

**INTERNATIONAL MEDICAL CORPS CROATIA –  
MEĐUNARODNI MEDICINSKI ZBOR HRVATSKA**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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## Responsibility for financial statements

Pursuant to the Act on Financial Operations and Accounting of Not-for-Profit Organisations (Act) and the Rules on Reporting in Not-for-Profit Accounting and the Register of Not-for-Profit Organisations, legal representatives of a not-for-profit organisation (NPO) are responsible for the preparation of financial statements for each financial year in accordance with the Act. They are also responsible for those internal controls that they deem necessary for the preparation of financial statements for the year without misstatements due to fraud or error.

The legal representatives justifiably expect that the organisation INTERNATIONAL MEDICAL CORPS CROATIA - MEĐUNARODNI MEDICINSKI ZBOR HRVATSKA (Organization) shall have adequate resources, and therefore continue to adopt the going concern principle in preparing annual financial statements.

The duties of the legal representatives in preparing financial statements include the following:

- Selection and consistent application of applicable accounting policies
- Providing justifiable and prudent judgements and estimates
- Acting in accordance with the valid accounting framework with disclosure and explanation of all materially significant deviations in financial statements, and
- Preparation of annual financial statements by applying the going concern principle.

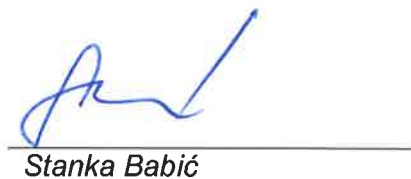
Legal representatives for the not-for-profit organisation are responsible for managing of appropriate accounting records which shall, at all times, represent the financial position of the not-for-profit organisation with reasonable accuracy. Also, the legal representatives shall make sure that the financial statements are in accordance with the Act on Financial Operations and Accounting of the Not-for-Profit Organisation.

In addition, the legal representatives shall be held accountable for safeguarding the assets of the not-for-profit organisation and are responsible for undertaking all measures necessary for the prevention and detection of fraud and other irregularities.

*In Split on 20 June 2023*

*Legal representatives*

  
\_\_\_\_\_  
*Višnja Čipčić*

  
\_\_\_\_\_  
*Stanka Babić*

**MEĐUNARODNI MEDICINSKI ZBOR HRVATSKA**  
**21000 Split**  
**Trondheimska 4A**  
**Republic of Croatia**

## INDEPENDENT AUDITOR'S REPORT

To the legal representatives of International Medical Corps Croatia

### Opinion

We have audited the financial statements of International Medical Corps Croatia (the Organization), which comprise the balance sheet as at 31 December 2022, revenue and expenditure statement for the year then ended and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organization as at 31 December 2022 and of its financial performance for the year then ended in accordance with accounting framework stated in the Act on financial operations and accounting for non-for-profit organizations.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Organization in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Act on financial operations and accounting for non-for-profit organizations, 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



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### Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Ivana Krajinović*

Ivana Krajinović,  
Management Board member and certified auditor

Ernst & Young d.o.o.  
Radnička cesta 50  
10000 Zagreb, Republic of Croatia  
20 June 2023

**INTERNATIONAL MEDICAL CORPS CROATIA**  
**BALANCE SHEET AS AT 31 DECEMBER 2022**  
(amounts in Croatian Kuna)

Account from accounting plan	BALANCE SHEET - ASSETS	Note	31/12/2021	31/12/2022
	<b>ASSETS</b>	<b>4.1.</b>	<b>69,328,043</b>	<b>69,697,189</b>
0	Non-financial assets		61,282	98,075
01	Non-produced non-current assets		-	-
011	Tangible assets – natural resources		-	-
0111	Land		-	-
012	Intangible assets		-	-
0124	Other rights		-	-
019	Value adjustment of non-produced non-current assets		-	-
02	Produced non-current assets	<b>4.1.</b>	61,282	98,075
021	Buildings		-	-
0211	Residential buildings		-	-
0212	Commercial buildings		-	-
0213	Other buildings		-	-
022	Facilities and equipment		117,888	176,682
0221	Office equipment and furniture		111,890	170,684
0222	Communication equipment		5,998	5,998
0223	Maintenance and safety equipment		-	-
0224	Medical and laboratory equipment		-	-
0225	Instruments, devices and machines		-	-
0226	Sports and music equipment		-	-
0227	Devices, machinery and equipment for other purposes		-	-
023	Means of transport		-	-
0231	Means of road transport		-	-
0232	Other means of transport		-	-
029	Value adjustment of produced non-current assets		(56,606)	(78,607)
04	Small inventory		-	-
041	Supplies of small inventory		58,757	97,705
042	Small inventory in use		-	-
049	Value adjustments of small inventory		(58,757)	(97,705)
05	Non-financial assets under preparation		-	-
051	Buildings under preparation		-	-
062	Production and products		-	-
0621	Ongoing production		-	-
0622	Finished products		-	-
063	Goods for sale		-	-
1	Financial assets	<b>4.1.</b>	69,266,761	69,599,114
11	Cash in bank and in hand		36,874,183	3,264,068
111	Cash in bank		36,874,183	3,264,068
1111	Cash in accounts at domestic commercial banks		251,962	70,854

