workshops for experienced journalists;
- digital security workshops;
- increasing safety and reporting skills in conflict zones;
- seminars on management of municipal and state-owned media;
- seminars on the subject of European integration.

Besides trainings, activities to support investigative journalists in 2015 included hosting of 7th National Conference for Investigative Journalists, participation in Global Investigative Journalism Conference in Lillehammer (RPDI fundraised to provide travel grants to Ukrainian journalists to visit the Conference), administration of closed fb group of investigative journalists – as a communication platform, competition of regional journalists for best investigations, grants to support selected investigations to support selected investigations, pre-publication screenings to support selected investigations, pre-publication screenings and fact-checkings. In 2015, RPDI joined N-vestigate project, initiated by German NGO – N’ost and supported by German Federal Ministry for Economic Co-operation and Development. N-vestigate is a joint project by n-ost and four research networks from Armenia, Georgia, Moldova and Ukraine, which goal is to foster transnational and cross-border investigations.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
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(all amounts are in UAH, unless otherwise stated)

Note 1. Nature of activities (cont.)

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. Besides mentioned above pre-publication screenings, legal support includes oral and written consultations, compilation of procedural documents and information requests, assistance in court cases, including petitions to the European Court for Human Rights (ECHR), filing requests to the authorities following the results of investigations to ensure reaction of the power to revealed violations and legislation activity. Consultations cover wide variety of issues starting from gathering/publishing data to proper registration of media and status of freelance journalists. Court cases and procedural documents primarily relate to defamation lawsuits with substantial damage claims; appealing of denials in access to public information; other violations of journalism rights including attacks, counteracting photo/video recording in public places. Media law education for journalists and media professionals in 2015 involved media law webinars, which allowed participants to receive training on media law and provided opportunity for journalists to address any of their concerns and questions as to media laws and legal trainings for investigative journalists on latest legal developments and mitigations of legal risks in their investigations. Aiming to increase professionalism of lawyers, who deal with media laws & regulations, in 2015 RPDI (together with CEELI University in Prague) ran the educational program for lawyers from all regions of Ukraine.

With the support of Czech Foreign Ministry and Council of Europe in 2015 and with collaboration of its Czech partner NGO Transitions, RPDI monitored 85 key governmental websites, including websites of Verkhovna Rada of Ukraine, Office of Prosecutor and Security Service of Ukraine; 45 websites of higher courts and 50 websites of regional governments. 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.

In 2015, RPDI joined the project, which aim was to improve the transparency of government and fight corruption in Ukraine. As a part of the project, RPDI and its partners collected, checked and digitalized over 15 000 declarations of government officials. RPDI lawyers developed legal documents to explain the legal basis for public access to such declarations, submitted requests to the authorities/officials, who refused to provide declarations, filed relevant lawsuits and provided advice and other legal assistance to partners and journalists, who were doing investigations based on published declarations. RPDI efforts were aimed at setting standards for legal practice on complaints regarding failures to provide public information. RPDI also had the opportunity to train journalists and civic activists working with the declarations to analyze the data indicated in the declarations, and to identify discrepancies between the declarations and open registers and the actual wealth.

In 2015, RPDI continued its cooperation with National Democratic Institute on project on the role of women in politics. The project aims to improve the balanced and objective media

REGIONAL PRESS DEVELOPMENT INSTITUTE
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(all amounts are in UAH, unless otherwise stated)

Note 1. Nature of activities (cont.)

coverage of women leaders, making them more visible in the Ukrainian media, which is now traditionally dominated by men. A key direction of the project – the campaign "Ask a woman" is designed to help journalists to engage more women as experts and news sources. Within the scope of this project, RPDI launched and still running a campaign website against sexism in politics, media and everyday life – Povaha.org.ua.

LIST OF PROJECTS IN PROGRESS

New projects started in 2015	in cooperation with CEELI University, Czech Republic: legal training for lawyers from all regions of Ukraine (USD 8 000).
	in cooperation with International Renaissance Foundation, Ukraine: trainings for regional journalists on EU integration (UAH 139 040).
	in cooperation with Democratic Society East, Poland and Polish-Canadian Program to Support Democracy: comprehensive program for regional investigative journalists, which embraces trainings, grants and legal support (PLN 315 990).
	in cooperation with Internews Network: "Increasing Transparency and Countering Corruption in Ukraine" project (USD 72 996).
	in cooperation with Council of Europe, Ukraine: co-funding of monitoring project, monitoring of transparency of websites of 45 higher courts (EUR 6 390).
	in cooperation with Czech Embassy, Ukraine: monitoring of websites of 100 licensed higher Ukrainian Universities (EUR 14 090).
	in cooperation with Czech NGO Transitions and National Endowment for Democracy: project on capacity building for investigative reporters via digital journalism schools (USD 32 181).
	in cooperation with German NGO N-ost: project on development of trans-national investigative journalism (EUR 16 890).

