Audit & Business Advisory

Center for Research and Policy Making – CRPM, Skopje

Financial Statements for the Year Ended 31 December 2025 and

Independent Auditor's Report

A member of mgiworldwide

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Table of contents	Page

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

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Center for Research and Policy Making – CRPM, Skopje (hereinafter referred to as the "Association"), which comprise the Balance Sheet as at 31 December 2025, the Statement of Revenues and Expenses, and the Statement of Changes in Sources of Funds for the year then ended, together with the notes on the material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center for Research and Policy Making – CRPM, Skopje as of 31 December 2025, as well as its revenues and expenses and the changes in sources of funds for the year then ended, in accordance with the accounting standards and regulations applicable to non-profit organisations in the Republic of North Macedonia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Association in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) as applicable in the Republic of North Macedonia, together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of North Macedonia, and we have fulfilled all our other ethical responsibilities in accordance with those requirements and the IESBA Code as applicable in the Republic of North Macedonia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting standards applicable in the Republic of North Macedonia, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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Independent Auditors' Report (continued)

Auditor's Responsibility 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 business decisions of users taken on the basis of these financial statements.

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 audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve conspiracy, 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 Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. We 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 Association'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 audit opinion. However, future events or conditions may cause the Association to cease to operate on a going concern basis.

- 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility for the Audit of the Financial Statements

We communicated with those charged with governance, among other things, about the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit..

Certified Auditor, Partner

Darko Kalin

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

Director

Darko Kalin

21 July 2025

STATEMENT OF REVENUES AND EXPENSES
For the Year Ended 31 December 2025
In MKD thousands

	Notes	2025	2024
Revenues			
Granted donations and other revenues	4	88.301	57.026
Financial revenues	5	54	117
Other revenues	6	766	301
Transferred surplus of revenue from the previous year	7	48.108	76.477
TOTAL REVENUES		**137.229**	**133.921**
Expenses			
Material costs and services	8	(6.006)	(7.124)
Other operating expenses	9	(59.864)	(64.115)
Capital expenses	10	(439)	(345)
Expenses for employees	11	(15.139)	(14.229)
TOTAL EXPENSES		**(81.448)**	**(85.813)**
Surplus of revenues over expenses before taxes		**55.781**	**48.108**
Income Tax		-	-
Surplus of revenues over expenses after taxation		**55.781**	**48.108**

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 2025
In MKD thousands

	Notes	2025	2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	55.831	48.036
Receivables	13	25	25
Prepayments	14	211	238
		56.067	**48.299**
NON-CURRENT ASSETS			
Non-material assets	15	-	12
Property, plant and equipment	16	1.370	1.361
		1.370	**1.373**
TOTAL ASSETS		**57.437**	**49.672**
LIABILITIES AND OPERATING FUND			
CURRENT LIABILITIES			
Trade payables and other current liabilities	18	286	191
		286	**191**
OPERATING FUND			
Operating Fund		1.370	1.373
Surplus of revenues over expenses after taxation		55.781	48.108
Total Operating Fund		**57.151**	**49.481**
TOTAL LIABILITIES AND FUNDS		**57.437**	**49.672**

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2025
In MKD thousands

	Operating Fund	Surplus of revenues over expenses	TOTAL
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**
Balance as of 1 January 2025	**1.373**	**48.108**	**49.481**
Transferred surplus of revenues over expenses from previous year	-	(48.108)	(48.108)
Purchases of fixed assets	439	-	439
Revaluation of assets	122	-	122
Depreciation for the year	(493)	-	(493)
Revaluation of depreciation	(71)	-	(71)
Surplus of revenues over expenses	-	55.781	55.781
Balance as of 31 December 2025	**1.370**	**55.780**	**57.151**

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
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 2025 amounts 18 employees (31 December 2024 was 15 employees).

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with the terms set in the Law for accounting of the non-for-profit Foundations (Official Gazette of RM no.24/2003, 17/2011, C court 80.2005, 154/2015), the Rulebook for accounting of non-for-profit Foundations (Official Gazette of RM no. 42/2003, 8/2009, 12/2009, 175/2011), the Rulebook for accounting nomenclature and financial statements of non-for-profit Foundations (Official Gazette of RM no. 117/2005, 11/2006) and the Rulebook of the content of accounts of the accounting nomenclature of the non-for-profit Foundations (Official Gazette of RM no.117/2005).

Financial statement is prepared for the years ended 31 December 2025 and 2024. Operational and reporting currency of the Foundation is the Macedonian Denar. Current and comparative data presented in these financial statements are stated in thousands of MKD, except stated otherwise.

