



**Foundation NGO Info
Center of Skopje**

Financial Statements for the Year Ended
31 December 2020 and

Independent Auditor's Report

| | |
|---|---|
| INDEPENDENT AUDITORS REPORT – FINANCIAL AUDIT | 1 |
| FINANCIAL STATEMENTS | |
| - Statement of revenues and expenses | 3 |
| - Balance Sheet | 4 |
| - Statement of changes in funds | 5 |
| - Notes to the Financial Statements | 6 |

To:
The Management of
NGO Info Center, Skopje

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Foundation NGO Info Center, (in the following text "the Foundation"), which comprise the Balance Sheet as of 31 December 2020, 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 Macedonia. 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.

To:
The Management of
NGO Info Center, Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of the NGO Info Center, give a true and fair view, in all material aspects, of the financial position of the Foundation as of 31 December 2020, 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.

Other matter paragraph

The financial statements of the Foundation as of and for the year ended 31 December 2019 are presented as unaudited.

A&BA Group dooel, Skopje

Certified Auditor, Partner

Darko Kalin



31 January 2022

Director

Darko Kalin

STATEMENT OF REVENUES AND EXPENSES
As of 31 December 2020
In MKD thousands

| | Notes | 31 December 2020 | 31 December 2019 |
|---|-------|---------------------|---------------------|
| Granted Donations | 4 | 4.936 | 5.786 |
| Services Rendered | 5 | 183 | - |
| Other Revenues | 6 | 75 | 69 |
| Surplus of revenue from previous year | 7 | 2.279 | 2.651 |
| TOTAL REVENUES | | 7.473 | 8.506 |
| Operating Expenses | 8 | 956 | 2.115 |
| Expenses for Employees | 9 | 1.915 | 1.815 |
| Capital Expenses | 10 | - | 25 |
| Intellectual and other services | 11 | 2.722 | 2.273 |
| TOTAL EXPENSES | | 5.593 | 6.228 |
| Surplus of revenues over expenses before taxes | | 1.879 | 2.279 |
| Income tax | 12 | - | - |
| Surplus of revenues over expenses after taxation | | 1.879 | 2.279 |

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

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

Biljana Bejkova Josheska
 President

BALANCE SHEET
As of 31 December 2020
In MKD thousands

| | Notes | 31 December 2020 | 31 December 2019 |
|---|-------|---------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 13 | 1.883 | 2.282 |
| Other Receivable | 14 | 3 | 3 |
| Prepayments | 15 | 1 | - |
| | | 1.887 | 2.285 |
| NON-CURRENT ASSETS | | | |
| Intangible Assets | 16 | - | - |
| Property, Plant and Equipment | 17 | 190 | 227 |
| | | 190 | 227 |
| TOTAL ASSETS | | 2.077 | 2.512 |
| LIABILITIES AND OPERATING FUND | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 18 | 8 | 6 |
| | | 8 | 6 |
| OPERATING FUND | | | |
| Operating Fund | | 174 | 211 |
| Revaluation of Depreciation | | 16 | 16 |
| Surplus of Revenues Over Expenses After Taxation | | 1.879 | 2.279 |
| TOTAL OPERATING FUND | | 2.069 | 2.506 |
| TOTAL LIABILITIES AND FUNDS | | 2.077 | 2.512 |

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

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2020
In MKD thousands

| | Operating Fund | Surplus of Revenues over Expenses | TOTAL |
|--|-------------------|--|--------------|
| Balance as of 1 January 2019 | 246 | 2.651 | 2.897 |
| Transferred surplus of revenues over expenses from previous year | - | (2.651) | (2.651) |
| Purchase of fixed assets | 25 | - | 24 |
| Depreciation | (44) | - | (43) |
| Surplus of revenues over expenses for next year | - | 2.279 | 2.279 |
| Balance as of 31 December 2020 | 227 | 2.279 | 2.506 |
| Transferred surplus of revenues over expenses from previous year | - | (2.279) | (2.279) |
| Purchase of fixed assets | - | - | - |
| Depreciation | (37) | - | (37) |
| Surplus of revenues over expenses for next year | - | 1.879 | 1.879 |
| Balance as of 31 December 2020 | 190 | 1.879 | 2.069 |

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020**

All amounts are expressed in MKD thousand, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY

The Foundation NVO Info Center, Skopje (hereinafter: the Foundation) is a foundation founded on 25.06.2004. The Foundation intensively works to increase the visibility and impact of the civil initiatives in Macedonia, to improve the quality of information that citizens receive from the media about key social processes and events, encourage public debates on key social processes, freedom of expression and freedom of Foundation, and the process of monitoring the efficiency, effectiveness, transparency and accountability of the regulatory bodies, as well as monitoring the work of the Ombudsman of the Republic Macedonia.