<b>Account from accounting plan</b>	<b>BALANCE SHEET - ASSETS</b>	<b>Note</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
1112	Cash in accounts at foreign commercial banks		36,622,221	3,193,214
113	Cash in hand		-	-
12	Deposits, guarantee deposits and receivables from employees for overpaid taxes and other	<b>4.1.</b>	21,744,209	20,410,347
121	Deposits at banks and other financial institutions		4,041,233	-
1211	Deposits at domestic banks and other financial institutions		4,041,233	-
122	Guarantee deposits		-	-
123	Receivables from employees		-	-
1245	Receivables for overpaid contributions		-	-
129	Other receivables	<b>8.</b>	17,702,976	20,410,347
1291	Receivables for compensations that are refunded		-	-
1292	Receivables for damage compensations		-	-
1293	Receivables for advance payments		-	-
1294	Other unspecified receivables	<b>8.</b>	17,702,976	20,410,347
159	Value adjustment of shares and equity shares		-	-
16	Revenue receivables	<b>4.1.</b>	10,636,562	45,910,483
161	Trade receivables		-	-
162	Receivables for membership fees and contributions		-	-
163	Receivables for revenue under special regulations		-	-
164	Receivables for revenue from assets		-	-
1641	Receivables for revenue from financial assets		-	-
1642	Receivables for revenue from non-financial assets		-	-
165	Other unspecified receivables		10,636,562	45,910,483
169	Value adjustment of receivables		-	-
19	Prepayments and accrued income		11,807	14,216
191	Prepayments		11,807	14,216
192	Accrued revenues		-	-

<b>Account from accounting plan</b>	<b>BALANCE SHEET - LIABILITIES</b>	<b>Note</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
	<b>LIABILITIES AND OWN SOURCES</b>	<b>4.2.</b>	<b>69,328,042</b>	<b>69,697,189</b>
2	Liabilities	<b>4.2.</b>	67,180,830	57,936,814
24	Liabilities for expenditures	<b>4.2.</b>	728,013	1,403,370
241	Liabilities for employees		593,592	922,337
2411	Liabilities for salaries – net		120,677	181,525
2412	Liabilities for salary allowances – net		-	-
2413	Liabilities for salaries in kind – net		-	-
2414	Liabilities for tax and surtax on income from salaries		37,678	50,260
2415	Liabilities for contributions from salaries		26,038	41,240
2416	Liabilities for contributions on salaries		30,425	45,049
2417	Other liabilities for employees		378,774	604,263
242	Liabilities for material expenditures		19,064	170,888
2421	Reimbursement of expenses to employees		66	6,773
2422	Allowances to the members of representative and executive bodies, committees and similar		-	-
2423	Allowances to volunteers		-	-
2424	Allowances to other persons who are not employed		-	-
2425	Domestic trade payables		18,364	164,115
2426	Foreign trade payables		-	-
2429	Other liabilities for financing operating expenses		634	-
249	Other liabilities		115,357	310,145
2491	Tax liabilities		-	-
2492	Value added tax liabilities		-	-
2493	Liabilities for advance payments, deposits, received guarantees and other unspecified liabilities		115,357	310,145
26	Liabilities for credits and loans		-	-
261	Liabilities for bank credits and credits granted by other creditors		-	-
2611	Liabilities for domestic credits		-	-
2612	Liabilities for foreign credits		-	-
262	Liabilities for trade loans and other loans		-	-
2621	Liabilities for domestic loans		-	-
2622	Liabilities for foreign loans		-	-
269	Adjustment of liabilities for credits and loans		-	-
29	Accrued expenses and deferred income	<b>4.2.</b>	66,452,817	56,533,444
291	Accrued expenses		698,620	654,570
292	Collected deferred revenue		65,754,197	55,878,874