3. BASIC ACCOUNTING POLICIES

The financial statements of the Foundation are conducted in accordance with the Non-Profit Foundation 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.

3.1 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. BASIC ACCOUNTING POLICIES (Continued)

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.

3.3 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 2025 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 2025, 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 2025	31 December 2024
USD	52.3050 Denars	58,8807 Denars
EUR	61.4950 Denars	61,4950 Denars
CHF	66.1735 Denars	65,1775 Denars

4. GRANTED DONATIONS AND OTHER REVENUES

	2025	2024
Revenues from donations	32	128
Revenues from grants	88.269	56.898
Total	**88.301**	**57.026**

Breakdown of granted donations by donors:	2025
NORAD	36.463
ADA	15.126
Deutsche Gesellschaft Fuer Intern	13.051
EUROPEAN COMMISSION RUE DE LA LOI	8.897
Agence Francaise Development	4.928
SIDA	4.269
Embassy of Kingdom of Netherlands	3.425
CONSEIL DEL EUROPE	1.476
Visegrad Fund	301
CEI	253
INFORMATION TECHNOLOGY AND INNOVATI FOUNDATION	52
Other	28
Total	**88.269**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
All amounts are expressed in MKD thousand, unless otherwise stated

5.FINANCIAL REVENUES

	2025	2024
Foreign exchange gains	54	117
Total	**54**	**117**

6.OTHER REVENUES

	2025	2024
Other revenues	766	301
Total	**766**	**301**

7.SURPLUS OF REVENUE FROM THE PREVIOUS YEAR

	2025	2024
Transferred surplus of revenue from the previous year	48.108	76.477
Total	**48.108**	**76.477**

8.MATERIAL EXPENSES AND SERVICES

	2025	2024
Office supplies consumed	81	199
Utilities	109	151
Maintenance expenses	256	95
Other material expenses	6.006	4.841
Transportation	261	624
Advertising, propaganda and representation expenses	669	376
Rent	1.359	837
Total	**8.742**	**7.124**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
All amounts are expressed in MKD thousand, unless otherwise stated

9.OTHER OPERATING EXPENSES

	2025	2024
Intellectual services	14.096	8.878
Transferred funds	40.861	52.138
Per diems and travel costs	4.046	2.536
Taxes	-	83
Bank charges	395	290
Foreign exchange losses	368	78
Other operating expenses	98	113
Total	**59.864**	**64.115**

10.CAPITAL EXPENSES

	2025	2024
Purchase of property, plant and equipment	439	345
Total	**439**	**345**

11.EXPENSES FOR EMPLOYEES

	2025	2024
Salaries	15.139	14.229
Total	**15.139**	**14.229**

12.CASH AND CASH EQUIVALENTS

	2025	2024
Bank account	7.009	12.355
Foreign currency bank account	48.656	35.433
Petty cash	8	5
Other accounts	159	243
Total	**55.831**	**48.036**

13.RECEIVABLES

	2025	2024
Foreign trade receivables	25	25
Total	**25**	**25**

14.PREPAYMENTS

	2025	2024
Prepayments	211	238
Total	**211**	**238**

15. NON- MATERIAL ASSETS

As of December 31, 2025, the association has no intangible assets. The cost value is 128 thousand denars, while the accumulated depreciation is 128 thousand denars (2024: the cost value is 128 thousand denars, and the accumulated depreciation is 112 thousand denars)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025
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 2024	**3.184**	**3.184**
Additions	428	428
Sales	(297)	(297)
Balance as of 31 December 2024	**3.315**	**3.315**
Additions	439	439
Revaluation of assets	122	122
Balance as of 31 December 2025	**3.876**	**3.876**
ACCUMULATED DEPRECIATION		
as of 1 January 2024	**1.597**	**1.597**
Depreciation	478	478
Depreciation on fixed assets sold	(121)	(121)
Balance as of 31 December 2024	**1.954**	**1.954**
Depreciation	481	481
Revaluation of depreciation	71	71
Balance as of 31 December 2025	**2.506**	**2.506**
Net book value as of:		
31 December 2024	**1.361**	**1.361**
31 December 2025	**1.370**	**1.370**

17.TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2025	2024
Trade payables -domestic	145	30
Trade payables foreign	118	151
Other liabilities	22	10
	286	**191**

18. OFF-BALANCE SHEET RECORDS

As of December 31, 2025, 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 2025 – 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.