



ANNUAL REPORT 2011





...towards common values!

Performing Arts Center
MULTIMEDIA

Annual and Financial Statement 2011

November 2011

Annual Report and Financial Statement 2011

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FOREWORD

I am pleased to have the opportunity to present this report on the achievements of the Performing Arts Center Multimedia covering the 2011 calendar year. This Annual Report presents a listing and description of the activities, productivity and the financial aspects of it.

During that period PAC Multimedia made considerable progress in delivering on the commitments for the culture In Republic of Macedonia and in the Balkans as outlined in the Strategic Plan, 2008-2012.

Cultural policy department continued to grow following the progress made in the past years and New Programmes were launched and new partnership established.

The following pages provide an overview of the activities PAC Multimedia has undertaken this year. Let me simply say, in closing, that it would be difficult to find a staff that produces as many substantive results with so few people as PAC Multimedia does.

Much has been achieved in all departments in PAC Multimedia and I wish to thank each and every staff member for their contribution to the work.

Violeta Simjanovska

Executive Director of PAC Multimedia

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INTRODUCTION

PAC Multimedia is initiated in 1998 and formally established in 2000 in Skopje, as the first independent organisation in Macedonia, registered as an Institution in the field of culture. It is managed by Executive Board and its staff members. The organisation was initially composed of four Programmes: Social Art, Music, Performance and Video Art/ Film/ New Media. Today, PAC Multimedia is focused on Cultural Policy and Research Programme and Art and Community Programme, developing interdisciplinary, multicultural and regional projects and training programs, as well as cultural production. It is worth mentioning that PAC Multimedia is the very first organisation of this kind in the region. It is for 14 year now, located in the city of Skopje, and operates locally, regionally and internationally. Changes in front of the organisation through multiple strategies are leading it toward development of comprehensive and community-integrated organisation.

THE VISION

PAC Multimedia vision is to become a center of excellence, in the community well integrated and internationally widely recognised as such, an initiating force in creating and developing new standards of living in a wider cultural and social context in Macedonia and in the region (Balkan).

THE MISSION

PAC Multimedia focuses on the values that society is gaining through arts and culture, thus performing in practice the values of a democratic society. PAC Multimedia is engaged in performing higher professional standards in transfer of knowledge and experience, bringing together innovative art, public debate, research, education, lifelong learning and socially engaged work.

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PROGRAMMES

The main programmes for the period 2008-2012 are the following:

- **CULTURAL POLICY AND RESEARCH**
- **ART AND COMMUNITY**

TARGET GROUPS

The main target groups are the following:

- **Cultural institutions and policy makers;**
- **Cultural organisations and operators;**
- **Intellectuals, academics and researchers;**
- **Professional artists and art operators;**
- **Youth;**
- **Socially marginalised groups.**

LONG AND SHORT TERM GOALS

- **To influence in a wider cultural and social context on national and regional level (influence over participative policy making);**
- **To assist and serve needs of cultural stakeholders, artists and institutions with creating new and educational programs based on advancing knowledge;**
- **To create conditions for generating highly artistic criteria and standards and to support cultural production;**
- **To conduct researches in the cultural field in Macedonia and build collaborative relationships with cultural stakeholders in the country, the region and wider;**
- **To become a center of excellence for transfer of know-how.**

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STRATEGIES

On the basis of the analysis and available methodologies, we have selected our developmental strategies:

- **quality achievement strategies**
 - achievements of excellence
 - education and transfer of knowledge
- **programming and organizational (competitive) strategies**
 - diversification of programmes
 - diversification of resources
 - commercialisation of programmes and spread of services
- **linkage strategies**
 - decentralisation of activities
- **strategies to engage the public**
 - lobbying and support- gathering strategies
 - public commitment strategies and changes in the public space reviewers and trainers.

During the existence, PAC Multimedia has successfully organised more than 120 workshops, trainings, summer schools, open public debates, festivals, concerts, short films, presentations, exchange programs, where more than 55.000 participants from Macedonia and the region took part. PAC Multimedia has a great number of collaborators, developing in the same time the collaboration with volunteers. PAC Multimedia cooperates with many institutions and independent groups and is open for all kind of initiatives and ideas that come from outside, but are tuned with the organisational strategy.

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WHAT WE DO?

PAC Multimedia works on several thematic areas that promotes strategic approach toward cultural policy and development and facilitates citizens' participation in policy making and decision-making activities.