Regular (repeated on annual basis) activity	During 2015, RPDI hosted its 7 th National Conference of Investigative Journalists. Conference was supported by U-Media Program, Internews Network, International Renaissance Foundation, Democratic Society East and Polish-Canadian Program to Support Democracy, Fosi (Program on Independent Journalism), N-ost, Open Society Foundation and SCOOP.
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NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 1. Nature of activities (cont.)

LIST OF PROJECTS IN PROGRESS (cont.)

Renewed projects (where RPDI re-applied for and obtained financing to continue implementation of the projects)	in 2015, RPDI continued its cooperation with U-Media, which supported RPDI activities in the areas of investigative journalism, new media, legal support and training for journalists as well as elections coverage and legal advice to journalists (two agreements signed during 2015 – USD 64 403 and USD 106 143).
	in 2015, RPDI continued its cooperation with National Democratic Institute on project on the role of women in politics funded by Swedish Government (USD 99 702).
	in 2015, RPDI continued its cooperation with Czech NGO Transitions and Czech Foreign Ministry to monitor websites of central and regional governments (CZK 1 026 000).
	Just as in 2014, RPDI administered IWPR’s series of training workshops for Ukrainian and Russian reporters on working in hostile environment, digital security, professional and ethical standards of covering war.
Projects running since 2014	“Strengthening Investigative Reporting in Ukraine” supported by Internews Network in cooperation with the Canada’s Department of Foreign Affairs, Trade and Development.
	The development of anti-corruption investigative journalism in the eastern and southern regions of Ukraine, supported by USA Embassy.
	Eye on Corruption Network, FOJO Media Institute.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 1. Nature of activities (cont.)

Overall, since 2006, RPDI has successfully implemented more than 75 media supporting projects financed by a diverse group of donors for more than USD 3.3 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), Council of Europe, CEELI (Czech republic), German partner N-ost (funded by German Ministry of Foreign Affairs).

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

During the current year, the Organization adopted all the changes to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2015. This adoption did not have a material effect on the financial statements of the Organization.

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. The Management expects that the adoption of these financial reporting standards in future periods will not have a material effect on the financial statements of the Organization.

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.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 2. Basis of preparation (cont.)

(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.

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:

REGIONAL PRESS DEVELOPMANT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 3. Significant accounting policies (cont.)

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.

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.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 3. Significant accounting policies (cont.)

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.

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 include 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 2015

(all amounts are in UAH, unless otherwise stated)

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 2015 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 women and minorities;
- 5) Development of investigative journalists' networks;
- 6) Organization development.

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Reportable segments as at and for the year ended 31 December 2015 were as follows:

	Training and education for media professionals	Legal support and media law education	Promoting of government transparency and facilitation of access to information	Development of investigative journalists' networks	Improvement of unbiased media coverage of women and minorities	Organization development	Unallocated	TOTAL
Revenue	3 352 693	1 911 030	2 287 389	1 188 796	548 740	46 644	-	9 335 292
Program expenses	(3 352 693)	(1 911 030)	(2 287 389)	(1 188 796)	(548 740)	(46 644)	-	(9 335 292)
Net unallocated expenses	-	-	-	-	-	-	(27 370)	(27 370)
Change in net funding position	-	-	-	-	-	-	(27 370)	(27 370)
<i>As at 31 December 2015</i>								
Non-current assets	20 607	11 769	14 041	7 269	3 372	287	-	57 345
Current assets	874 639	582 067	242 977	63 903	98 338	6 776	735	1 869 435
Total assets	895 246	593 836	257 018	71 172	101 710	7 063	735	1 926 780
Current liabilities	958 498	381 441	305 451	91 040	253 927	26 283	-	2 016 640
Total liabilities	958 498	381 441	307 087	91 040	253 927	26 283	-	2 016 640

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Reportable segments as at and for the year ended 31 December 2014 were as follows:

