



**Civil association Finance
Think – Economic
Research and Policy
Institute, Skopje**

Financial Statements for the Year Ended
31 December 2025 and

Independent Auditor's Report

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To:
The Management of
Finance Think - economic research and policy institute, Skopje

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FINANCE THINK - economic research and policy institute, Skopje (hereinafter referred to as the "Institute"), 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 Institute "Finance Think", Skopje as of 31 December 2025, as well as its operating results for the year then ended, in accordance with the accounting standards and regulations applicable 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 Institute 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S 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 Institute'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 Institute'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 Institute 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility for the Audit of the Financial Statements (continued)

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.

A&BA Group DOOEL, Skopje

Certified Auditor

Darko Kalin



Director

Darko Kalin

7 August 2026

STATEMENT OF REVENUES AND EXPENSES
For the years ended 31 December 2025 and 2024
In MKD thousands

	Notes	2025	2024
Granted donations	4	12.594	12.291
Revenue from financing	5	468	753
Other revenues	6	1.904	5.612
Transferred surplus of revenue from the previous year		814	4.936
TOTAL REVENUES		15.780	23.592
Material expenses and services	7	(1.607)	(1.992)
Operating expenses	8	(7.220)	(14.635)
Capital expenses	9	(211)	(226)
Expenses for employees	10	(4.106)	(4.259)
TOTAL EXPENSES		(13.145)	(21.112)
Surplus of revenues over expenses		2.635	2.480
Income Tax	11	9	46
Surplus of revenues over expenses after taxation		2.626	2.434

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

The accompanying financial statements were authorised for issue by the management of the Institute as of 27.02.2026 and were signed on its behalf by:


Blagica Petreski
 Executive Director



BALANCE SHEET

For the years ended 31 December 2025 and 2024

In MKD thousands

	Notes	2025	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	667	643
Total non-current assets		667	643
CURRENT ASSETS			
Cash and cash equivalents	13	24.221	10.697
Accounts receivable	14	-	-
Other receivable	15	54	12.043
Total current assets		24.275	22.740
TOTAL ASSETS		24.942	23.383
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund		667	643
Surplus of revenues over expenses		2.626	2.434
Total operating fund	16	3.294	3.077
CURRENT LIABILITIES			
Accounts payable	17	57	258
Other current liabilities	18	15	81
Accruals	19	21.576	19.967
Total current liabilities		21.649	20.306
TOTAL LIABILITIES AND FUNDS		24.942	23.383

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

STATEMENT OF CHANGES IN SOURCES OF OPERATING FUNDS
For the years ended 31 December 2025 and 2024
In MKD thousands

	Operating Fund	Surplus of revenues over expenses	Total
Balance as of 1 January 2024	559	9.774	10.333
Transferred surplus of revenues over expenses from previous year	-	(9.774)	(9.774)
Additions	235	-	235
Revaluation	91	-	91
Depreciation for the year	(175)	-	(175)
Revaluation of depreciation	(68)	-	(68)
Surplus of revenues over expenses	-	2.434	2.434
Balance as of 31 December 2024	643	2.434	3.077
Transferred surplus of revenues over expenses from previous year	-	(2.434)	(2.434)
Additions	211	-	211
Revaluation	105	-	105
Depreciation for the year	(214)	-	(214)
Revaluation of depreciation	(78)	-	(78)
Surplus of revenues over expense	-	2.626	2.626
Balance as of 31 December 2025	667	2.626	3.294

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. General Information

Finance Think - Economic Research and Policy Institute, Skopje, is founded on 14.12.2012. The Institute is registered in the register of Associations and Unions under the number 6838804. Finance Think is an independent and non-profit institute for economic research and policy whose mission is to improve the impact of economic and social trends and policies on citizens in North Macedonia and the Western Balkans region through economic research, evidence-based and data-driven advocacy, and encouraging a critical debate on economic processes. Research helps policy makers, policy advocates, opinion makers, economic journalists and the public understand the issues affecting ordinary citizens. Programmatic domains in which the Institute is active are: poverty, employment and skills, fiscal transparency and accountability, gender and income inequalities, social entrepreneurship and women, migration and remittances, sectorial economic policies.

The management of the Institute is comprised of the Assembly, the Executive Board and the Advisory Board.