PAC Multimedia team engages in identifying and developing instruments in the area of culture that lead to a systematic cultural development of the municipalities.

PAC Multimedia carries out researches on cultural needs, policy problems and engages in evidence-based policy making, seeking policy solutions.

PAC Multimedia provides trainings in cultural policy making, strategic planning, evaluation and monitoring.

PAC Multimedia involves in capacity building of cultural stakeholders so to influence more over cultural policy creation processes at local and national level.

PAC Multimedia does consultancy in cultural policy and cultural management.

PAC Multimedia engages in facilitating innovative approaches in non-formal education of youth based on social media.

PAC Multimedia facilitates youth activism and links the youth with cultural policy making on local level.

Overall, **PAC Multimedia** nurtures visible critical approach toward society processes.

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OUR WORK IN 2011

During 2011, PAC Multimedia was developing and implementing activities in the framework of the Cultural Policy and Research Programme as well as developing innovative approaches in non-formal education based on social media as part of the Art and Community Programme.

In 2011, PAC Multimedia continued with the implementation of the regional cultural policy project. This project is a pioneer in building the relations among the civil society sector in Kosovo and Macedonia in the field of culture, and especially in cultural policy making.

In 2011, PAC Multimedia was engaged in providing training and capacity management for the cultural institutions in Bosnia and Herzegovina as well as in analyzing the cultural scene in EU and Switzerland.

In 2011, PAC Multimedia initiated projects related to youth involvement in human rights discussion showing how human rights education can become an integrating force that brings together young people, NGOs activists, school staff and experts. These initiatives were also an example of a successful cooperation between the civil society organisations and public schools in sharing and promoting the idea of human dignity through learning, training and practice by utilizing different mediums.

In 2011, PAC Multimedia refined its skills and expertise in cultural policy and cultural management.

Among all, the focus was also directed toward the institutional development of the organisation that capitalised with institutional support for the coming years where the internal structure of the organisation and its culture would be strengthened.

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IMPLEMENTED PROJECTS IN 2011

Project: CULTURE FROM-FOR ALL: policy cooperation among Macedonia and Kosovo

Duration: July 2009/ July 2012

Funding: Swiss Cultural Programme for the Western Balkan, European Cultural Foundation, Stability Pack for SEE through funds of the Embassy of Germany in Skopje, contribution by the municipalities and the organisers.

The project is based on the presumption that culture is not just some kind of an extra option to the municipalities in the Republic of Macedonia and Republic of Kosovo, but it is its essential component for social cohesion, an improvement to the life quality of its citizens regardless of their ethnical, religious, educational, social, gender background, as well as to its economic development.

If culture is about identities, lifestyles, conduct, ethics, governance and the ways in which we go about our daily lives, this should not be too difficult to countenance. If we agree to have policies about culture or link culture to development objectives then we are also consenting, explicitly or implicitly, to logic of planning. Planning, that is to say, is not just about 'hard infrastructure' but also about soft and creative infrastructure: people and their needs and visions.

General goals of the project are:

- To increase and encourage the citizens` participation in policy making and decision-making activities on local level;
- To identify and develop an efficient system of mechanisms in the area of culture that would lead to a systematic cultural development of the municipalities;
- To improve the influence of artists over policy creation process at local and national level in both of the countries and to make them to have a critical approach toward society processes;
- To improve the regional cooperation among the municipalities in the countries involved in the project.

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Project activities implemented during 2011:

Training Workshop: Activities, plan of action and budget for the strategy, April 08 - 10, 2011, Prishtina, Kosovo;

International Conference: CULTURAL CITIES – Development potential for communities, May 26 - 28, 2011, Prishtina, Kosovo;

3 Training Workshops: Writing strategic documents, plan of activities and budget of Strategies for local cultural development, Skopje , in the period October—December 2011;

2 Creative Workshops: Art work in progress, creative collaboration among artists from Macedonia and Kosovo in Prishtina and Skopje in the period September—December 2011;

Promotion of the product of the creative workshops: “Within Us”, Prishtina, December 06, 2011 and Skopje, December 09, 2011.

