



**Center for Research and  
Policy Making – CRPM,  
Skopje**

Financial Statements for the Year Ended  
31 December 2021 and

**Independent Auditor's Report**

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To:  
The Management of  
Center for Research and Policy Making - CRPM  
Skopje

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Center for Research and Policy Making - CRPM (in the following text "the Association"), which comprise the Balance Sheet as of 31 December 2021, the Statement of Revenues and Expenses and Statement of Changes in Funds for the year then ended and a summary of significant accounting policies and other explanatory notes.

### ***Management's responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Law for Non-profit Organizations and the standards for reporting under the cash basis of accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Auditing Standards applicable in the Republic of North Macedonia<sup>1</sup>. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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<sup>1</sup> International Standards on Auditing ("ISA") issued by the International Auditing and Assurance Standards Board (IAASB), which are in effect from 15 December 2009, translated and published in Official Gazette of RM no. 79 from 2010

To:  
The Management of  
Center for Research and Policy Making - CRPM  
Skopje

## INDEPENDENT AUDITOR'S REPORT (Continued)

### **Auditor's opinion**

In our opinion, the financial statements of the Center for Research and Policy Making – CRPM, give a true and fair view, in all material aspects, of the financial position of the Association as of 31 December 2021, as well as the operating results and the changes in the funds for the year than ended, in accordance with the Accounting Law for Non-profit Organizations and standards for reporting under the cash basis of accounting.

Certified Auditor, Partner

Darko Kalin

24 November 2022

Director

Darko Kalin



**STATEMENT OF REVENUES AND EXPENSES**  
**For the Year Ended 31 December 2021**  
**In MKD thousands**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
Granted donations and other revenues	4	24.933	15.894
Financial revenues	5	127	6
Transferred surplus of revenue from the previous year		15.998	11.422
<b>TOTAL REVENUES</b>		<b>41.058</b>	<b>27.322</b>
Material costs and services	6	1.788	1.121
Expenses for employees	7	5.689	4.431
Capital expenses	8	-	295
Other operating expenses	9	16.495	5.257
<b>TOTAL EXPENSES</b>		<b>23.972</b>	<b>11.104</b>
<b>Surplus of revenues over expenses before taxes</b>		<b>17.086</b>	<b>16.218</b>
Income Tax		-	-
<b>Surplus of revenues over expenses after taxation</b>		<b>17.086</b>	<b>16.218</b>

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

The accompanying financial statements were authorised for issue by the management of the Association and were signed on its behalf by:

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**Marija Risteska**

Executive Director

**BALANCE SHEET**  
**As of 31 December 2021**  
**In MKD thousands**

	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	161	281
Non-material assets	11	62	81
		<b>223</b>	<b>362</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	12	17.054	16.179
Receivables	13	25	25
Prepayments	14	32	32
<b>Total Current Assets</b>		<b>17.110</b>	<b>16.236</b>
<b>TOTAL ASSETS</b>		<b>17.333</b>	<b>16.598</b>
<b>LIABILITIES AND OPERATING FUND</b>			
<b>OPERATING FUND</b>			
Operating Fund		223	363
Surplus of revenues over expenses after taxation		17.086	16.218
<b>Total Operating Fund</b>	15	<b>17.309</b>	<b>16.581</b>
<b>CURRENT LIABILITIES</b>			
Other current liabilities	16	24	17
<b>Total Current Liabilities</b>		<b>24</b>	<b>17</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>17.333</b>	<b>16.598</b>

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CHANGES IN OPERATING FUND**  
**For the Year Ended 31 December 2021**  
**In MKD thousands**

	<b>Operating Fund</b>	<b>Surplus of revenues over expenses</b>	<b>TOTAL</b>
<b>Balance as of 1 January 2020</b>	<b>199</b>	<b>11.422</b>	<b>11.621</b>
Transferred surplus of revenues over expenses from previous year	-	(11.422)	(11.422)
Purchases	295	-	<b>295</b>
Depreciation for the year	(131)	-	<b>(131)</b>
Surplus of revenues over expenses	-	16.218	<b>16.218</b>
<b>Balance as of 31 December 2020</b>	<b>363</b>	<b>16.218</b>	<b>16.581</b>
Transferred surplus of revenues over expenses from previous year	-	(16.218)	(16.218)
Revaluation of assets	1	-	1
Purchases	-	-	-
Depreciation for the year	(141)	-	<b>(141)</b>
Repayment of funds transferred from previous year surplus	-	(221)	<b>(221)</b>
Surplus of revenues over expenses	-	17.307	<b>17.307</b>
<b>Balance as of 31 December 2021</b>	<b>223</b>	<b>17.086</b>	<b>17.309</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2021**

**All amounts are expressed in MKD thousand, unless otherwise stated**

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**1. ESTABLISHMENT AND ACTIVITY**

Center for Research and Policy Making is association of citizens established at 15.03.2004 according to the Law of Associations of Citizens and Foundations (Official Gazette of RM No.31/98). The Association is registered in the register of the Association of Citizens and Foundations with Registration No. 5880378. The Association operates in accordance with the Law of Associations of Citizens and Foundations (Official Gazette of RM No.31/98) and a Statute.