The vision of the Foundation is a democratically developed Macedonian society, with an influential, sustainable and transparent civil sector.

The mission of the NVO Info Center is to be the creator of the positive reputation, trust and influence of the civil sector in the society, with developed, constant and sustainable expertise in the field of public relations and public advocacy.

The Foundation is registered in the Central Registry of the Republic of Macedonia with a unique identification number of the subject 5903530 and with activity according to the Decision of the Central Registry with code 94.99 - activities of other organizations based on subscription, not mentioned elsewhere. The Foundation is registered in the Register of Foundations.

The headquarters of the Foundation is Vasil Glavinov number. 3-4 / 2, Skopje, Center.

The total number of employees as at 31 December 2020 amounted 2 employees (31 December 2019 was 2 employees).

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Foundation 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 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 2019 are not audited.

3. BASIC ACCOUNTING POLICIES

These financial statements are prepared in accordance with the terms set in the Law for accounting of the non-for-profit organizations (Official Gazette of RM no.24/2003, 17/2011, C.court 80.2005, 154/2015), the Rulebook for accounting of non-for-profit organizations (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 organizations (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 organizations (Official Gazette of RM no.117/2005).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020**All amounts are expressed in MKD thousand, unless otherwise stated**

3. BASIC ACCOUNTING POLICIES (continued)

Financial statements are prepared for the years ended 31 December 2020 and 2019. 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.

3.1 Cash and cash equivalents

The Foundation'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 assets

Classified as material and non-material assets are:

- Assets kept for performing the activity
- Assets which are expected to be used more than one financial period and whose separate value at the moment of purchase is higher than 300 EUR in Macedonian denar counter-value.

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 purchase related costs. The operating fund of the Foundation 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.

Sources of funding of the Foundation are increased for the amount of the material and non-material assets. Material and Non-Material assets are recognized as capital expenditure at the moment when they occur (payment).

All other continuous maintenance is evidenced as cost in the Statement of Revenues and Expenses during the period in which they occur.

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 depreciation rates, applied by the Institute in 2018 are as follows: 1 – 2,5% for buildings, 10 – 20% for equipment, 12 – 16% for furniture and 25% for computer equipment.

The amount of the current depreciation is recorded on the burden of the operating fund. The calculation of the depreciation is performed separately for each item, and not for groups of assets.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continued)**3.4 Trade receivables**

Receivables are recognized at their nominal value in the accounting document in accordance with the agreed amount, decreased for the valuation allowance.

3.5 Current and deferred income tax

Income tax for the reporting period is the sum of current and deferred income tax.

(a) Current Income Tax

Current income tax represents the amount calculated and paid in accordance with the Law on Profit Tax in the Republic of North Macedonia. Income tax is paid in the amount of 1% of the total income from the realized economic activity for the difference of the realized income over 1 million denars (2019: 10% of the tax base calculated in the annual tax return and is reduced for any 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 exemptions).

(b) Deferred tax

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.

3.6 Sources of funding

Sources of funding are valued at the amount of assets and revaluation provision.

3.7 Liabilities

Liabilities to suppliers, employees, salaries, taxes and other current liabilities are stated at their nominal value. Liabilities in other currencies are stated at mid-exchange rate of NBRM.

3.8 Recognition of revenues and expenses

Revenues and expenses of the non-profit Foundations 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).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continued)

3.9 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:

| | <u>31 December 2020</u> | <u>31 December 2019</u> |
|-------|-------------------------|-------------------------|
| 1 USD | 50,2353 Denars | 54,9518 Denars |
| 1 EUR | 61,6940 Denars | 61,4856 Denars |

4. GRANTED DONATIONS

| | <u>2020</u> | <u>2019</u> |
|-------------------------|--------------|--------------|
| Revenues from donations | 4.936 | 5.786 |
| Total | 4.936 | 5.786 |

In the course of 2020, revenues from the following donors were realized:

| Breakdown of granted donations by donors: | <u>2020</u> |
|--|--------------|
| 1 International Centre Olof Palmes | 1.762 |
| 2 European Union / Transparency Macedonia | 614 |
| 3 OTI / Chemonics International | 887 |
| 4 USAID | 403 |
| 5 RYCO / Vlora Youth Center | 426 |
| 6 CIVICA / Evrotink | 356 |
| 7 British Embassy / Evrotink | 315 |
| 8 United States Embassy | 173 |
| Total | 4.936 |

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

5. SERVICES RENDERED

| | 2020 | 2019 |
|-----------------------|-------------|-------------|
| Revenue from services | 183 | - |
| Total | 183 | - |

6. OTHER REVENUES

| | 2020 | 2019 |
|-----------------------------|-------------|-------------|
| Revenues from other sources | 14 | - |
| Rental and rental income | 61 | 69 |
| Total | 75 | 69 |