Results achieved in 2011:

- Finalized strategies for local cultural development of Kichevo, Tetovo and Gostivar;
- Three action plans developed as an integral part of local development strategies in the field of culture within municipalities Kichevo, Tetovo and Gostivar;
- Developed a model for alternative financing of local culture which will be fund cultural projects in municipalities Kichevo, Tetovo and Gostivar;
- New established partnerships and collaborations among the cultural stakeholders in the countries and the region;
- Promoted new models of cultural planning at the local level that focuses on de-institutionalization of culture, civic awareness, programming based on the needs of the community, participatory decision-making and public-private partnerships between cultural actors at the local level;
- Created space that enrich the cultural policy knowledge in Macedonia and the region;
- Promoted strategic approach toward cultural planning based on evidence on cultural needs and resources available in each municipality.

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Project: DEVELOPING CAPACITIES FOR QUALITY CULTURE MANAGEMENT IN BOSNA AND HERZEGOVINA

Duration: January - September 2011

Funding: UNDP Office in Sarajevo through MDGF programme "Improving Cultural Understanding in Bosnia and Herzegovina".

The main question in this project was: What BiH cultural institutions needs to undertake in order to ensure progress in cultural life and this progress to fulfill its potentials in order to create a challenge for, make happier, inspire, educate and make better and richer its citizens in every way? The project included: analysis of the best practices of Culture management in EU and Swiss cultural institutions; analysis of the current context of Cultural Management in BiH and needs assessment; and preparation of training curricula on Culture Management for BiH key culture stakeholders.

Project activities implemented:

Analysis report on the best practices of Culture management in EU and Swiss cultural institutions;

Analysis report on the current context of Cultural Management in BiH and needs assessment;

Trainings: Strategic Planning in Cultural Management for BiH key culture stakeholders and EU and other funds for culture for BiH key culture stakeholders.

Results achieved:

- Acquired knowledge on long-term (strategic) planning in turbulent times;
- Acquired knowledge of financial management, collection efforts (additional) funds and fundraising in culture;
- Acquired knowledge of the process of application to the EU funds (project management specific to EU funds);
- Built understanding of the role and functioning of public institutions and civil sector in the field of culture and its transformation.

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Project: STRENGTHENING THE EVIDENCE BASED PRACTICE OF EDUCATIONAL CSO's INITIATIVE: CASE STUDY OF MACEDONIA

Duration: January - September 2011

Funding: Open Society Institute through Education Support Programme

The primary motivation of the initiative was to develop information gathering protocols and strategies for CSOs to improve the extent to which educational service delivery CSO interventions are validated sources of systematic social data. Therefore, this was a research strategy capacity development programme, which adopted the use of practice based learning activities and test based instrument development. The project included elaboration of the organisational data gathering protocols and strategies by PAC Multimedia and other CSO's in the country with objective to summarise the introspective process of considering knowledge management as part of the organisational history and work of CSOs and based on the findings to conduct knowledge audit. The final report summarised all of the findings of the research process in a compilation that can be used as learning and guiding tool for CSOs. The aim of the report was, on one side, to identify and analyse key processes, techniques and tools for creating and harnessing knowledge in PAC Multimedia and, on the other side, to provide information on the status of the subject among the civil society sector in Macedonia.

Project activities implemented:

- Elaboration of the organisational data gathering protocols and strategies by PAC Multimedia and CSOs in Macedonia;
- Participation at CIES event in Montreal;
- Methodology development;
- KM survey, including: Knowledge need analysis (K-needs analysis); Knowledge inventory analysis (K-inventory analysis);
- Knowledge flow analysis (K-flow analysis); Knowledge mapping.
- Preparation of final report and public promotion of the results.

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Results achieved:

- Identified KM processes, approaches and strategies within PAC Multimedia;
- Analysis of the status of KM among CSOs in Macedonia;
- Identified needs of PAC Multimedia in relation to KM (trainings, data base development);
- Initiated process of redesign of web page to serve as a knowledge base of the organisation;
- Developed protocol of who, what kind and where the knowledge is stored;
- Identified vital elements in the development of effective knowledge management programmes and initiatives that are directly relevant to the organisation's specific knowledge needs and current situation.