<b>Account from accounting plan</b>	<b>BALANCE SHEET - LIABILITIES</b>	<b>Note</b>	<b>31/12/2021</b>	<b>31/12/2022</b>
2921	Prepaid revenue		-	-
2922	Deferred revenue recognition		65,754,197	55,878,874
5	Own resources	4.2.	2,147,212	11,760,375
51	Own resources		-	-
511	Own resources		-	-
512	Revaluation reserve		-	-
522	Revenue surplus/deficit		-	-
5221	Revenue surplus		2,147,212	11,760,375
5222	Revenue deficit		-	-
<b>Account from accounting plan</b>	<b>OFF-BALANCE SHEET ITEMS</b>		<b>Balance on 1 Jan</b>	<b>Balance on 31 Dec</b>
6	Off-balance sheet items		-	-
61	Off-balance sheet items- assets		-	-
62	Off-balance sheet items-liabilities		-	-

Legal representatives

  
Višnja Čipčić

  
Stanka Babić

**INTERNATIONAL MEDICAL CORPS CROATIA**  
**STATEMENT ON REVENUE AND EXPENDITURE**  
for the period between 01 January 2022 and 31 December 2022  
(amounts in Croatian Kuna)

Account from accounting plans	PR-RAS – REVENUE	Note	2021	2022
<b>3</b>	<b>REVENUE</b>	<b>3.1.</b>	<b>202,261,022</b>	<b>261,813,920</b>
31	Revenue from the sale of goods and provision of services		-	-
3111	Revenue from the sale of goods		-	-
3112	Revenue from the provision of services		-	-
34	Revenue from assets	<b>3.1.</b>	183	21,771
341	Revenue from financial assets		183	21,771
3411	Revenue from interest on granted loans		-	-
3412	Revenue from interest on securities		-	-
3413	Interests on funds deposited for a fixed-term and sight deposits		183	21,771
3414	Revenue from default interest		-	-
3415	Revenue from positive exchange rate differences		-	-
3416	Revenue from dividends		-	-
3417	Revenue from profit of companies, banks and other financial institutions under special regulations		-	-
3418	Other revenue from financial assets		-	-
342	Revenue from non-financial assets		-	-
3421	Revenue from leasing and renting of assets		-	-
3422	Other revenue from non-financial assets		-	-
35	Revenue from donations	<b>3.1.</b>	202,260,839	241,715,320
351	Revenue from budgetary donations		-	-
3511	Revenue from donations from the state budget		-	-
3512	Revenue from donations from the budget of self-government local and regional units		-	-
352	Revenue from foreign governments and international organisations		196,117,568	241,214,920
3521	Revenue from foreign governments and international organisations		63,047,749	82,683,622
3522	Revenue from EU institutions and bodies		133,069,819	158,531,298
353	Revenue from companies and other legal persons		6,134,251	497,316
3531	Revenue from companies and other legal persons		6,134,251	497,316
3551	Other revenue from donations		-	-
354	Revenue from citizens and households		9,020	3,084
36	Other revenue		-	-
361	Revenue from reimbursements for damages and refunds		-	-
3611	Revenue from reimbursement for damages		-	-

<b>Account from accounting plans</b>	<b>PR-RAS – REVENUE</b>	<b>Note</b>	<b>2021</b>	<b>2022</b>
3612	Revenue from refunds		-	-
362	Revenue from sales of non-current assets		-	-
3621	Revenue from sales of non-current intangible and tangible assets		-	-
363	Other unspecified revenue		-	-
3631	Write-off of liabilities		-	-
3632	Paid written-off receivables		-	-
3633	Other unspecified revenue		-	-
37	Revenue from affiliated not-for-profit organisations	<b>3.1.</b>	-	20,076,829
3711	Current revenue from affiliated not-for-profit organisations		-	20,076,829
3712	Capital revenue from affiliated not-for-profit organisations		-	-
<b>Account from accounting plans</b>	<b>PR-RAS –EXPENDITURE</b>	<b>Note</b>	<b>2021</b>	<b>2022</b>
<b>4</b>	<b>EXPENDITURE</b>	<b>3.2.</b>	<b>202,170,250</b>	<b>252,200,757</b>
41	Expenditure for employees	<b>3.2.</b>	2,439,563	3,401,541
411	Salaries		2,007,138	2,816,937
4111	Salaries for regular work		2,007,138	2,816,937
412	Other expenditures for employees		101,247	119,809
413	Contributions on salaries		331,178	464,795
4131	Contributions for health insurance		331,178	464,795
4132	Contributions for employment		-	-
4134	Special contribution for promoting employment of persons with disabilities		-	-
42	Material expenditures	<b>3.2.</b>	408,628	1,101,717
421	Reimbursement of expenses to employees		616	115,899
4211	Business travels		-	42,727
4212	Allowances for transportation, field work and living-away-from-home		616	11,720
4213	Employee training		-	61,452
422	Remunerations to the members of representative and executive bodies, committees and similar		-	-
4221	Remunerations for performing activities		-	-
4222	Reimbursement of business travel expenses		-	-
424	Remuneration to other persons who are not employed		-	-
4241	Remuneration to other persons who are not employed		-	-
4244	Reimbursement of other expenses		-	-
425	Expenditure for services	<b>3.2.</b>	310,408	874,085
4251	Telephone, postal and transportation services		9,161	11,503
4252	Services of current and investment maintenance		-	1,775

