



**Metamorphosis  
Foundation for Internet  
and Society, Skopje**

Financial Statements for the Year Ended  
31 December 2023 and

**Independent Auditor's Report**

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To:  
The Management of  
Metamorphosis Foundation for Internet and Society, Skopje

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements Metamorphosis Foundation for Internet and Society, Skopje (in the following text "the Foundation"), which comprise the Balance Sheet as of 31 December 2023, 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 Foundations 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 Macedonia<sup>1</sup>. 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.

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<sup>1</sup> 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  
Metamorphosis Foundation for Internet and Society, Skopje

### INDEPENDENT AUDITOR'S REPORT (Continued)

#### **Auditor's opinion**

In our opinion, the financial statements of Metamorphosis Foundation for Internet and Society, Skopje, give a true and fair view, in all material aspects, of the financial position of the Foundation as of 31 December 2023, 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 Foundations and standards for reporting under the cash basis of accounting.

Certified Auditor, Partner

Darko Kalin



Director

Darko Kalin

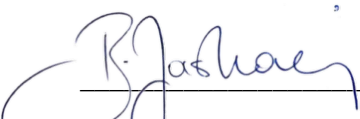
10 July 2024

**STATEMENT OF REVENUES AND EXPENSES**  
**As of 31 December 2023 and 2022**  
**In MKD thousands**

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Granted donations	4	100.506	124.727
Services	5	578	392
Revenue from financing	6	328	744
Other revenues	7	159	45
Transferred surplus of revenue from the previous year		150.834	101.918
<b>TOTAL REVENUES</b>		<b>252.405</b>	<b>227.827</b>
Material expenses and services	8	22.977	16.480
Other operating expenses	9	48.016	36.861
Exchange differences	10	2.230	880
Capital expenses	11	-	416
Expenses for employees	12	25.455	22.356
<b>TOTAL EXPENSES</b>		<b>98.678</b>	<b>76.993</b>
<b>Surplus of revenues over expenses before taxes</b>		<b>153.726</b>	<b>150.834</b>
Income Tax		-	-
<b>Surplus of revenues over expenses after taxation</b>		<b>153.726</b>	<b>150.834</b>

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

The accompanying financial statements were authorised for issue on February 27th, 2024 by the management of the Foundation and were signed on its behalf by:



**Bardhyl Jashari**

Executive Director

**BALANCE SHEET**  
**As of 31 December 2023 and 2022**  
**In MKD thousands**

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	13	2.962	4.063
Intangible assets	14	189	265
		<b>3.151</b>	<b>4.328</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	15	152.485	149.281
Trade receivables	16	5	-
Other receivables	17	706	741
Prepayments	18	1.399	1.106
		<b>154.595</b>	<b>151.128</b>
<b>TOTAL ASSETS</b>		<b>157.746</b>	<b>155.456</b>
<b>LIABILITIES AND OPERATING FUND</b>			
<b>OPERATING FUND</b>			
Operating Fund		3.151	4.328
Surplus of revenues over expenses after taxation		153.726	150.834
	19	<b>156.877</b>	<b>155.162</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	20	622	196
Other current liabilities	21	-	98
Deferred expenses	22	246	-
<b>Total current liabilities</b>		<b>868</b>	<b>294</b>
<b>TOTAL LIABILITIES AND FUNDS</b>		<b>157.745</b>	<b>155.456</b>

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

**STATEMENT OF CHANGES IN OPERATING FUND**  
**For the Year Ended 31 December 2023 and 31 December 2022**  
**In MKD thousands**

	Operating Fund	Surplus of revenues over expenses	Total
<b>Balance as of 1 January 2022</b>	<b>4.367</b>	<b>101.918</b>	<b>106.285</b>
Transferred surplus of revenues over expenses from previous year	-	(101.918)	(101.918)
Additions	459	-	459
Revaluation	641	-	641
Correction	627	-	627
Depreciation for the year	(1.069)	-	(1.069)
Sale of fixed assets	(697)	-	(697)
Surplus of revenues over expense	-	150.834	150.834
<b>Balance as of 31 December 2022</b>	<b>4.328</b>	<b>150.834</b>	<b>155.162</b>
Transferred surplus of revenues over expenses from previous year	-	(150.834)	(150.834)
Additions	3.994	-	3.994
Depreciation of assets disposed	9.376	-	9.376
Depreciation for the year	(5.110)	-	(5.110)
Sale of fixed assets	(9.437)	-	(9.437)
Surplus of revenues over expense	-	153.726	153.726
<b>Balance as of 31 December 2023</b>	<b>3.151</b>	<b>153.726</b>	<b>156.877</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2023**

**All amounts are expressed in MKD thousand, unless otherwise stated**

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**1. ESTABLISHMENT AND ACTIVITY**

The Metamorphosis Foundation for Internet and Society, Skopje (in the following text “the Foundation”) is foundation registered in the Register of Citizen Association and Foundation at Basic court 1 in Skopje, under Reg. No. 1870 from 25.10.2004.

The main objectives and tasks of the Foundation are: development of democracy and prosperity through promotion of society based on knowledge and promotion of use of the information and communication technology as tool for development of the open society.