The headquarters of the Institute is located in Skopje, at ul. Frederick Chopin no. 1/2 Skopje, Kisela Voda. The total number of employees on December 31, 2025 is 6 employees (31 December 2024 - 5 employees).

2. Basis for preparation

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).

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

3. Accounting policies

The financial statements of the Institute are prepared in accordance with the Law on Accounting for Non-Profit Organisations and the cash-basis financial reporting standards, for the accurate, truthful, reliable, comprehensive, timely and up-to-date presentation of the balance-sheet items, assets, liabilities, sources of funds, revenues, expenses and operating results. The amounts in the statements and the notes are stated in thousands of MKD, except when otherwise indicated in the text.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

3. Accounting policies (continued)

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and funds held in current accounts with commercial banks.

Cash on hand and balances in bank accounts denominated in the local currency are recorded in the general ledger at their nominal amount, while balances denominated in foreign currencies are translated at the exchange rate of the National Bank of the Republic of North Macedonia prevailing at the reporting date.

3.2 Tangible and intangible 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.

Tangible and intangible assets are recorded at cost less accumulated depreciation. Cost includes expenditure directly attributable to the acquisition of the assets. Subsequently, at each reporting date, the assets are revalued by applying the officially published revaluation coefficients to their revalued cost and revalued accumulated depreciation. The net effect of the revaluation is recognised against the sources of operating funds. Sources of funding of the Institute 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 routine maintenance and repairs are recognised as expenses in the Statement of Revenues and Expenses in the financial period in which they are incurred

3.3 Depreciation

Depreciation of tangible and intangible assets is calculated using the straight-line method in order to allocate their cost, less their residual value, over their estimated useful lives, by applying the following annual depreciation rates:

The depreciation rates, applied by the Institute in 2025 are as follows: 20% for computer equipment, 16% for air conditioners, 14% for TV and 12% for furniture.

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.

3.4 Trade and other receivables

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

3. Accounting policies (continued)

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. Income tax is payable at the rate of 1% on the amount of revenues generated from operations above the threshold of 1 million.

(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.

3.6 Sources of funding

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

3.7 Trade and other payables

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 the revenues and expenses

Revenues and expenses of non-profit institutions are recognised using the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues and expenses are recognised in the accounting period in which they arise, provided that the criteria of measurability and availability are met. Revenues and expenses are measurable when their value can be reliably determined. Revenues and expenses are considered available when they are realised, that is, when they arise or are paid during the accounting period or within 30 days after the end of the accounting period, provided that they relate to that accounting period and are used to settle liabilities relating to the period, where such liabilities arose during the accounting period.

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2025****All amounts are expressed in MKD thousand, unless otherwise stated****3. Accounting policies (continued)****3.9 Foreign currency**

Transactions denominated in foreign currencies are translated into Macedonian denars using the official middle exchange rate prevailing on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into Macedonian denars using the middle exchange rate of the National Bank of the Republic of North Macedonia prevailing on the last day of the reporting period. All gains and losses arising from foreign exchange differences are recognized in the statement of profit or loss as finance income or finance expenses in the period in which they arise.

The middle exchange rates applied in translating the statement of financial position items denominated in foreign currencies were as follows:

	<u>2025</u>	<u>2024</u>
EUR	61,4950	61,4950
GBP	70,5865	74,1350
USD	52,3050	58,8807
CHF	<u>66,1735</u>	<u>65,1775</u>

4. GRANTED DONATIONS

	<u>2025</u>	<u>2024</u>
Revenues from donations	<u>12.594</u>	<u>12.291</u>
Total	<u>12.594</u>	<u>12.291</u>

In the course of 2025, revenues from the following donors were realized:

Donor	2025
Macedonian Center for International Cooperation (MCIC)	2.240
Foundation Open Society–Macedonia	1.763
British Embassy Skopje	6.725
GAP Institute (Institut Per Studime Te Avancuara)	481
International Budget Partnership	393
TI Macedonia, Skopje	307
Prespa Institute	67
Western Balkans Fund (Fondi i Balkanit Perendimor)	492
Center for the Promotion of Civil Society	126
Total	<u>12.594</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

5. REVENUE FROM FINANCING

	<u>2025</u>	<u>2024</u>
Revenue from interest	435	377
Revenue from exchange rate differences	33	376
Total	<u>468</u>	<u>753</u>

6. OTHER REVENUES

	<u>2025</u>	<u>2024</u>
Revenues from services	1.904	5.612
Total	<u>1.904</u>	<u>5.612</u>