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Project: YOUTH AGAINST DISCRIMINATION THROUGH SOCIAL MEDIA

Duration: August 2011 - February 2012

Funding: UNDP, ACT Project 7th phase and the organiser

The project was implemented in two secondary schools in Skopje, SUGS “Pance Arsovski” and SUGS “Marija Sklodovska-Kiri”, involving altogether 40 direct participants, and approximately 800 indirect beneficiaries. The project implementation was based on various educational methods, aiming to promote a different approach to the human rights promotion by creative use of social media and new technologies. The project provided the students an active learning experience on human rights defense and non-discrimination within their communities but also learning how to transfer such activism online. The activities included workshops, research and experiments performed by the participants, trainings and practical implication of the gained knowledge on the new social media.

General goals of the project are:

- To increase the capacity of young people to promote and apply the human rights principles and non-discriminatory practice at school and in their social networks interactions;
- To increase the capacities of young people to be more critical consumers and producers of social messages;
- To give recognition of the core values of the human rights concept and their relationship to existing power structures among the students;
- To transfer the gained knowledge to other students and target groups using the social media tools, achieving in such way high level of peer-to-peer informal education and youth activism;
- To establish contacts among public and civil society sector in improvement the quality of non-formal education in the country and introduction of human rights education in the formal curricula.

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Project activities implemented during 2011:

- Human right workshops with the students` groups;
- Research activities on stereotyping and discrimination in the media;
- Research activities within the school environment on visible forms of stereotyping and discrimination;

Results achieved in 2011:

Through these intensive educative workshops the students had the opportunity to critically consider and discuss situations of violation of human rights in their surrounding and to acknowledge its impact for the whole community. The content of these workshops basically considered the issue of discrimination regarding their everyday life, although the students later on choose the specific topic on discrimination they found most related to their concerns.

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Project: INTER-ETHNIC YOUTH PARTICIPATION IN HUMAN RIGHTS DEBATE USING SOCIAL MEDIA

Duration: October 2011 - September 2012

Funding: US Embassy in Skopje, Democracy Commission Small Grants Program and the organiser

The project is envisaged as a 12-months process implemented in 2 secondary schools in the municipalities of Tetovo and Gostivar with the objective to enhance youth active participation in fostering interethnic dialogue in school environment and to enhance civic awareness and the respect for human rights among young people in Macedonia by creative use of social media and new technologies (Internet, Facebook, Twitter, Myspace, Blogs, etc). In this aim, the project hopes to contribute to student's efforts in making their schools human rights based community and to assist schools in becoming safe school environment. The project's activities include workshops on multicultural education, research activities to scan the understanding of difference and reaction to difference within the school environment, as well as education on social media, all directed toward development of new approach for social inclusion based on art.

General goals of the project are:

1. To promote positive attitudes towards 'others' among secondary school-aged students in multiethnic communities in Macedonia;
2. To develop mechanisms in the school environment that promotes respect, tolerance and acceptance among different cultural and ethnic groups of young people;
3. To enhance youth participation in creating of safe school environment that promotes non-violent problem solving, tolerance and respect for differences.
4. To promote innovative approaches in youth work, using social media and new technologies (Internet, Facebook, Twitter, Myspace, Blogs, etc).

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Project activities implemented during 2011:

- Educational workshops on the subject of multicultural education inducing improved knowledge of other cultures and respect for tolerance among the involved secondary school students;
- Educational workshops on the use of social media as a tool for social change and boosting active citizenship;
- Case studies reviews and research activities done by both working groups in their school contexts.

Results achieved in 2011:

The importance of the project is that it builds upon the process of reforms in the education sector and contributes to the national goals for improving the quality of education in line with the country's aspiration for European integration. The project represents further improvement of the subject curricula (especially for Life-Skills-Based Education and elective subjects), incorporating educational goals that promote multiculturalism and respect for cultural/ethnic differences.

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Project: Institutional support for PAC Multimedia during 2011

Duration: January - December 2011

Funding: Center for Institutional Development CIRa through the Civica Mobilitas Programme – implemented by CIRa and financially supported by Swiss Development Cooperation Office in Skopje.

During 2011, the Cultural Policy and Research Programme was again granted institutional support. The programme aims to establish principles of civic participation as self-evident measure in all present and future cultural policy-making processes in multicultural municipalities in Macedonia and the region and to share best-practices with other municipalities. The programme establishes a flexible methodological framework where all the different local actors, participants in the cultural life at local level with various powers and tasks (as cultural professionals, artists, decision-makers on local level, cultural operators and citizens) have to be taken into consideration when designing cultural policies for their cities, in an inclusive and 'participative' way.

