

**TRANSPARENCY INTERNATIONAL  
MACEDONIA - Skopje**

**Financial Statements for the Year Ended  
31 December 2020 and**

**Independent Auditor's Report**

July 2021, Skopje

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To:  
The Management of  
TRANSPARENCY INTERNATIONAL MACEDONIA  
SKOPJE

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the "Transparency International Macedonia" (in the following text "the Organization"), 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 Standards on Auditing accepted in Republic of North 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  
TRANSPARENCY INTERNATIONAL MACEDONIA  
SKOPJE

**INDEPENDENT AUDITOR'S REPORT (Continued)**

***Auditor's opinion***

In our opinion, the financial statements of "Transparency International Macedonia", Skopje give a true and fair view of the financial position of the Organization 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.

Skopje, 06 July 2021

Certified Auditor  
Zvonko Kocovski



Manager  
Dragan Dimitrov




**STATEMENT OF REVENUES AND EXPENSES**  
**For the Year Ended 31 December 2020 and 2019**  
**In MKD thousands**

	Notes	2020	2019
Revenues	4	18.968	17.237
<b>TOTAL REVENUES</b>		<b>18.968</b>	<b>17.237</b>
Operating expenses	5	(12.686)	(12.187)
Capital expenses	6	(102)	(50)
<b>TOTAL EXPENSES</b>		<b>(12.788)</b>	<b>(12.237)</b>
<b>Surplus of revenues over expenses before taxes</b>		<b>6.180</b>	<b>5.000</b>
Income Taxes		-	-
<b>Surplus of revenues over expenses after taxation</b>		<b>6.180</b>	<b>5.000</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 Organization on 26 February 2021 and were signed on its behalf by:



Secretary General  
Metodi Zajkov





**BALANCE SHEET**  
**As of 31 December 2020 and 2019**  
**In MKD thousands**

	Notes	31 December 2020	31 December 2019
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	253	248
		<b>253</b>	<b>248</b>
<b>CURRENT ASSETS</b>			
Other current assets and prepayments	8	-	-
Cash and cash equivalents	9	6.234	5.035
		<b>6.234</b>	<b>5.035</b>
<b>TOTAL ASSETS</b>		<b>6.487</b>	<b>5.283</b>
<b>LIABILITIES AND OPERATING FUND</b>			
<b>OPERATING FUND</b>			
Operating Fund	10	156	151
Reserves		97	97
Surplus of revenues over expenses		6.180	5.000
		<b>6.433</b>	<b>5.248</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	11	54	35
		<b>54</b>	<b>35</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>6.487</b>	<b>5.283</b>

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

**STATEMENT OF CHANGES IN OPERATING FUND**  
**As of 31 December 2020 and 2019**  
**In MKD thousands**

	Operating Fund	Reserves	Surplus of revenues over expenses	TOTAL
<b>Balance as of 01 January 2019</b>	<b>200</b>	<b>97</b>	<b>1.576</b>	<b>1.873</b>
Transferred surplus of revenues over expenses from previous year	-	-	(1.576)	(1.576)
Additions of fixed assets	50	-	-	50
Revaluation	2	-	-	2
Depreciation	(101)	-	-	(101)
Surplus of revenues over expenses	-	-	5.000	5.000
<b>Balance as of 31 December 2019</b>	<b>151</b>	<b>97</b>	<b>5.000</b>	<b>5.248</b>
Transferred surplus of revenues over expenses from previous year	-	-	(5.000)	(5.000)
Additions of fixed assets	102	-	-	102
Revaluation	3	-	-	3
Depreciation	(100)	-	-	(100)
Surplus of revenues over expenses	-	-	6.180	6.180
<b>Balance as of 31 December 2020</b>	<b>156</b>	<b>97</b>	<b>6.180</b>	<b>6.433</b>

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**

TRANSPARENCY INTERNATIONAL MACEDONIA is a non-profit organization established in 2006 according to the Law of Associations of Citizens and Foundations.

The Organization is registered in the Register of the Association of Citizens and Foundations. The main activity of the Organization is to establish a system of good governance for efficient fight and prevention against corruption, implemented through various project activities.

The Organization is located in Skopje, with address - Naum Naumovski Borce 58.

The total number of the employees as of 31 December 2020 is 5 employees (31 December 2019 - 5 employees).

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

The financial statements of the Organization are conducted in accordance with the Non-Profit Organization Accounting Law and the standards for reporting under the cash basis of accounting 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. The accounting policies of the Organization are being adequately applied from year to year.

**3.1 Cash and cash equivalents**

The Organization's cash comprises of the cash on hand and the cash on giro 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 Tangible and intangible assets**

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, 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 Organization increases for the amount of the value of fixed assets purchased.



## 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)****3.2. Tangible and intangible assets (Continued)**

The revaluation of fixed assets (tangible and intangible assets) is performed because of additional valuation if the annual inflation rate, measured with the official industrial product price index, is higher than 30%. Revaluation basis is the cost of the assets.