7. MATERIAL EXPENSES AND SERVICES

	<u>2025</u>	<u>2024</u>
Office materials	50	116
Electricity, telephone and utilities costs, fuel	33	66
Maintenance	170	69
Other services	915	1.096
Transport	95	107
Advertising, promotion and representation expenses	47	44
Rent	291	491
Other costs	6	3
Total	<u>1.607</u>	<u>1.992</u>

8. OPERATING EXPENSES

	<u>2025</u>	<u>2024</u>
Bank charges	61	88
Insurance premiums	49	53
Per diems and travel costs	201	176
Negative foreign exchange differences	410	218
Intellectual and other services	3.969	6.288
Taxes	29	37
Membership fees	5	1
Transferred funds	2.491	7.511
Other expenses	5	317
Total	<u>7.220</u>	<u>14.696</u>

NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31 December 2025****All amounts are expressed in MKD thousand, unless otherwise stated****9. CAPITAL EXPENSES**

	2025	2024
Equipment	211	226
Total	211	226

10. EXPENSES FOR EMPLOYEES

	2025	2024
Gross salaries	4.106	4.259
Total	4.106	4.259

11. INCOME TAX

Adjustments of income tax and surplus of revenues over expenses multiplied by the prescribed rate income tax

	2025	2024
1 Sales	-	-
2 Revenues from services	1.904	5.612
3 Revenues from rents	-	-
4 Own revenues	-	-
5 Total revenues from operations	1.904	5.612
6 Tax base reliefs	1.000	1.000
7 Tax base	904	4.612
8 Income tax of 1%	9	46

The Institute has not made reservations on the deferred tax assets in these financial statements because the Institute does not have reasonable certainty to determine the level of the tax asset used in future.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

12. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and furniture	Total
Cost as of 1 January 2024	1.663	1.663
Additions	235	235
Revaluation	91	91
Balance as of 31 December 2024	1.989	1.989
Additions	211	211
Revaluation	105	105
Balance as of 31 December 2025	2.305	2.305
Accumulated depreciation as of 1 January 2024	1.104	1.104
Depreciation 2024	175	175
Revaluation of depreciation for 2024	68	68
Balance as of 31 December 2024	1.346	1.346
Depreciation 2025	214	214
Revaluation of depreciation for 2025	78	78
Balance as of 31 December 2025	1.638	1.638
Net book value		
Balance as of 31 December 2024	643	643
Balance as of 31 December 2025	667	667

13. CASH AND CASH EQUIVALENTS

	2025	2024
Bank account	19.784	5.338
Petty cash	2	8
Foreign currency bank account	4.419	5.307
Other cash assets	16	44
Total	24.221	10.697

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

14. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Accounts receivable-domestic	-	-
Accounts receivable-foreign	-	-
Total	<u>-</u>	<u>-</u>

15. OTHER RECEIVABLE

	<u>2025</u>	<u>2024</u>
Receivables from employees	-	25
Short-term credits, deposits and loans	-	12.000
Receivable for paid value added tax	54	18
Total	<u>54</u>	<u>12.043</u>

16. OPERATING FUND

	<u>2025</u>	<u>2024</u>
Operating fund	667	643
Current surplus of revenues over expenses	2.626	2.434
Total	<u>3.294</u>	<u>3.077</u>

The changes in the Operating fund are stated in the Statement of changes in the operating funds on page 6.

17. ACCOUNTS PAYABLE

	<u>2025</u>	<u>2024</u>
Accounts payable	57	258
Total	<u>57</u>	<u>258</u>

18. OTHER CURRENT LIABILITIES

	<u>2025</u>	<u>2024</u>
Liabilities for taxes and contributions under service contracts	1	24
Liabilities for taxes and profit contributions	9	46
Other liabilities to employees	-	5
Other liabilities	5	6
Total	<u>15</u>	<u>81</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

19. ACCRUALS AND DEFERRED INCOME

	2025	2024
Other accruals and deferred income	21.576	19.967
Total	21.576	19.967

20. OFF-BALANCE RECORDS

As of 31 December 2025, the Institute has no off-balance sheet exposure.

21. SUBSEQUENT EVENTS

After 31 December 2025 – the reporting date, until the approval of these financial statements, there are no events that are materially significant for disclosure in these financial statements.