7. Surplus of revenues from previous year

| | 2020 | 2019 |
|--|--------------|--------------|
| Surplus of revenues from previous year | 2.279 | 2.651 |
| Total | 2.279 | 2.651 |

8. OPERATING EXPENSES

| | 2020 | 2019 |
|--|-------------|--------------|
| Transferred Funds | 21 | 48 |
| Other project related costs (training, financial services, etc.) | 212 | 463 |
| Other material costs | 33 | 46 |
| Rent | 256 | 276 |
| Travel and post | 46 | 199 |
| Per diems and travel costs | 22 | 48 |
| Utilities | 24 | 26 |
| Materials | 54 | 176 |
| Marketing, promotion | 41 | 54 |
| Bank charges | 29 | 35 |
| Reimbursement of costs for workers and citizens | 27 | 23 |
| Foreign exchange losses | 10 | 6 |
| Other expenses | 181 | 715 |
| Total | 956 | 2.115 |

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

9. EXPENSES FOR EMPLOYEES

| | 2020 | 2019 |
|--------------|--------------|--------------|
| Salaries | 1.915 | 1.815 |
| Total | 1.915 | 1.815 |

10. CAPITAL EXPENSES

| | 2020 | 2019 |
|--------------|-------------|-------------|
| Equipment | - | 25 |
| Total | - | 25 |

11. OTHER SERVICES

| | 2020 | 2019 |
|-----------------------|--------------|--------------|
| Intellectual services | 2.722 | 2.273 |
| Other taxes | - | - |
| Total | 2.722 | 2.273 |

12. CASH AND CASH EQUIVALENTS

| | 2020 | 2019 |
|--------------|--------------|--------------|
| Bank account | 1.880 | 2.280 |
| Petty cash | 3 | 2 |
| Total | 1.883 | 2.282 |

13. OTHER RECEIVABLES

| | 2020 | 2019 |
|--|-------------|-------------|
| Receivables for overpaid taxes and contributions | 3 | 3 |
| Total | 3 | 3 |

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

14. PREPAYMENTS

| | <u>2020</u> | <u>2019</u> |
|------------------|-------------|-------------|
| Prepaid expenses | 1 | - |
| Total | 1 | - |

15. INTANGIBLE ASSETS

As of 31 December 2020, the Foundation has not purchased any intangible assets. The accumulated depreciation is 71 thousand denars. As of 31 December 2020 and 2019 the software has no net book value i.e. it is fully depreciated.

16. PROPERTY, PLANT, EQUIPMENT

| | <u>Property, plant and equipment</u> | <u>Total</u> |
|---------------------------------------|--|--------------|
| Cost as of 1 January 2019 | 2.001 | 2.001 |
| Additions | 25 | 25 |
| Cost as of 31 December 2019 | 2.026 | 2.026 |
| Additions | - | - |
| Cost as of 31 December 2020 | 2.026 | 2.026 |
| Accumulated depreciation | | |
| As of 1 January 2019 | 1.755 | 1.755 |
| Depreciation 2019 | 44 | 44 |
| Balance as of 31 December 2019 | 1.799 | 1.799 |
| Depreciation 2020 | 37 | 37 |
| Balance as of 31 December 2020 | 1.836 | 1.836 |
| Net book value | | |
| Balance as of 31 December 2019 | 227 | 227 |
| Balance as of 31 December 2020 | 190 | 190 |

17. ACCOUNTS PAYABLE

| | <u>2020</u> | <u>2019</u> |
|----------------|-------------|-------------|
| Trade payables | 8 | 6 |
| Total | 8 | 6 |

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020**All amounts are expressed in MKD thousand, unless otherwise stated**

18. OFF-BALANCE RECORDS

As of 31 December 2020, the Foundation has no off-balance sheet exposure.

19. SUBSEQUENT EVENETS

After 31 December 2020 - the reporting date, until the day of approval of these financial statements, the following events are materially significant for disclosure in these financial statements:

- After 31 December 2020, the spread of COVID-19 is seriously affecting many local economies around the world. In many countries, businesses are forced to suspend their operations or limit their activities for a longer or indefinite period. The measures taken to stop the spread of the virus, including travel bans, quarantine, social distancing and the closure of non-essential services that have caused significant disruption to businesses around the world, have resulted in economic slowdown. Global stock markets are also experiencing major uncertainties and significant weakening. Governments and central banks have also responded with monetary and fiscal interventions to stabilize the economic situation. The Association considers that these events are non-corrective events after the reporting period. Accordingly, the financial position and the results of the Association's operations of and for the year ending on 31 December 2020 are not corrected to reflect this impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of the response by the government and the central bank, remain unclear at this time. It is not possible to make a reliable assessment of the duration and severity of these consequences, as well as the impact of the financial position and the results of the Association's operations and cash flows in the future.