Account from accounting plans	PR-RAS –EXPENDITURE	Note	2021	2022
4253	Advertising and informing services		10,625	13,650
4252	Services of current and investment maintenance		-	1,775
4253	Advertising and informing services		10,625	13,650
4254	Utility services		1,604	1,202
4255	Leases and rents		12,471	26,380
4256	Health and veterinary services		-	-
4257	Intellectual and personal services		266,082	809,211
4258	Computer services		9,219	5,563
4259	Other services		1,246	4,801
426	Material and energy expenditures	<b>3.2.</b>	40,433	42,242
4261	Office supplies and other tangible expenditures		3,368	1,094
4262	Material and raw materials		-	-
4263	Energy		155	2,200
4264	Small inventory and car tires		36,910	38,948
429	Other unspecified tangible expenditures	<b>3.2.</b>	57,171	69,491
4291	Insurance premiums		17,773	31,475
4292	Entertainment expenses		-	7,126
4293	Membership fees		39,398	29,900
4294	Registration fees		-	990
4295	Other unspecified tangible expenditures		-	-
43	Depreciation expenditures		10,268	22,000
44	Financial expenditure		774,414	1,881,449
442	Interests on received credits and loans		-	-
4421	Interests on received bank credits and credits from other creditors		-	-
443	Other financial expenditure		774,414	1,881,449
4431	Banking services and payment services		229,809	74,322
4432	Negative exchange rate differences and foreign currency clause		541,303	1,803,777
4433	Default interests		-	1
4434	Other unspecified financial expenditures		3,302	3,349
45	Donations	<b>3.2.</b>	188,886,086	225,599,251
451	Current donations		188,886,086	225,599,251
4511	Current donations		58,838,016	78,096,606
4513	Current donations from EU funds		130,048,070	147,502,645
46	Other expenditures		-	-
462	Other unspecified expenditure		-	-
4621	Value that was not written-off and other expenditures of alienated and written-off non-current assets		-	-
4622	Written off receivables		-	-
4624	Other unspecified expenditure		-	-
47	Expenditure pertaining to financing of associated not-for-profit organisations	<b>3.2.</b>	9,651,291	20,194,799
4711	Current expenditure pertaining to financing of associated not-for-profit organisations		9,651,291	20,194,799

	TOTAL EXPENDITURE	3.2.	202,170,250	252,200,757
	REVENUE SURPLUS		90,772	9,613,163
	REVENUE DEFICIT		-	-
5221	Revenue surplus– brought forward		2,056,440	2,147,212
5222	Revenue deficit – brought forward		-	-
	Available revenue surplus in the following period		2,147,212	11,760,375
	Deficit cover revenue in the following period		-	-
<b>Account from accounting plans</b>	<b>PR-RAS - ADDITIONAL DATA</b>		<b>2021</b>	<b>2022</b>
11	Cash balance at the start of the year		51,000,926	36,874,183
11- debit	Total inflow on cash accounts and cash in hand		334,449,485	408,593,129
11- credit	Total outflow from cash accounts and cash in hand		348,576,228	442,203,244
11	Cash balance at the end of the period		36,874,183	3,264,068
	Average number of workers based on the balance at the end of the reporting period		5	7
	Average number of employees based on work hours		5	7
<b>Account from accounting plans</b>	<b>VALUE OF REALISED INVESTMENTS IN THE NEW NON-CURRENT ASSETS</b>		<b>2021</b>	<b>2022</b>
051	Construction buildings under preparation		-	-
052	Plants and equipment under preparation		-	-
053	Means of transport in preparation		-	-
055	Other intangible manufactured assets in preparation		-	-