The Center for Research and Policy Making is an organization that has a mission to promote good governance and development in Macedonia on the basis of relevant, evidence based policy research, capacity building and trainings, evaluations, analyses and surveys, without regard to and independently of any group of the society, either political, social or economic.

The Association is located in Skopje, with address str. Cico Popovic no.6-2/9, Skopje- Center. The total number of the employees as of 31 December 2021 amounts 8 employees (31 December 2020 was 8 employees).

**2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements of the Association are conducted in accordance with the Non-Profit Organization Accounting Law and the International accounting standards for the public sector on cash basis published in the Republic of North Macedonia for presentation of the balance sheet items, balances of the assets, liabilities, sources of the 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.

The comparative figures for the year ended 31 December 2020 are presented as audited.

**3. BASIC ACCOUNTING POLICIES**

The basic accounting policies used for preparation of the financial statements are listed in the following text.

**3.1 Cash and cash equivalents**

The Association's cash comprises of the cash on hand and the cash on bank account in the commercial banks. 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.

**3.2 Material and non-material investments**

Material and non-material investments (fixed assets) are stated at their cost value. The cost of the fixed assets comprise the purchasing price increased for the import customs, non-refundable VAT, manipulative expenses and all other expenses that can be added to the cost, i.e. to the purchasing expenses. The operating fund of the Association increases for the amount of the value of fixed assets purchased. The revaluation of fixed assets (tangible and intangible assets), is performed because of additional valuation due to the increase of the annual inflation rate, measured with the official industrial product price index. Revaluation basis is the cost of the assets. Revaluated value of the assets is determined by indexing.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2021**

**All amounts are expressed in MKD thousand, unless otherwise stated**

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**3. BASIC ACCOUNTING POLICIES (Continued)**

**3.3 Depreciation**

Tangible and intangible assets (fixed assets) are depreciated using the straight-line method, so their cost and revaluated amount are depreciated in equal annual amounts during the estimated utilization period of the fixed assets.

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

The depreciation rates, applied by the Association in 2021 are as follows: 15% for vehicles, 15% - 20% for equipment and 20% for software.

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

**3.4 Recognition of the revenues and expenses**

Revenues and expenses of the non-profit Associations are recognized according to the modified accrual basis of accounting.

According to the modified accrual basis of accounting the revenues i.e. expenses are recognized in the accounting period of calculation in which they appear under criteria of measurement and availability. Revenues i.e. expenses are measurable when they can be stated by their value. Revenues i.e. expenses are available when they are realized, i.e. when they appear (paid) in the accounting period or within the period of 30 days after the accounting period, under condition to be related to the accounting period and serve for payment of the liabilities for the period (if liabilities for payment appear in the accounting period).

**3.5 Income tax**

*(a) Current Income Tax*

Current income tax represents an amount that is calculated and paid in accordance with the effective Profit Tax Law of the Republic of North Macedonia. For 2021, income tax is calculated as 1% on the revenue from operating activities, above the defined threshold of 1.000 thousand of MKD (2020 Income tax is payable at the rate of 10% on the tax base reported in the annual corporate income tax return as reduced by any applicable tax credits. The tax base stated in the income tax return includes profit for the year increased for unrecognized expenses, taxable income from related parties and unclosed balances of loans given, in accordance with the regulations in the Income Tax Law, decreased for any tax reliefs).

*(b) Deferred taxes*

Deferred taxes are recognized in cases of differences between the carrying amounts of assets and the liabilities in the financial statements and the carrying amounts as per tax regulations and are reported using the balance sheet liability method. Deferred tax liabilities are recognised for all deductible temporary differences given that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. In these financial statements, there are no temporary tax differences.

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

**3. BASIC ACCOUNTING POLICIES (Continued)****3.6 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 denar related to the foreign exchange currencies (for one unit of foreign exchange currency) as of 31 December are as follows:

In MKD	31 December 2021	31 December 2020
USD	54,3736 Denars	50,2353 Denars
EUR	61,6270 Denars	61,6940 Denars
CHF	59,4683 Denars	56,8242 Denars

**4. GRANTED DONATIONS AND OTHER REVENUES**

	2021	2020
Revenues from donations	23.812	15.335
Other revenues	1.121	559
<b>Total</b>	<b>24.933</b>	<b>15.894</b>

Breakdown of granted donations by donors:

	2021
Austrian Development Agency	12.339
SIDA	3.779
UNDP	1.745
Hedayah Center of Excellence / EU	1.403
Deutsche Gesellschaft Fuer Intern	1.854
CPCD	1.120
Asociatia Intitutul Pentru / Bucurest	1.063
Erasmus	500
Others	9
<b>Total</b>	<b>23.812</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

**5. FINANCIAL REVENUES**

	<u>2021</u>	<u>2020</u>
Foreign exchange gains	127	6
<b>Total</b>	<b><u>127</u></b>	<b><u>6</u></b>

