Audit & Business Advisory

Center for Research and Policy Making – CRPM, Skopje

Financial Statements for the Year Ended 31 December 2024 and

Independent Auditor's Report

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Audit & Business Advisory

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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 2024, 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 far 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 and 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[1]. 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.

[1] 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 2024, 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

Друштво за ревизија и бизнис консалтинг
А&БА ГРОУП ДООЕЛ
Скопје

Director

Darko Kalin

15 May 2025

STATEMENT OF REVENUES AND EXPENSES
For the Year Ended 31 December 2024
In MKD thousands

	Notes	2024	2023
Revenues			
Granted donations and other revenues	4	57.026	127.529
Financial revenues	5	117	109
Other revenues	6	301	275
Transferred surplus of revenue from the previous year	7	76.477	60.635
TOTAL REVENUES		**133.921**	**188.548**
Expenses			
Material costs and services	8	(7.124)	(6.390)
Other operating expenses	9	(64.115)	(92.628)
Capital expenses	10	(345)	(433)
Expenses for employees	11	(14.229)	(12.620)
TOTAL EXPENSES		**(85.813)**	**(112.071)**
Surplus of revenues over expenses before taxes		**48.108**	**76.477**
Income Tax		-	-
Surplus of revenues over expenses after taxation		**48.108**	**76.477**

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:

Marija Risteska

Executive Director

BALANCE SHEET
As of 31 December 2024
In MKD thousands

	Notes	2024	2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	48.036	76.442
Receivables	13	25	25
Prepayments	14	238	78
		48.299	**76.545**
NON-CURRENT ASSETS			
Non-material assets	15	12	16
Property, plant and equipment	16	1.361	1.587
		1.373	**1.603**
TOTAL ASSETS		**49.672**	**78.148**
LIABILITIES AND OPERATING FUND			
CURRENT LIABILITIES			
Trade payables and other current liabilities	18	191	68
		191	**68**
OPERATING FUND			
Operating Fund		1.373	1.603
Surplus of revenues over expenses after taxation		48.108	76.477
Total Operating Fund		**49.481**	**78.080**
TOTAL LIABILITIES AND FUNDS		**49.672**	**78.148**

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2024
In MKD thousands

	Operating Fund	Surplus of revenues over expenses	TOTAL
Balance as of 1 January 2023	**1.656**	**60.635**	**62.291**
Transferred surplus of revenues over expenses from previous year	-	(60.635)	(60.635)
Purchases	434	-	434
Depreciation for the year	(487)	-	(487)
Surplus of revenues over expenses	-	76.477	76.477
Balance as of 31 December 2023	**1.603**	**76.477**	**78.080**
Balance as of 1 January 2024	**1.603**	**76.477**	**78.080**
Transferred surplus of revenues over expenses from previous year	-	(76.477)	(76.477)
Purchases of fixed assets	428	-	428
Disposals of fixed assets	(297)	-	(297)
Depreciation of fixed assets disposed	121	-	121
Depreciation for the year	(482)	-	(482)
Surplus of revenues over expenses	-	48.108	48.108
Balance as of 31 December 2024	**1.373**	**48.108**	**49.481**

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024
All amounts are expressed in MKD thousand, unless otherwise stated

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 based on 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 2024 amounts 18 employees (31 December 2023 was 15 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.

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.

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 2024 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 2024, income tax is calculated as 1% on the revenue from operating activities, above the defined threshold of 1.000 thousand of MKD.

(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.

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 2024**	**31 December 2023**
USD	58,8807 Denars	55,6516 Denars
EUR	61,4950 Denars	61,4950 Denars
CHF	65,1775 Denars	66,4093 Denars

4.GRANTED DONATIONS AND OTHER REVENUES

	2024	**2023**
Revenues from donations	128	8
Revenues from grants	56.898	127.521
Total	**57.026**	**127.529**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024
All amounts are expressed in MKD thousand, unless otherwise stated