Legal representatives

  
Višnja Čipčić

  
Stanka Babić

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION ABOUT INTERNATIONAL MEDICAL CORPS CROATIA

INTERNATIONAL MEDICAL CORPS CROATIA – MEĐUNARODNI MEDICINSKI ZBOR HRVATSKA (abbreviated IMC Croatia) is a not-for-profit humanitarian organization with registered seat in Split, Croatia, which was founded on 01 November 2018 and which, on 07 February 2019, was entered in the Register of Associations under number 17005962. The registration number of the entity is 5051932. Personal Identification Number (OIB): 71194935559

IMC Croatia is a voluntary, independent and non-for-profit organization which, in collaboration with the international non-for-profit organizations International Medical Corps US and International Medical Corps UK, operates in the field of humanitarian aid, international cooperation, social activities and health care. All three humanitarian organisations share the same mission, vision and core values, as well as operational resources for the implementation of programme activities.

IMC Croatia maintains an independent governance structure and decision-making in relation to the programs for which it is directly responsible.

IMC Croatia was founded with the aim of obtaining funding for and providing humanitarian assistance to those in need, promoting and developing volunteering, international cooperation, providing social assistance and support to the most vulnerable groups and health protection.

In accordance with the goals for which it was established, in 2022 IMC Croatia collected donations from institutional donors and international humanitarian organizations for the implementation of projects in several countries (Libya, Lebanon, Iraq, Mali, Central African Republic, Jordan, Yemen, Somalia, Sudan, Cameroon, South Sudan, Ethiopia). The projects are implemented in cooperation with donors and partner humanitarian organizations, the local community, and other relevant stakeholders.

The legal representatives of the non-profit association in the Republic of Croatia from the establishment until 25.02.2021. were Ivana Petković, secretary, and Nancy Ann Aossey, president. In 2021, there was a change in the legal representatives of the association, and from 25.02.2021. IMC Croatia legal representatives are Stanka Babić, secretary of the association, and Višnja Čipčić, president of the organization, both with a mandate until February 25, 2023. In February 2023 their mandates were prolonged until February 2025.

## **2. SUMMARY OF KEY ACCOUNTING POLICIES**

The summary of key accounting policies, which have been consistently applied in the current and previous year, is listed below.

### **2.1. Compliance statement**

The financial statements are prepared pursuant to the Act on Financial Business Operations and Accounting of Not-for-Profit Organisations and the Rules on Not-for-profit Accounting and Accounting Plan, the Rules on Reporting in Not-for-Profit Accounting and the Register of Not-for-Profit Organisations and the Rules on the Financial Management and Controls and Preparation and Execution of Financial Plans for Not-for-Profit Organisations.

### **2.2. Basis for preparation**

The financial statements are prepared on the accrual basis of accounting under which the effects of business transactions are recognised when incurred and are included in the financial statements in the period that they relate to, the principle of consistency, where the accounting rules and policies are consistently applied in the preparation of financial statements and by applying the going concern principle.

### **2.3. Reporting currency**

The financial statements are compiled in Croatian kuna as the functional and reporting currency. The Croatian Kuna exchange rate as at 31 December 2022 was HRK 7.5345 for EUR 1 (31 December 2021 HRK 7.517174). At the same time, the Croatian Kuna exchange rate for USD 1 as at 31 December 2022 was HRK 7,064035 (31 December 2021; USD 1 = HRK 6.643548).

### **2.4. Recognition of assets and liabilities**

Assets, liabilities and equity determine the financial position of a not-for-profit organisation. Assets and liabilities are reported on the accrual basis of accounting. Assets are resources that a not-for-profit organisation controls as a result of past occurrences and which are expected to have future benefits in the performance of activities.

Assets are classified according to type, duration and function in pursuit of business activities.

Liabilities are unpaid debts stemming from past occurrences where outflow of funds is expected for their settlement. The liabilities are classified according to their purpose and maturity.

Own sources are the remaining value of assets after deduction of all liabilities.

Other assets are listed in off-balance sheet records.

### **2.5. Non-current non-financial assets**

Non-current non-financial assets include unproduced non-current assets, produced non-current assets, small inventory and non-current non-financial assets under preparation.

Non-produced non-current assets include intangible assets such as patents, licences and other similar rights.

## 2.5. Non-current non-financial assets (continued)

Produced non-current assets include buildings, facilities and equipment – office equipment and furniture, communication equipment and devices, machinery and equipment for other purpose and means of transport.

Small inventory are non-current tangible assets of individual value under HRK 3,500 which can be reported separately from other non-current tangible assets and which can be written off on a one-time basis, by putting it into use. Small inventory in use is kept in records and in the balance sheet until disposal.

Non-financial assets under preparation comprise investment during production or acquisition of produced non-current assets.