	Training and education for media professionals	Legal support and media law education	Promoting of government transparency and facilitation of access to information	Development of investigative journalists' networks	Improvement of unbiased media coverage of women and minorities	Organization development	Unallocated	TOTAL
Revenue	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	-	-	-	-	-	-	(42 780)	(42 780)
Change in net funding position	-	-	-	-	-	-	(42 780)	(42 780)
<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	16 048	368 632
Total assets	174 066	103 401	14 661	-	92 042	9 373	16 048	409 591
Current liabilities	178 006	74 911	12 117	-	109 612	36 544	60 891	472 081
Total liabilities	178 006	74 911	12 117	-	109 612	36 544	60 891	472 081

REGIONAL PRESS DEVELOPMANT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 5. Revenues

During 2015, the Organization obtained funding from different donors under grants, sub-grants, cooperative, partnership, administration and service agreements:

	2015	2014
Program revenues	9 383 983	5 322 590
<i>Deduction from revenue</i>	(48 691)	(3 217)
	9 335 292	5 319 373

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:

	2015	2014
Sub-grant	3 846 889	3 313 993
Grant	2 080 809	707 014
Partnership agreement	1 591 179	540 158
Services agreement	1 185 742	234 515
Cooperative agreement	551 740	526 910
Administration agreement	127 624	-
	9 383 983	5 322 590

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 5. Revenues (cont.)

Program revenues by Donors are presented as follows:

	2015	2014
Internews Network, Ukraine (U-Media program)	2 527 168	3 048 035
The Institute of War and Peace Reporting, USA	1 185 742	234 514
Transitions, Czech Republic / Ministry of Foreign Affairs of the Czech Republic	1 033 734	522 714
Internews Network, Ukraine (Increasing Transparency and Countering Corruption in Ukraine)	793 980	-
International Renaissance Foundation, Ukraine	601 128	105 092
National Democratic Institute, USA	551 740	526 910
Democratic Society East, Poland	548 754	-
Internews Network, Ukraine / Canadian International Development Agency	525 742	265 958
N – ost (N-vestigative), Germany	425 505	-
Czech Embassy, Kiev, Ukraine	342 509	-
Transitions, Czech Republic / National Endowment for Democracy, USA	274 256	66 785
CEELI Institute	181 385	-
Council of Europe	127 623	-
Fojo Media Institute, Sweden	101 804	17 445
US Embassy, Kiev, Ukraine	97 292	217 941
Foundation “Open Society Institute”	65 621	-
German Embassy, Kiev, Ukraine	-	317 196
	9 383 983	5 322 590

REGIONAL PRESS DEVELOPMENT INSTITUTE
NOTES TO FINANCIAL STATEMENTS
for the year ended 31 December 2015

(all amounts are in UAH, unless otherwise stated)

Note 6. Program expenses

During 2015, the Organization incurred the following expenses directly related to programs:

	Note	2015	2014
Contracted experts' fees	7	5 323 865	2 859 618
Employee salaries and related taxes		1 542 291	929 764
Travel, per diem and accommodation of program participants		1 470 458	859 175
Office rent expenses and utilities		202 565	166 698
Rent of premises for program activities		199 243	288 188
Telecommunication services		196 441	20 992
Unused vacation expenses and related taxes		115 265	49 743
Cost of materials used		106 758	51 729
Bank services		36 617	27 385
Audit services		20 000	35 000
Depreciation and amortization		6 935	22 977
Other direct program expenses		114 854	8 104
		9 335 292	5 319 373

Note 7. Contracted experts' fees

Fees of contracted experts are analyzed by the Organization as follows:

By degree of cooperation:

	2015	2014
Regular contracted experts	3 380 646	1 832 798
Other contracted experts	1 943 219	1 026 820
	5 323 865	2 859 618

By degree of involvement in program activities:

	2015	2014
Support of project activities	4 024 579	2 193 865
General coordination of projects	717 579	499 908
General costs to organization	581 707	165 845
	5 323 865	2 859 618

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(all amounts are in UAH, unless otherwise stated)

Note 8. Salaries and related charges

	2015	2014
Salaries	1 379 621	710 289
Contributions to social funds	162 670	219 475
Unused vacations accrual and related charges	170 356	81 968
	1 712 647	1 011 732

Note 9. Movement in net funding position

	2015	2014
As at 1 January	(62 490)	(19 710)
Exchange differences	4 995	7 794
Movement in unallocated unused vacations reserve	(55 090)	(32 225)
Other unallocated income/(expenses)	22 725	(18 349)
As at 31 December	(89 860)	(62 490)

