



**Association Konekt,
Skopje**

Financial Statements for the Year Ended
31 December 2024 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
Association Konekt, Skopje

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Association "Konekt", (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 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 Macedonia¹. 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
Association Konekt, Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's opinion

In our opinion, the financial statements of the Association "Konekt", 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.

A&BA Group Dooel, Skopje

Certified Auditor, Partner

Darko Kalin

01 September 2025

Director

Darko Kalin

STATEMENT OF REVENUES AND EXPENSES
As of 31 December 2024 and 2023
In MKD thousands

	Notes	31 December 2024	31 December 2023
Granted Donations and Membership	4	47.188	34.784
Financing income	5	84	210
Other Revenues	6	20	123
Transferred surplus of revenue from the previous year		14.270	13.213
		61.561	48.330
Material Expenses	7	(7.465)	(4.273)
Operating Expenses	8	(25.786)	(18.109)
Expenses for Employees	9	(8.471)	(6.763)
Capital Expenses	10	(300)	(4.221)
Foreign exchange losses	11	(351)	(485)
		(42.373)	(33.851)
Surplus of revenues over expenses before taxes		19.188	14.479
Income tax		-	-
Surplus of revenues over expenses after taxation		19.188	14.479

The accompanying notes form an integral part of these financial statements

The accompanying financial statements have been authorized for issue by the The Management of Association Konekt, Skopje and has been signed on its behalf by:



Nikica Kusinikova
CEO

BALANCE SHEET
As of 31 December 2024 and 2023
In MKD thousands

	Notes	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Equipment and furniture	12	871	742
Intangible assets	13	2.623	3.155
Total Non-current assets		3.494	3.897
CURRENT ASSETS			
Cash and Cash Equivalents	14	19.134	14.641
Other receivables	15	226	3
Accruals	16	62	90
Total current assets		19.422	14.734
TOTAL ASSETS		22.916	18.631
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund		3.493	3.897
Surplus of revenues over expenses after taxation		19.189	14.479
Total Operating Fund	17	22.682	18.376
CURRENT LIABILITIES			
Trade payables	18	53	72
Other payables	19	20	21
Deferrals	20	161	162
Total current liabilities		234	255
TOTAL LIABILITIES AND OPERATING FUNDS		22.916	18.631

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN OPERATING FUND
For the Year Ended 31 December 2024 and 2023
In MKD thousands

	Operating Fund	Reserves	Surplus of Revenues over Expenses	Total
Balance as of 1 January 2023	169	-	13.213	13.382
Transferred surplus of revenues over expenses from previous year	-	-	(13.213)	(13.213)
Purchase of fixed assets	4.221	-	-	4.221
Depreciation	(504)	-	-	(504)
Revaluation of cost	12	-	-	12
Revaluation of depreciation	(1)	-	-	(1)
Surplus of revenues over expenses for next year	-	-	14.479	14.479
Balance as of 31 December 2023	3.897	-	14.479	18.376
Transferred surplus of revenues over expenses from previous year	-	-	(14.479)	(14.479)
Purchase of fixed assets	300	-	-	300
Depreciation	(871)	-	-	(871)
Revaluation of cost	265	-	-	265
Revaluation of depreciation	(97)	-	-	(97)
Surplus of revenues over expenses for year 2024	-	-	19.188	19.188
Balance as of 31 December 2024	3.494	-	19.188	22.682

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

The association Konekt - Skopje has been founded on 23.05.2008 according to the Law on Civil Associations and Foundations (Official Gazette of the Republic of Moldova No. 31/98). The Association Konekt - Skopje is registered in the Register of Citizens' Associations and Foundations with registration number 6366996. The Association operates in accordance with the Law on Associations and Foundations and the Statute. According to the above mentioned, the Association is a non-governmental, non-political and non-profit association of citizens.

Association Konekt's mission is to encourage and promote private donations and social responsibility aimed at effective and long-term development of North Macedonia.

Association Konekt strives to be the key link for connecting donors with the civil sector to create a positive impact in society. Association Konekt enables constituents to realize their visions for the changes they want to see in their communities.

As the only organization that comprehensively and dedicatedly treats this socially significant topic, Association Konekt enables:

- Supporting companies in the development of responsible business and strategic investment in the community;
- Developing smart and thoughtful individual and family philanthropy;
- Support in building long-term partnerships between CSOs, citizens and companies;
- Enabling a positive environment for philanthropy and social responsibility (CSR) in the direction of achieving real social change.