The entire non-current non-financial assets are initially reported at the acquisition cost (purchase value), i.e. assessed value. Purchase cost (purchase value) of non-financial assets is the purchase price increased by attributable costs that might be directly added to the purchase costs for putting the asset into use.

Investments that extend the useful life, increase the capacity, change the purpose and/or significantly improve the functional features are reported as an increase of the value of assets on which the investment was made.

All subsequent costs are recognised as expenditure in the period in which they were incurred.

Profit or losses from disposal of non-current non-financial assets are recognised within other revenues and expenditure in the Statement on Revenues and Expenditures.

The value of each item of non-current non-financial assets is depreciated, i.e. adjusted using the linear method over the useful life of the assets. The basis for value adjustment of non-current assets is their initial or revaluated purchase cost (purchase value).

Depreciation rates are determined in accordance with the groups of non-current assets and in accordance with the estimated useful life of non-current assets as follows:

	<b>2021</b>	<b>2022</b>
Facilities and equipment	20-25%	20-25%
Intangible produced assets	25%	25%

## 2.6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and which are subject to an insignificant risk of change in value.



## **2.7. Prepaid expenses and accrued income**

Prepaid expenses and accrued income consist of:

- Prepaid expenses which are not related to the reporting period and
- Revenues which relate to the reporting period, but in which amounts were not due, or invoices were not issued.

## **2.8. Accrued expenses and deferred income**

Accrued expenses and deferred income consists of:

- Expenses which are not invoiced, but relate to the reporting period and
- Revenues which are billed and accounted for in the reporting period but relate to the next period.

## **2.9. Recognition of revenue and expenditure**

The accrual basis of accounting means that:

- Reciprocal revenue (revenue based on delivered goods and services) is recognised in the relevant reporting period under the condition that it can be measured regardless of the moment of its collection
- Non-reciprocal revenue (revenue based on special regulations, donations, membership fees, contributions and other revenue) is recognised in the relevant reporting period under the condition that it is available (paid) in the reporting period, and it can only be recognised in the reporting period if it is paid no later than by the moment of submission of the financial statements for the same period
- Income from donation in kind is recognised in the reporting period in which the donated asset has been committed by the donor and the organization recognises the expenditure from the donation in kind in the moment when the same asset is received by IMC team in the location where the donation is intended to be used. The organization recognises expenditure in the amount of income, i.e. in the amount that was measured by the original donor and supported by IMC valuation methods
- Donations relating to the performance of agreed programmes (projects and activities) are recognised in the balance sheet as deferred revenue with their recognition as part of the revenue of the reporting period in proportion to the expenses relating to the implementation of agreed programmes (projects and activities)
- Income from donations relating to non-financial assets that are depreciated in the balance sheet is recognized in the reporting period on the systematic basis in proportion with the costs of use of non-financial assets during the same period

## **2.9. Recognition of revenue and expenditure (continued)**

- Expenditures are recognised in the relevant reporting period regardless the moment of their payment
- Expenditures for the use of short-term non-financial assets are recognised at the time of actual consumption or sale, and
- The costs of acquisition of long-term assets are capitalised and the expense is recognised over the useful life of the assets

## **2.10. Subsequent events**

Subsequent events are those events that have favourable or unfavourable consequences, which occurred between the balance sheet date and the date on which the annual financial statements are approved. The types of events after the balance sheet date:

- Adjusting events – corroborate circumstances which existed at the balance sheet date;
- Non adjusting events - corroborate circumstances which occurred after the balance sheet date;

Financial statements must be adjusted in the following cases:

- a court judgment made after the balance sheet date corroborates the fact that a liability existed at the balance sheet date;
- receipt of new information after the date of the balance sheet, which indicates that the value of an asset on the balance sheet date was reduced or that the amount of a previously recognized impairment loss for that asset needs to be amended;
- Detecting fraud or errors due to which the financial statements are incorrect.

### 3. REVENUE AND EXPENDITURE STATEMENT

Total revenues and expenditures for the period between 01/01/2022 and 31/12/2022:

Item	2021	2022
	in HRK	in HRK
REVENUE	202,261,022	261,813,920
TOTAL EXPENDITURE	202,170,250	252,200,757
Revenue surplus – brought forward	2,056,440	2,147,212
Revenue surplus generated	90,772	9,613,163
Revenue surplus transferred into the next period	2,147,212	11,760,375

The organisation's operations are conducted so that all current operating costs are financed by its donors and remittances from the affiliated entity International Medical Corps US.