Breakdown of granted donations by donors:	2024
Austrian Development Agency	27.673
DEUTCHE GESELSCHAFT FUER INTERN	6.894
EU	5.978
SIDA	4.105
Embassy of Kingdom of Netherlands	3.996
THE INTERNACIONAL CENTER OF EXCELLENCE FOR COUNTERING EXTREMISM AND VIOLENT EXTREMISM	3.073
EUD ALBANIA – IDM INSTITUTI PER DEMOKRACI	1.410
CEI SEGRETARIATO ESECUTIVO DELL	646
EU ERAZMUS PROGRAM - AKADEMIJA ZA POLITICKI RAZVOJ I LICA-ZAGREB	620
UK EMBASSY - HERA	454
EU - INTERNATIONAL BUDGET PARTNERSHIP	410
CONSEIL DEL EUROPE	30
Others	1.609
Total	**56.898**

5.FINANCIAL REVENUES

	2024	2023
Foreign exchange gains	117	109
Total	**117**	**109**

6.OTHER REVENUES

	2024	2023
Revenue from consulting services	-	237
Other revenues	301	38
Total	**301**	**275**

7.SURPLUS OF REVENUE FROM THE PREVIOUS YEAR

	2024	2023
Transferred surplus of revenue from the previous year	76.477	60.635
Total	**76.477**	**60.635**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024
All amounts are expressed in MKD thousand, unless otherwise stated

8.MATERIAL EXPENSES AND SERVICES

	2024	2023
Cost of materials	199	312
Utilities	151	148
Maintenance expenses	95	104
Other material expenses	4.841	3.649
Transportation	624	437
Advertising, propaganda and representation expenses	376	412
Rent	837	1.328
Total	**7.124**	**6.390**

9.OTHER OPERATING EXPENSES

	2024	2023
Intellectual services	8.878	8.098
Transferred funds	52.138	80.072
Per diems and travel costs	2.536	3.676
Taxes	83	2
Bank charges	290	525
Foreign exchange losses	78	120
Other operating expenses	113	135
Total	**64.115**	**92.628**

10.CAPITAL EXPENSES

	2024	2023
Equipment	(345)	(433)
Total	**(345)**	**(433)**

11.EXPENSES FOR EMPLOYEES

	2024	2023
Salaries	14.229	12.620
Total	**14.229**	**12.620**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024
All amounts are expressed in MKD thousand, unless otherwise stated

12.CASH AND CASH EQUIVALENTS

	2024	2023
Bank account	12.355	11.736
Foreign currency bank account	35.433	64.635
Petty cash	5	1
Other accounts	243	70
Total	**48.036**	**76.442**

13.RECEIVABLES

	2024	2023
Receivables	25	25
Total	**25**	**25**

14.PREPAYMENTS

	2024	2023
Prepayments	238	78
Total	**238**	**78**

15. NON- MATERIAL ASSETS

As of 31 December 2024, the association has non-material assets – software, license and patents at the amount of 12 thousand of MKD (2023: 16 thousand of MKD). The value at cost is 128 thousand of MKD, while the accumulated depreciation is 116 thousand of MKD (2023: the value at cost is 128 thousand of MKD and accumulated depreciation is 112 thousand of MKD).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024
All amounts are expressed in MKD thousand, unless otherwise stated

16.PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment	Total
Cost as of 1 January 2023	**2.749**	**2.749**
Additions 2023	435	435
Balance as of 31 December 2023	**3.184**	**3.184**
Additions 2024	428	428
Продажби	(297)	(297)
Balance as of 31 December 2024	**3.315**	**3.315**
ACCUMULATED DEPRECIATION		
as of 1 January 2023	**1.134**	**1.134**
Depreciation 2023	463	463
Balance as of 31 December 2023	**1.597**	**1.597**
Depreciation 2024	478	478
Depreciation on fixed assets sold 2024	(121)	(121)
Balance as of 31 December 2023	**1.954**	**1.954**
Net book value as of:		
- **31 December 2023**	**1.587**	**1.587**
- **31 December 2024**	**1.361**	**1.361**

17.TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2024	2023
Trade payables -domestic	30	44
Trade payables foreign	151	-
Other liabilities	10	24
	191	**68**

18. OFF-BALANCE SHEET RECORDS

As of December 31, 2024, the Association recorded unused credit card limits in foreign currency in the amount of 31 thousand of MKD as an off-balance exposure.

19. SUBSEQUENT EVENETS

After 31 December 2024 – date of reporting, until the date of approval of these financial statements, there are no material subsequent events that would have an impact on understanding of financial statements, or which would require correction of the financial statements.