Revaluated i.e. market 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 Organization in 2020 are as follows: 1-2,5% for buildings, 10-20% for equipment and vehicle, 12-16% for furniture and 20% for computer equipment.

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 organizations 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 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:

	2020	In MKD 2019
EUR	61,6940	61,4856
USD	50,2353	54,9518
CHF	56,8242	56,5593

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

## 4. REVENUES

	2020	2019
Revenues from donations	13.868	15.658
Other income	100	3
Transferred surplus of revenues over expenses	5.000	1.576
<b>Total</b>	<b>18.968</b>	<b>17.237</b>

During 2020 the following revenues from donations were realized:

	Donor	Project	Amount
1	Federal Ministry for Economic Cooperation and Development of Germany and the MFA Norway	Combating Illicit Financial Flows-How the Anti-Money Laundering Regulations Respect the Data Protection?	5.215
2	Ministry of Foreign Affairs Germany	Empowering citizens to detect and safely act against corruption through advocacy and legal advice centres (ALACs) in South East Europe	4.010
3	European Commission DG Enlargement	Ending impunity for grand corruption in Western Balkan and Turkey	1.071
4	USAID CEP represented by the East West Management Institute	Strengthening CSO's Platform in Fight Against Corruption	537
5	USAID CEP represented by the East West Management Institute	Strengthening Institutional Capacities in the Fight Against Corruption	1.652
6	Business & Strategies in Europe	Support to Civil society Organisations (CSO) in the Turkish Cypriot community through inter-alia tailor made assistance, trainings, capacity building and networking with Greek Cypriot and other European Union's CSO. Publication reference: EuropeAid/135176/C/SER/CY	616
7	European Union through the "Europe for Citizens" program (Reference number 615720-CITIZ-1-2019-HU-CITIZ-CIV)	Promotion of Common Values Across Europe	727
8	Transparency International Defence and Security Programme	Government Defence Anti-Corruption Index	40
<b>TOTAL 2020</b>			<b>13.868</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

**5. OPERATING EXPENSES**

	<u>2020</u>	<u>2019</u>
Office Materials	756	769
Rents and utilities	408	592
Maintenance	64	43
Other (print, web, accounting)	503	772
Transportation, post, telephone	188	515
Marketing	113	1,750
Other project related expenses	1,456	99
Bank provision	98	101
Insurance	-	-
Per diems and travel costs	117	308
Salaries and other employee related costs	3,830	3,264
Foreign exchange loss	27	12
Intellectual and other services	4,972	3,743
Indirect taxes	44	64
Social transfers to other organisation	110	118
Other operating expenses	-	37
<b>Total</b>	<b><u>12,686</u></b>	<b><u>12,187</u></b>

**6. CAPITAL EXPENSES**

	<u>2020</u>	<u>2019</u>
Equipment	102	50
<b>Total</b>	<b><u>102</u></b>	<b><u>50</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

## 7. PROPERTY, PLANT AND EQUIPMENT

	Equipment	Total
Cost as of 01 January 2019	725	725
Additions in the year	50	50
Revaluation	8	8
Write off	-	-
<b>Balance as of 31 December 2019</b>	<b>783</b>	<b>783</b>
Additions in the year	102	102
Revaluation	7	7
Write off	(293)	(293)
<b>Balance as of 31 December 2020</b>	<b>599</b>	<b>599</b>
Accumulated depreciation as of 1 January 2019	428	428
Depreciation	101	101
Revaluation	6	6
<b>Balance as of 31 December 2019</b>	<b>535</b>	<b>535</b>
Depreciation	100	100
Revaluation	4	4
Decrease of depreciation (write off)	(293)	(293)
<b>Balance as of 31 December 2020</b>	<b>346</b>	<b>346</b>
Net book value as of:		
- 31 December 2020	253	253
- 31 December 2019	248	248

## 8. OTHER CURRENT ASSETS AND PREPAYMENTS

	2020	2019
Receivables for overpaid tax	-	-
Other prepayments- correspondent account for liabilities	-	-
<b>Balance as of 31 December</b>	<b>-</b>	<b>-</b>

## 9. CASH AND CASH EQUIVALENTS

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2020

All amounts are expressed in MKD thousand, unless otherwise stated

	2020	2019
Current account	6.234	5.035
Balance as of 31 December	6.234	5.035

## 10. OPERATING FUND

	2020	2019
Operating fund	253	248
Balance as of 31 December	253	248

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

## 11. ACCOUNTS PAYABLE

	2020	2019
Domestic account payable	55	35
Balance as of 31 December	55	35

## 12. OFF-BALANCE RECORDS

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

## 13. SUBSEQUENT EVENETS

There are no material subsequent events that would have an impact on understanding of financial statements.