At the same time, in accordance with Croatian regulations, operating expenditures are recorded according to the accrual basis of accounting, i.e. at the time of their occurrence – regardless of when payment is made.

In addition to this, depreciation expenses, exchange rate differences etc. are recorded as general costs or income (e.g. in the case of favourable exchange rate differences).

#### 3.1. REVENUES

Revenues in the amount of **HRK 261,813,920** are comprised of:

	2021	2022
	in HRK	in HRK
Revenue from financial assets	183	21,771
Revenue from donations	202,260,839	241,715,320
Revenue from affiliated not-for-profit organisations	-	20,076,829
<b>Total</b>	<b>202,261,022</b>	<b>261,813,920</b>

Disaggregation of revenue from foreign governments and organisations per region is presented in the following table:

Region	2021	2022
	in HRK	in HRK
Africa	51,007,211	54,655,534
Middle East	144,534,913	184,651,612
	<b>195,542,124</b>	<b>239,307,146</b>

The organization recorded revenue in kind in the amount of HRK 2,405,090 (2021: HRK 6,709,695), which mainly related to medical and pharmaceutical supplies for the needs of projects and revenue from citizens in the amount of HRK 3.084 (2021: HRK 9.020).

The increase in revenues compared to the previous year was due to an increase in the number of humanitarian projects that were implemented during the year, as well as in the average value of the projects.

### 3.2. EXPENDITURES

Expenditures in the amount of HRK 252,200,757 are comprised of the following:

	<b>2021</b>	<b>2022</b>
	<b>in HRK</b>	<b>in HRK</b>
Expenditures for employees	2,439,563	3,401,541
Operational expenditures	408,628	1,101,717
Depreciation expenditures	10,268	22,000
Financial expenditures	774,414	1,881,449
Donations	188,886,086	225,599,251
Expenditures pertaining to financing of affiliated not-for-profit organisations	9,651,291	20,194,799
<b>Total</b>	<b>202,170,250</b>	<b>252,200,757</b>

The increase in expenditures compared to the previous year was due to an increase in the number of humanitarian projects implemented during the year. **Donations (Grants)** are recognised in the total amount of HRK 225,599,251 in 2022:

Region	<b>2021</b>	<b>2022</b>
	<b>in HRK</b>	<b>in HRK</b>
Africa	47,959,764	51,283,317
Middle East	134,216,627	171,910,844
	<b>182,176,391</b>	<b>223,194,161</b>

The organization recorded expenses that are in relation to revenue in kind in the amount of HRK 2,405,090 (2021: HRK 6,709,695),

Expenditures for employees in the amount of HRK 3,401,541 (2021: 2,439,563) pertain to:

	<b>2021</b>	<b>2022</b>
	<b>in HRK</b>	<b>in HRK</b>
Salaries for regular employment	2,007,138	2,816,937
Other expenditures for employees	101,247	119,809
Employer Contributions to salaries	331,178	464,795
<b>Total</b>	<b>2,439,563</b>	<b>3,401,541</b>

The organization employs 9 employees on 31 December 2022 (31 December 2021: 5).

Material expenditures amount to HRK 1,101,717 (2021: 408,628) and comprise of:

	<b>2021</b>	<b>2022</b>
	<b>in HRK</b>	<b>in HRK</b>
Reimbursement of expenses to employees	616	115,899
Expenditures for services	310,408	874,085
Expenditures for materials and energy	40,433	42,242
Other not specified material expenditures	57,171	69,491
<b>Total</b>	<b>408,628</b>	<b>1,101,717</b>

Expenditures for materials and energy in the amount of HRK 42,242 (2021: HRK 40,433) pertain to office supplies, energy, small inventory and car tires.

#### **4. BALANCE SHEET**

##### **4.1. ASSETS**

Assets of IMC Croatia amount to HRK 69,697,189 (31.12.2021: 69,328,043) and consists of:

	<b>2021</b>	<b>2022</b>
	<b>in HRK</b>	<b>in HRK</b>
Non-financial assets	61,282	98,075
- of which unproduced	-	-
- of which produced	61,282	98,075
Financial assets	69,266,761	69,599,114
<b>Total</b>	<b>69,328,043</b>	<b>69,697,189</b>

The produced assets amount to HRK 98,075 (31.12.2021: 61,282) and include facilities and equipment.