Project activities implemented during 2011:

- Training meetings for cultural policy issue;
- Art production and creative workshops for artists;
- Visits to regional and international conferences of the team of PAC Multimedia where the experience in local cultural policy in the country was presented.

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Results achieved in 2011:

- 30 trained people from the municipalities of Kichevo, Tetovo and Gostivar from Macedonia and the municipalities of Gnilane, Novo Brdo and Prizren from Kosovo (representatives of the cultural institutions, cultural operators, local administration and NGOs) about creating, implementing, monitoring and evaluating of the cultural policies (as part of the project: CULTURE FROM—FOR ALL: policy cooperation among Macedonia and Kosovo);
- Conducted research activities related to the best practices of Culture management in EU and Swiss cultural institutions;
- Conducted research activities related to the Cultural Management in BiH and needs assessment;
- Conducted two trainings, the first on the issue of Strategic Planning in Cultural Management for BiH key culture stakeholders and the second, on EU and other funds for culture for BiH key culture stakeholders;
- 10 artists from Macedonia and Kosovo received two artistic collaborative programmes and as a result of it they have produced one interdisciplinary performance, presented to the audience in Macedonia and Kosovo;
- 100 people from Macedonia and Kosovo have visited the artistic productions (as part of the project CULTURE FROM/FOR ALL: policy cooperation among Macedonia and Kosovo);
- Organised one International Conference on the theme: CULTURAL CITIES – Development potential for communities, where 15 panellists (experts from the Balkans) and 10 representatives from the municipalities of Skopje, Kichevo, Gostivar, Tetovo, Gnilanje, Novo Brdo and Prizren (Mayors and presidents of the City Councils) had expert presentations;
- Redesigned the web page so to serve as a knowledge base of the organisation;
- Developed Knowledge management protocol for the organisation and its staff members;
- Identified vital elements in the development of effective knowledge management programmes and initiatives that are directly relevant to the organisation's specific knowledge needs and current situation;
- Developed methodology for informal education that combined human rights education and art with secondary students' groups.

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METHODOLOGY OF WORK OF THE PROJECTS

The methodological framework for the project activities is structured around several inter-linked platforms that include a) understanding and improving the community environment, b) strengthening the local system and providing good practices, c) capitalizing on inputs and resources, d) enhancing communications and outreach, and lastly, e) mobilising people and utilizing social capital. The working methodology is based on several aspects that contribute to effective implementation of all envisaged activities:

- **Participant-Driven Approach:** the working subject and methodology is designed to respond to the needs of the involved target groups ; it creates atmosphere and provides tools where the individual and group participation of all beneficiaries in the project design, implementation, monitoring and evaluation can be enhanced;
- **Capacity Development:** PAC Multimedia is focused on capacity building activities, debates and discussions through which the target groups can improve their knowledge, skills and technical capacities;
- **Expertise:** PAC Multimedia ensures involvement of experts from Macedonia and the region with relevant knowledge, experience and credibility in the home countries and the region;
- **Continuity:** PAC Multimedia is devoted to continuous processes. This aspect is an essential part of the policy-oriented platform of PAC Multimedia, but also substantial for improving the communal life by benefiting both citizens and the authorities.

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IMPACT

Through the project's activities and the lobbying and advocacy actions, PAC Multimedia ensured:

- coordination between the process of capacity building, cultural planning and the strategic development of the municipalities in Macedonia and the region;
- establishment of system of quality indicators and monitoring procedures in the cultural life on local level;
- explored new models of cultural organisations and institutions that respond to local cultural needs;
- initiated regional dialog of the role of the civil society sector and the citizens in cultural programming on local level;
- initiated process of improvement of the status of public-private partnership in programming, organising and responding to cultural needs on local level;
- allowed pooling experiences between cultural stakeholders on local level;
- provided exchange of good practice model of deinstitutionalisation of culture in EU;
- raised awareness about the potential of culture/art and cultural activities in the protection and promotion of cultural rights and promoting active citizenship and citizen's participation in communal life;
- raised awareness of the potential of art to bring social change and bring attention to social issues;
- strengthen the regional cooperation through exchange of policy work, art products and lessons learnt throughout the policy development process among the municipalities in Macedonia and with other municipalities in the region.