The headquarters of the Association is located in Skopje, at Str. Risto Shishkov no. 12/1-4, 1000 Skopje.

The average number of Association's employees in 2024 is 9 people (2023 – 7 people).

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 (Official Gazette no.24/2003, 17/2011, 80/2005, 154/2015); Rulebook of Accounting of Non-Profit Organization (Official Gazette no. 42/2003, 8/2009, 12/2009, 175/2011), Rulebook for the accounting plan and the balances of Non-profit Organizations (Official Gazette no. 117/2005, 11/2006) and the Rulebook on the content of individual accounts in the chart of accounts of non-profit organizations (Official Gazette no.117/2005).

The financial statements have been prepared as of and for the years ended 31 December 2024 and 2023. The current and comparative data stated in these financial statements are expressed in thousands of MKD, unless otherwise stated.

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

3. BASIC ACCOUNTING POLICIES

The financial statements of the Institute 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.

3.1 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 NBRSM 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 that 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 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.

Sources of funding of the Association are increased for the amount of the purchased 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 are 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 Association are as follows: 10-20% for equipment, 12% for furniture and 20% for software.

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

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

3. BASIC ACCOUNTING POLICIES (Continued)**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 i.e. as follows:

- Revenues are recognized in the accounting period of calculation in which they appear under criteria of measurement and availability. Revenues are measurable when they can be stated by their value. Revenues 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).
- Expenses are recognized in the accounting period of calculation in which they are realized or within the period of 30 days after the accounting period, under condition to be related and realized in the accounting period.

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 at the amount of 1% of the total income from the realized economic activity for the difference of the realized income over 1 million denars (2023: at the amount of 1% of the total income from the realized economic activity for the difference of the realized income over 1 million denars).

(b) Deferred tax

Deferred taxes are recognized in cases of differences between the carrying amounts of assets and 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. As at 31 December 2024 and 2023, the Association has no differed taxed liabilities i.e. assets.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

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:

	31 December 2024	31 December 2023
1 USD	58,8807 Denars	55,6516 Denars
1 EUR	61,4950 Denars	61,4950 Denars

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

4. GRANTED DONATIONS AND MEMBERSHIP

	2024	2023
Revenues from donations	46.158	34.784
Revenues from memberships	1.030	-
Total	47.188	34.784

During 2024 and 2023, revenues from the following donations have been received:

	2024	2023
US DEPARTMENT OF STATE GFSC (USAID Project "Giving Partnerships")	40.982	29.501
Integrity Partnerships: Business Without Corruption, Supported by MCIC through the USAID Project "Citizens Against Corruption"	1.680	-
United Nations Population Fund (Implementation of UNFPA-FUNDED WORKPLANS RELATING TO THE 2021-2025 COUNTRY PROGRAMME FOR NORTH MACEDONIA)	999	-
PD-BIDE (Privacy by design – building an inclusive digital ecosystem)	353	820
The Funding Network (A grant to mark the 10-year Anniversary of TFN International)	106	-
REGENTS OF THE UNIVERSITY OF MINNESOTA, THROUGH ITS LAW SCHOOL	-	1.310
European Center for Not-for Profit Law Stichting (ECNL)		1.207
STICHING HUMAN SECURITY COLLECTION (sub-grant from GIZ Western Balkans programme, implemented by Association Konekt and Human Security Collective, part of the Global Program Illicit Financial Flows (GIZ Global Program Combating Illicit Financial Flows)	-	607
GIZ GMBH-SUPPORT (project „SDG's Partnerships - Leave no one behind, Republic of North Macedonia“)	-	177
Other donations from companies	772	292
Other donations from individuals	1.013	838
Other donations	253	32
Income from supporting members of the Responsible Business Club	1.030	-
Total	47.188	34.784

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

5. FINANCING INCOME

	<u>2024</u>	<u>2023</u>
Revenues from Interest and foreign exchange gains	84	210
Total	<u>84</u>	<u>210</u>

6. OTHER REVENUES

	<u>2024</u>	<u>2023</u>
Revenue from economic activities	-	89
Other revenues	20	35
Total	<u>20</u>	<u>124</u>

7. MATERIAL EXPENSES

	<u>2024</u>	<u>2023</u>
Consumed materials	809	663
Consumed energy	89	75
Maintenance	434	382
Other services	4.003	1.848
Transport services, telephony, and postal services	745	417
Advertising, promotion, and representation expenses	65	32
Rent	1.319	841
Other material expenses	1	15
Total	<u>7.465</u>	<u>4.273</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