Financial assets in 2022 amounts to HRK 69,599,114 (31.12.2021: HRK 69,266,761) and consist of:

	<b>31/12/2021</b>	<b>31/12/2022</b>
	<b>in HRK</b>	<b>in HRK</b>
Cash in bank and in hand	36,874,183	3,264,068
Guarantee deposits, receivables for fees that are reimbursed, other not specified receivables	21,744,209	20,410,347
Revenue receivables	10,636,562	45,910,483
Prepayments and accrued income	11,807	14,216
<b>Total</b>	<b>69,266,761</b>	<b>69,599,114</b>

Guarantee deposits and other receivables amount to HRK 20,410,347 (31.12.2021: HRK 17,702,976).

Receivables for revenues from donors under contracts amount to HRK 45,910,483 (31.12.2021: HRK 10,636,562) and relate to costs incurred by the Organization under current projects, for which it has not yet received donations from donors.

#### 4.2. LIABILITIES AND OWN SOURCES

The liabilities and own sources of IMC Croatia amount to HRK 69,697,189 (31.12.2021: HRK 69,328,042) and comprise of the following:

	31/12/2021	31/12/2022
	in HRK	in HRK
<b>Liabilities for expenditures</b>	<b>728,013</b>	<b>1,403,370</b>
- of which for employees	593,592	922,337
- of which for material expenditures	19,064	170,888
- other liabilities	115,357	310,145
<b>Accrued expenses and deferred income</b>	<b>66,452,817</b>	<b>56,533,444</b>
- Accrued expenses	698,620	654,570
- Collected deferred revenue	65,754,197	55,878,874
<b>Own sources</b>	<b>2,147,212</b>	<b>11,760,375</b>
- of which own sources	-	-
- of which revenue surplus	2,147,212	11,760,375
<b>Total</b>	<b>69,328,042</b>	<b>69,697,189</b>

The stated revenue surplus is brought forward.

#### 5. TAX LIABILITIES

IMC Croatia is not a payer of income tax or revenue tax since it is engaged solely in humanitarian work and does not undertake any commercial activities. Contributions for public levies – taxes and contributions stem from salary calculations.

In accordance with tax regulations, the Tax Administration may, at any moment, inspect the business records of the organization for a period of three years after the end of the year in which the tax liability was stated and can charge additional taxes and issue penalties.

The organization is not aware of any circumstances which could lead to significant tax liabilities in addition to the already declared ones.

As at 31 December 2022, all liabilities for taxes and contributions were settled with the Tax Administration.

#### 6. LIABILITIES UNDER CREDITS

As at 31 December 2022, IMC Croatia does not have any short-term and long-term credits, merchandise credits or financial leases.

## 7. CONTRACTUAL RELATIONSHIPS AND POTENTIAL LIABILITIES

As at 31 December 2022, IMC Croatia does not have any significant contractual relationships or potential liabilities which, if certain conditions are met, could become a liability or asset (issued letters of credit, mortgages, and ongoing court disputes).

## 8. TRANSACTIONS WITH RELATED ENTITIES

On 01 July 2019 the organization entered into an administrative services agreement with both related humanitarian organisations International Medical Corps US and International Medical Corps UK, with the aim of joint implementation of humanitarian projects for which it is directly responsible. International Medical Corps US is the sole implementing partner for all IMC Croatia projects. International Medical Corps UK is not an implementing partner, but it provides programme and technical support. Each individual cost is recorded in detail and per accounting principles, while the receivables and liabilities are settled at the end of a calendar year. The following table presents the balance with related organizations at the end of the year in HRK:

Date	International Medical Corps US		International Medical Corps UK	
	31.12.2022	31.12.2021	31/12/2022	31/12/2021
Receivables	20,410,347	17,702,976	-	-
Liabilities	-	-	310,145	115,357

## 9. EVENTS AFTER THE BALANCE SHEET DATE

In accordance with the Law on the Introduction of the Euro as the official currency in the Republic of Croatia, effective 1 January 2023, the EUR became the official currency and legal tender in the Republic of Croatia. The fixed rate of conversion is HRK 7.5345 for 1 EUR.

The introduction of the EUR as the official currency in the Republic of Croatia represents a change in the functional currency, which will be calculated prospectively and does not represent an event after the reporting period that requires adjustment. Apart from the change in the functional currency, there were no other events after the reporting period that would have a significant impact on the Organization's financial statements as of 31 December 2022 or for the year then ended.

## 10. ADOPTION OF FINANCIAL STATEMENTS

The financial statements of International Medical Corps Croatia – Međunarodni Medicinski Zbor Hrvatska for the year 2022 have been approved by legal representatives Višnja Čipčić and Stanka Babić on 20 June 2023.

  
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Stanka Babić, Legal Representative

  
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Višnja Čipčić, Legal Representative