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MANAGEMENT STYLE

PAC MULTIMEDIA is structured in the following bodies:

- **Founder**
- **Executive Board**
- **Executive Director**

The **Founder** has the jurisdiction:

- to make decisions on basic programming activities of the organisation;
- to make decisions on specific activities of the organs of the organisation;
- to adopt the financial plan of the organisation;
- to make decisions related to allocation of funds for current operations;
- to adopt the final account;
- to make amendments to the Statute of the organisation;
- to conduct election for members of the Executive Board of the organisation;
- to conduct election for Executive Director of the organisation;
- to make decisions related to partnerships with international organisations and membership in networks.

The **Executive Board** is the executive body of the organisation and consists of 5 members. The mandate of the members lasts for 1 year with possibility of re-election with an extension of 1 year. The Executive Board has a president and secretary with the right of unlimited re-election.

The **Executive Board** has the following responsibilities:

- to carry out statutory tasks of the organisation and decisions and conclusions of the founder;
- to adopt and implement the annual working programme of the organisation;

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- to proposes changes and amendments to the Statute;
- to adopt bylaws, to accept agreements and contracts;
- to organise and actively participate in the organisation of various actions and events;
- to advocate and fund-raises for the organisation;
- to implement decisions for procurement and disposal of fixed assets;
- to decide on participation at symposiums, conferences, seminars.

The Executive Board convenes and conducts meetings as needed. The meetings are convened by the President of the Executive Board. The Executive Board meetings are kept and adopted during the next meeting. Decisions in the Executive Board are adopted only if majority of members of the Executive Board vote for it.

The managerial structure of PAC Multimedia is composed of:

1. **Executive Director**
2. **Programme coordinator**
3. **Programme assistant**
4. **Project managers**
5. **Account manager**
6. **Web administrator**
7. **Volunteers**

The **Executive Director** performs the following duties:

- advocates and represents the organisation;
- informs the public about the activities undertaken and measures of the organisation;
- represent the organisation in relations with third parties; e work of the bodies of the organisation;
- undertakes activities for international cooperation;

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- implements the decisions of the organisation's founder and other decisions taken by the authorities;
- proposes to the founder decision on entering into alliances and membership in international organisations.

The decision making is in the hands of **Executive Director** who reports to **Founder and the Executive Board**. The Executive Board reports his work report to the founder.

The **Programme coordinator** is responsible for:

- direct programming and management of the programme from beginning to end;
- develop full-scale project plans and associated documents to the programme;
- effectively communicate projects among programmes, team members and stakeholders;
- estimate the resources and participants needed to achieve programme goals;
- draft and submit budget reports
- delegate tasks and responsibilities to appropriate personnel;
- identify and resolve issues and conflicts within the project team;
- plan and schedule project timelines;
- develop and deliver progress reports, proposals, requirements documentation, and presentations;
- define project success criteria and disseminate them to involved parties throughout project life cycle;
- coach, mentor, motivate and supervise project team members and contractors, and influence them to take positive action and accountability for their assigned work.

The **Programme coordinator** reports to the Executive Board.

The **Assistant programme coordinator** is assisting and reports to the Programme coordinator in all of the above mentioned tasks while **Project managers** are focused on direct management of specific project and reports both to the Programme coordinator and the Executive Director.

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HUMAN RESOURCES IN 2011

Name	Profession	Function	Employed since
Ms. Violeta Simjanovska	MA in Cultural Policy and Cultural Management	Executive Manager	1998
Ms. Mojanchevska Katerina	MA in Communication studies	Programme coordinator	2005
Mr. Naum Simjanovski	B.Sc. Engineer	Programme assistant	2010
Ms. Andrijana Zakov	B.Sc. Economist	Account manager (external collaborator)	2011
Mr. Ognjen Brazhanski	B.Sc. Physical Education, IT courses	Wed administrator	2009

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FINANCIAL MANAGEMENT PRACTICE

PAC MULTIMEDIA's financial management is based on the principles of transparency, accountability and integrity. PAC Multimedia keeps detailed documentation on all expenditures and have integrated accounting of all projects. Based on donor's requirements projects are administered through separate account and the submitted financial reports are in line with the donor's specifications. The financial management of PAC Multimedia is executed by qualified economist, who is external collaborator of the organisation, engaged in contract work, and in accordance with the Law on Accounting and Company Law. The financial management is operated by the Executive Director. In addition, the organisation submits financial reports to all donors and adopts the annual financial report on revenues and expenditures.