**6. MATERIAL EXPENSES AND SERVICES**

	<u>2021</u>	<u>2020</u>
Other material expenses	691	476
Rent	730	405
Cost of materials	133	44
Transportation	74	70
Utilities	109	114
Expenses for Marketing and Representation	51	12
<b>Total</b>	<b><u>1.788</u></b>	<b><u>1.121</u></b>

**7. EXPENSES FOR EMPLOYEES**

	<u>2021</u>	<u>2020</u>
Salaries	5.689	4.431
<b>Total</b>	<b><u>5.689</u></b>	<b><u>4.431</u></b>

**8. CAPITAL EXPENSES**

	<u>2021</u>	<u>2020</u>
Equipment	-	295
<b>Total</b>	<b><u>-</u></b>	<b><u>295</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

**9. OTHER OPERATING EXPENSES**

	<b>2021</b>	<b>2020</b>
Intellectual services	4.373	3.569
Transferred funds	11.313	705
Per diems and travel costs	258	414
Taxes	371	323
Bank charges	100	56
Foreign exchange losses	34	93
Other operating expenses	46	97
<b>Total</b>	<b>16.494</b>	<b>5.257</b>

**10. PROPERTY, PLANT AND EQUIPMENT**

	<b>Property, plant and equipment</b>	<b>Total</b>
<b>Cost as of 1 January 2020</b>	<b>889</b>	<b>889</b>
Additions 2020	221	221
<b>Balance as of 31 December 2020</b>	<b>1.110</b>	<b>1.110</b>
Additions 2021	-	-
Revaluation of assets	1	1
<b>Balance as of 31 December 2021</b>	<b>1.111</b>	<b>1.111</b>
<b>ACCUMULATED DEPRECIATION</b>		
<b>as of 1 January 2020</b>	<b>721</b>	<b>721</b>
Depreciation 2020	108	108
<b>Balance as of 31 December 2020</b>	<b>829</b>	<b>829</b>
Depreciation 2021	115	115
Revaluation of depreciation	1	1
Adjustment	5	5
<b>Balance as of 31 December 2021</b>	<b>950</b>	<b>950</b>
<b>Net book value as of:</b>		
- 31 December 2020	<b>281</b>	<b>281</b>
- 31 December 2021	<b>161</b>	<b>161</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

**11. NON- MATERIAL ASSETS**

As of 31 December 2021 the association has non-material assets – software, license and patents at the amount of 62 thousand of MKD (2020: 81 thousand of MKD). The value at cost is 111 thousand of MKD, while the accumulated depreciation is 49 thousand of MKD (2020: the value at cost is 112 thousand of MKD and accumulated depreciation is 31 thousand of MKD).

**12. CASH AND CASH EQUIVALENTS**

	<u>2021</u>	<u>2020</u>
Bank account	9.607	9.273
Foreign currency bank account	7.362	6.798
Other accounts	85	106
Petty cash	-	2
<b>Total</b>	<b><u>17.054</u></b>	<b><u>16.179</u></b>

**13. RECEIVABLES**

	<u>2021</u>	<u>2020</u>
Prepayments	25	25
<b>Total</b>	<b><u>25</u></b>	<b><u>25</u></b>

**14. PREPAYMENTS**

	<u>2021</u>	<u>2020</u>
Prepayments	32	32
<b>Total</b>	<b><u>32</u></b>	<b><u>32</u></b>

**15. OPERATING FUND**

	<u>2021</u>	<u>2020</u>
Operating fund	223	363
Surplus of revenues over expenses after taxation	17.086	16.218
<b>Total</b>	<b><u>17.309</u></b>	<b><u>16.581</u></b>

The changes in the Operating fund are stated in the Statement of changes in the operating funds on page 5.

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2021

All amounts are expressed in MKD thousand, unless otherwise stated

**16. OTHER CURRENT LIABILITIES**

	<b>2021</b>	<b>2020</b>
Other current liabilities	24	17
<b>Total</b>	<b>24</b>	<b>17</b>

**17. OFF-BALANCE RECORDS**

As of 31 December 2021, the Association has no off-balance sheet exposure.

**18. SUBSEQUENT EVENTS**

After 31 December 2021 - the reporting date, until the day of approval of these separate financial statements, the following events are materially significant for disclosure in these separate financial statements:

- The military action in Ukraine by the Russian forces that started on February 24, 2022 is a far-reaching event that will also leave evident traces in the global economy, and thus in corporate financial reporting. Impacts were immediately felt on the commodities and the financial markets, especially with the imposition of severe sanctions against Russia. The consequences for Russia and the imposing countries are immediately visible, but in the long run there will also be significant consequences for the global economy. It is currently difficult to predict how long this crisis will last, which may also intensify with further actions even after the end of military actions. Therefore, the Organization considers these events to be non-adjusting subsequent events. Consequently, the financial position and results of operations of and for the period ended 30 June 2022 are not adjusted to reflect this impact.