8. OPERATING EXPENSES

	<u>2024</u>	<u>2023</u>
Bank fees	146	117
Insurance	13	11
Per Diems and Travel costs	501	281
Other expenses for the employees	129	-
Memberships fees	38	28
Intellectual services	3.037	3.975
Other Expenses	-	6
Transfers to partner organizations	21.783	12.866
Aid, donations and other giving to entities	131	806
Other taxes and contributions	8	18
Total	<u>25.786</u>	<u>18.109</u>

9. EXPENSES FOR EMPLOYEES

	<u>2024</u>	<u>2023</u>
Gross salaries	8.471	6.763
Total	<u>8.471</u>	<u>6.763</u>

10. CAPITAL EXPENSES

	<u>2024</u>	<u>2023</u>
Equipment	201	530
Furniture	72	142
Software	-	3.404
Investment Property	27	145
Total	<u>300</u>	<u>4.221</u>

11. FOREIGN EXCHANGE LOSSES

	<u>2024</u>	<u>2023</u>
Foreign exchange losses	351	485
Total	<u>351</u>	<u>485</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

12. EQUIPMENT AND FURNITURE

	Equipment and Furniture	Total
COST		
Balance as of 01.01.2023	507	507
Additions	672	672
Revaluation of assets	2	2
Balance as of 31.12.2023	1.181	1.181
Additions	273	273
Revaluation of assets	77	77
Balance as of 31.12.2024	1.531	1.531
ACCUMULATED DEPRECIATION		
Balance as of 01.01.2023	352	352
Depreciation	87	87
Revaluation of depreciation	-	-
Balance as of 31.12.2023	439	439
Depreciation	189	189
Revaluation of depreciation	32	32
Balance as of 31.12.2024	660	660
Net book value as of:		
31 December 2023	742	742
31 December 2024	871	871

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

13. INTANGIBLE ASSETS

	Software	Investment Property	Total
COST			
Balance as of 01.01.2023	136	-	136
Additions	3.404	145	3.549
Revaluation of assets	8	-	8
Balance as of 31.12.2023	3.548	145	3.693
Additions	-	27	27
Revaluation of assets	188	-	188
Balance as of 31.12.2024	3.736	172	3.908
ACCUMULATED DEPRECIATION			
Balance as of 01.01.2023	122	-	122
Depreciation	416	-	416
Revaluation of depreciation	-	-	-
Balance as of 31.12.2023	538	-	538
Depreciation	682	-	682
Revaluation of depreciation	65	-	65
Balance as of 31.12.2024	1.285	-	1.285
Net book value as of:			
31 December 2023	3.010	145	3.155
31 December 2024	2.451	172	2.623

14. CASH AND CASH EQUIVALENTS

	2024	2023
Denar bank accounts	7.709	3.345
Petty cash	8	11
Foreign currency bank accounts	11.417	11.285
Total	19.134	14.641

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

15. OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
Receivables from employees	20	-
Other short-term receivables	203	-
Income tax and contributions receivables	<u>3</u>	<u>3</u>
Total	<u>226</u>	<u>3</u>

16. ACCRUALS

	<u>2024</u>	<u>2023</u>
Prepaid expenses	62	62
Other active accruals	<u>-</u>	<u>29</u>
Total	<u>62</u>	<u>90</u>

17. OPERATING FUND

	<u>2024</u>	<u>2023</u>
Operating fund	3.493	3.897
Reserves	-	-
Current surplus of revenues over expenses	<u>19.189</u>	<u>14.479</u>
Total	<u>22.683</u>	<u>18.376</u>

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

18. TRADE PAYABLES

	<u>2024</u>	<u>2023</u>
Domestic payables	<u>53</u>	<u>72</u>
Total	<u>53</u>	<u>72</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

19. OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
Income tax payables	2	2
Other payables towards employees	18	19
Total	<u>20</u>	<u>21</u>

20. DEFERRALS

	<u>2024</u>	<u>2023</u>
Differed income from economic activities	161	162
Total	<u>161</u>	<u>162</u>

21. OFF-BALANCE RECORDS

As of 31 December 2024, the Association has no off-balance sheet exposure.

22. SUBSEQUENT EVENETS

After 31 December 2024 – the reporting date until the approval of these financial statements, there are no adjusting subsequent events reflected in the financial statements or events that are materially significant for disclosure in these stand-alone financial statements.