The Programme coordinator and Assistant programme coordinator are responsible for properly supervising expenditures related to the programmes they run and report to the Executive Director. The Executive Director organises and coordinates the work of the bodies of the organisation and supervises the financial performance in all programmes.

The preparation of project and annual reports, as well as the preparation of financial statements and balance of income is the task of accounting, while the process is supervised by the Executive Director. All reports are adopted by the founder.

PAC Multimedia regularly meets legal obligations to submit annual balance sheet. In 2011, external audit is performed by **BEND Audit & Consulting**, Macedonia.

PAC MULTIMEDIA is an independent institution and has no party affiliations. Ideas matter to the team of PAC Multimedia more than party ideologies.

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FINANCIAL RESOURCES AVAILABLE

During 2011, main donor of PAC Multimedia's activities has been the Swiss Cultural Programme for the Western Balkan, capitalized in the three year project on local cultural development, the partnership with the Center for Institutional Development—CIRa continued in the course of the year while new partnerships have been established with the UNDP Offices in Skopje and Sarajevo, The US Embassy in Skopje and OSF in Budapest.

During 2011, PAC Multimedia insured in-kind contribution by the municipalities of Tetovo, Kichevo and Gostivar within the scope of the three year project on local cultural development.

Expenditures in 2011 have been soundly made in accordance with the proposed budget applications and a sound bookkeeping have been made. The balance sheet and income statement are part of this report.

Main donors in 2011 have been:

- **Swiss Cultural Programme of the Western Balkan;**
- **Center for Institutional Development—CIRa through the financial support of the Swiss Development Cooperation Office in Skopje;**
- **UNDP, Office in Sarajevo;**
- **Open Society Foundation, Education Support Programme, Budapest;**
- **UNDP, Office in Skopje;**
- **US Embassy in Skopje.**

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INDEPENDENT AUDIT REPORT by BEND Audit & Consulting

On your request, we perform a financial report audit of the Performing Arts Centre Multimedia Skopje (in the following text “the Organization”), for the period from 01.01.2011 to 31.12.2011 ready for presentation. Financial reports included are: Balance Sheet as of 31 December 2011, the Statement of Revenues and Expenses and Statement of Changes in Funds for the period as well as a preview of significant accounting policies and other explanation notes.

Management's responsibility for the financial statements

Organization’s management is responsible for preparing and objective presentation of financial reports, in accordance with RM regulations and principles. This responsibility includes: shaping, implementing and keeping an intern control that is relevant preparing and objective presentation of financial reports free of material wrong interpretation, no matter if it is a result of deceives or mistakes; choosing and application of suitable accounting policies; as well as making accounting evaluations that are reasonable in the given circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we respect ethical demands and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining, on test bases, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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Financial reports for 2010 were audited by the independent auditors DimitrovRevizijaSkopje, which ensure comparability with the financial reports for 2011.

We believe that our audit provides reasonable bases for our opinion.

Auditor's opinion

In our opinion, financial reports present really and objectively the financial statement and financial efficiency of the Performing Arts Centre Multimedia Skopje at 31 of December 2011, and they are in accordance with published standards for financial reporting and legal regulations in the Republic of Macedonia

Auditors

BEND REVIZIJA I KONSALTING TP TETOVO;
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Tetovo, 20.07.2012

Annual Report and Financial Statement 2011

BALANCE SHEET
As of 31 December
(In thousands of MKD)

	Note	2011	2010
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2.517	1.147
Receivables		2	
Total current assets		2.519	1.147
NON-CURRENT ASSETS			
Property, plants and equipment		32	74
Total non-current assets		32	74
TOTAL ASSETS		2.551	1.221
LIABILITIES AND OPERATING FUND			
CURRENT LIABILITIES			
Accounts payable		69	
Total current liabilities			
OPERATING FUND			
Operating fund		1.179	74
Surplus of revenues over expenses		1.303	1.147
Total Operating fund			
TOTAL LIABILITIES AND OPERATING FUND		2.551	1.221

Notes to the financial statements are part of the financial statements.