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Note 10. Property, plant & equipment

Cost	Computer and office equipment	Non-current low- value equipment	Total
Balance at 1 January 2014	127 386	69 098	196 484
Additions	22 622	5 417	28 039
Disposals	(3 016)	(2 033)	(5 049)
Balance at 31 December 2014	146 992	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
Balance at 1 January 2015	146 992	72 482	219 474
Additions	48 690	-	48 690
Disposals	(3 000)	(4 520)	(7 520)
Internal transfer	3 700	(3 700)	-
Balance at 31 December 2015	196 382	64 262	260 644
Depreciation			
Balance at 1 January 2015	(109 133)	(72 482)	(181 615)
Charge for the year	(29 204)	-	(29 204)
On disposals	3 000	4 520	7 520
Internal transfer	(3 700)	3 700	-
Balance at 31 December 2015	(139 037)	(64 262)	(203 299)
Carrying amounts			
Balance at 31 December 2015	57 345	-	57 345

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Note 11. 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 2015 amortization charge is UAH 3 100 (2014: UAH 775). The amounts of cost and accumulated amortization as at 31 December 2015, 2014 and 1 January 2014 are presented below:

	Cost	Accumulated amortization	Net book value
As at 1 January 2014	15 417	(11 542)	3 875
As at 31 December 2014	15 417	(12 317)	3 100
As at 31 December 2015	15 417	(15 417)	-

Note 12. Targeted financing

Targeted financing by donors is presented as follows:

	31-12-2015	31-12-2014
Democratic Society East, Poland	(450 138)	-
Internews Network, Ukraine (U-Media program)	(218 888)	33 244
National Democratic Institute, USA	(187 866)	(87 985)
Internews Network, Ukraine / Canadian International Development Agency	(184 224)	14 155
Internews Network, Ukraine (Increasing Transparency and Countering Corruption in Ukraine)	(147 396)	-
Transitions, Czech Republic / National Endowment for Democracy, USA	(6 266)	-
Council of Europe	79 499	-
CEELI Institute	35 400	-
The Institute of War and Peace Reporting, USA	13 393	(16 574)
US Embassy, Kiev, Ukraine	-	(32 087)
International Renaissance Foundation, Ukraine	-	(11 953)
Fojo Media Institute, Sweden	-	(32 241)
	(1 066 486)	(133 441)

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Note 12. Targeted financing (cont.)

Summary of Targeted financing outstanding amounts is presented as follows:

	31-12-2015	31-12-2014
Targeted financing – payable	(1 194 778)	(180 840)
Targeted financing – receivable	128 292	47 399
	(1 066 486)	(133 441)

Note 13. Prepayments and other assets

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

	31-12-2015	31-12-2014
Prepayments for services	350 890	3 341
Payroll taxes and contributions prepaid	7 234	3 640
	358 124	6 981

Note 14. Cash in bank

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

	31-12-2015	31-12-2014
Cash in bank denominated in USD	395 176	143 652
Cash in bank denominated in PLN	360 105	-
Cash in bank denominated in UAH	627 738	120 458
Cash in transit	-	50 142
	1 383 019	314 252

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Note 15. Accruals and other payables

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

	31-12-2015	31-12-2014
Payables for goods and services	363 879	27 029
Payroll, related taxes and contributions	203 741	103 295
Provision on unused vacation	176 897	84 958
Provision for audit services	20 000	35 000
	764 517	250 282

Note 16. Deferred income

At each reporting date deferred income consists of the following:

	31-12-2015	31-12-2014
Deferred income on restricted in use PPE	(41 755)	(7 056)
Deferred income on unrestricted in use PPE	(15 590)	(33 903)
	(57 345)	(40 959)

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Note 17. 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;

Transactions with related parties for the year 31 December 2015 and 2014 were as follows:

(a) Key management remuneration

	2015	2014
Payroll and related taxes	637 838	320 268
	637 838	320 268

(b) Services

	2015	2014
Organizational services	342 735	195 100
Contracted experts remuneration	264 452	190 535
	607 187	385 635

Outstanding balances with identified related parties as of 31 December 2015 and 2014:

Payables for goods and services

	31-12-2015	31-12-2014
Members of the Board of Directors	77 798	-
	77 798	-

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Note 18. 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 2015, 2014 and 1 January 2014 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 2015.

Note 19. Events after reporting date

There were no material events after the reporting period, which affect the financial statements as at 31 December 2015.