The accompanied financial statements are approved by the management of the Organization and signed on its behalf by:

Violeta Simjanovska, Executive Director

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STATEMENT OF REVENUES AND EXPENSES

For 2010 and 2011

(In thousands of MKD)

	Note	2011	2010
Granted donations		8.322	4.658
Other revenues		16	63
Surplus of revenues from previous years			1.278
Total revenues		8.338	5.999
Operating expenses		7.035	4.853
Transfers to subcontractors			
Total expenses		7.035	4.853
Surplus of revenues over expenses before taxes			
Income tax			
Surplus of revenues over expenses after taxation		1.303	1.147
Accounts payables as of 31.12.20			
Surplus of revenues over expenses		1.303	1.147

Notes to the financial statements are part of the financial statements.

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STATEMENT OF CHANGES IN FUNDS

For 2011

(In thousands of MKD)

	Operating fund	Current surplus of revenues over expenses	Total
Balance as of 01.01.2011	74	1.147	1.221
Correction of prior period errors			
Additions			
Depreciation	(42)		(42)
Transferred surplus of revenues over expenses from previous year		(1.147)	(1.147)
Surplus of revenues over expenses for the current year		1.303	1.303
Balance as of 31.12.2011	32	1.303	1.335

Notes to the financial statements
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. ESTABLISHMENT AND ACTIVITY OF THE ASSOCIATION

Performing Arts Centre Multimedia Skopje is an organization established in 2000 according to the Law of Culture. The organization is non-governmental, non-profit culture centre which conducts performing art and multidisciplinary activities. The organization is located in Skopje, with address: st. Bulevar Goce Delcev 11/1/1 DTC/Mavrovka – Lamela C.

NOTE 2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Organization are conducted in accordance with the Non-Profit Association Accounting Law and the accepted accounting, principles practice and accounting standards for a presentation of the balance sheet items, balance of the assets, liabilities, sources of assets, revenues and expenses, and the operating results on true, fair, confidential, complete, punctual basis.

The amounts in the statements and the notes are stated in thousands of MKD, except when otherwise indicated in the text.

NOTE 3. BASIC ACCOUNTING POLICIES

The basic accounting policies used for preparation of the financial statements are listed in the following text. The accounting policies of the Association are being adequately applied from year to year.

Cash and cash equivalents

Statements require presentation of the Organization's cash that comprises the cash on hand and the cash on bank account in the commercial banks.

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Money at the cash account and at the bank accounts stated in domestic currency are presented in the general ledger at their nominal value, while the foreign exchange currency is stated according to the exchange rate of NBRM at the reporting date.

Tangible and intangible assets

Tangible and intangible assets (fixed assets) are stated at cost.

The operating fund of the Organization's increases for the amount of the value of fixed assets purchased. According to the accounting policy concerning fixed assets, they are all recognized as expenses for the period they are purchased, i.e. when the funds (in cash or non-current assets) are received from the donors.

The cost of the fixed assets comprise the purchasing price increased for the import customs, manipulative expenses and all other expenses that can be added to the cost, i.e. to the purchasing expenses.

Depreciation

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, by using the official depreciation rates prescribed in the Nomenclature for depreciable assets for non-profit association, so their cost and revaluation are depreciated in equal annual amounts during the estimated utilization period of the fixed assets.

The current depreciation amount is entered on the burden of the operating fund.

The calculation of the depreciation is performed separately for each item, and not for groups of assets.

Recognition of the revenues and expenses

The recognition of the revenues and expenses for non-profit organizations is based upon the accounting principle for modified presentation of the operating transactions.

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The accounting principle for modified presentation of the operating transactions means recognition of the revenues and the expenses during the period of their appearance according to the criteria of measurement and disposal. Revenues, i.e. expenses are measurable when they can be stated at value. Revenues, i.e. expenses are on disposal when they are realized, i.e. when they appear (when collected, i.e. paid) during the accounting period or within 30 days after this period, used for covering this period's liabilities, i.e. the payment liability arisen during this period.

Amounts stated in foreign currency

The transactions in foreign currency are stated in MKD according to the Official exchange rate of NBRM at the date of transaction.

Foreign exchange assets and liabilities of the balance sheet are stated in MKD according to the official exchange rates on the balance sheet date.

The Income Statement includes the net foreign exchange gains and losses that resulted from the conversion of the amounts in foreign currency in the period when they occur.

The average (closing) exchange rates of the MKD related to the foreign exchange currencies (for one unit of foreign exchange currency) as of 31 December are as follows:

Currency	2010	2011
EUR	61.5050	61.5050
USD	47.5346	46.3140
CHF	50.5964	49.3026

(In MKD)

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