The headquarters of the Foundation is located in Skopje, at ul. Apostol Guslarot no. 40 Skopje, Center. The average number of the employees for year 2023 amounts 28 employees (2022: 26 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, 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 2023 and 2022. Operational and reporting currency of the Foundation is the Macedonian Denar (MKD). 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 Foundation’s cash comprises 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 National Bank of the Republic of North Macedonia at the reporting date.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2023**

**All amounts are expressed in MKD thousand, unless otherwise stated**

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**3. BASIC ACCOUNTING POLICIES (continued)**

**3.2 Material and non-material investments**

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 Foundation in 2023 are as follows: 20% for computer equipment, 16% for air conditioners, 14% for TV and 12% for furniture.

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.

**3.4. 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 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 MKD.

The Foundation does not calculate income tax due to the reason that it only operates with project related funds and costs performed are for project purpose only.

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year Ended 31 December 2023**

**All amounts are expressed in MKD thousand, unless otherwise stated**

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**3. BASIC ACCOUNTING POLICIES (Continued)**

*(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 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 National Bank of the Republic of North Macedonia.

**3.8 Recognition of the 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 are recognized in the accounting period of calculation in which they occurred 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 in which they occurred or within 30 days after the end of the accounting period, provided that the related obligations were incurred in that accounting period.

**3.9 Amounts stated in foreign currency**

The transactions in foreign currency are stated in MKD according to the Official exchange rate of National Bank of the Republic of North Macedonia 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:

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

**3. BASIC ACCOUNTING POLICIES (Continued)**

In MKD	2023	2022
EUR	61,4950	61,4932
GBP	70,7612	69,3350
USD	55,6516	57,6535

**4. GRANTED DONATIONS**

	2023	2022
Revenues from donations	100.506	124.727
<b>Total</b>	<b>100.506</b>	<b>124.727</b>

In the course of 2023, revenues from the following donors were realized:

**Breakdown of granted donations by donors:**

Donor	2023
Dutch Ministry of Foreign Affairs	34.360
META PLATFORMS IRLAND	24.959
Foundation Techsoup Poland	10.830
British Embassy	1.435
MCMS	2.800
The Sigrid Rausing Trust, London	9.267
National Democratic Institute (NDI)	4.292
European Commission	1.021
National Endowment for Democracy	843
IFEX	1.161
American Bar Association	1.099
National Agency for European Educational Programs and Mobility	181
DCAF – GENEVA CENTRE FOR SECURITY SECTOR GOVERNANCE	533
CDT - CENTER FOR DEMOCRATIC TRANSITION	543
UNICEF	2.889
Ministry of local self-government	2.130
INTERNATIONAL CENTER FOR JOURNALISM	1.805
JAKO	59
PeaseNexus	651
Journalism Fund	168
<b>Total</b>	<b>101.027</b>
<b>Refunds to National Agency for European Educational Programs and Mobility</b>	<b>(521)</b>
<b>Total</b>	<b>100.506</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

**5. SERVICES**

	<u>2023</u>	<u>2022</u>
Services	578	392
<b>Total</b>	<b><u>578</u></b>	<b><u>392</u></b>

**6. REVENUE FROM FINANCING**

	<u>2023</u>	<u>2022</u>
Foreign exchange gains	328	745
<b>Total</b>	<b><u>328</u></b>	<b><u>745</u></b>

**7. OTHER REVENUES**

	<u>2023</u>	<u>2022</u>
Other revenues	159	45
<b>Total</b>	<b><u>159</u></b>	<b><u>45</u></b>

**8. MATERIAL EXPENSES AND SERVICES**

	<u>2023</u>	<u>2022</u>
Office materials	3.118	871
Electricity, telephone and utilities costs	240	530
Maintenance	90	280
Other services	7.246	7.535
Transport	2.519	3.047
Marketing	400	238
Depreciation	185	-
Rent	4.607	1.914
Other costs	4.572	2.065
<b>Total</b>	<b><u>22.977</u></b>	<b><u>16.480</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

**9. OTHER OPERATING EXPENSES**

	<b>2023</b>	<b>2022</b>
Bank charges	507	706
Insurance	57	36
Per diems and travel costs	1.118	705
Membership fees	592	249
Intellectual services	3.287	13.528
Subgranting	32.531	21.357
Other expenses	9.923	280
<b>Total</b>	<b>48.016</b>	<b>36.861</b>

**10. EXCHANGE DIFFERENCES**

	<b>2023</b>	<b>2022</b>
Foreign exchange losses	2.230	880
<b>Total</b>	<b>2.230</b>	<b>880</b>

**11. CAPITAL EXPENSES**

	<b>2023</b>	<b>2022</b>
Equipment	-	415
<b>Total</b>	<b>-</b>	<b>415</b>

**12. EXPENSES FOR EMPLOYEES**

	<b>2023</b>	<b>2022</b>
Salaries	24.915	21.816
Recourse for vacation	540	540
<b>Total</b>	<b>25.455</b>	<b>22.356</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

## 13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and furniture	Vehicles	Total
<b>Cost as of 1 January 2022</b>	<b>8.371</b>	<b>4.810</b>	<b>13.181</b>
Additions	415	-	415
Revaluation	325	316	641
Correction	(58)	8	(50)
Sales	-	(697)	(697)
<b>Balance as of 31 December 2022</b>	<b>9.053</b>	<b>4.437</b>	<b>13.490</b>
Additions	2.608	1.195	3.803
Sales	(8.455)	(590)	(9.045)
<b>Balance as of 31 December 2023</b>	<b>3.206</b>	<b>5.042</b>	<b>8.248</b>
<b>Accumulated depreciation as of 1 January 2022</b>	<b>6.641</b>	<b>2.487</b>	<b>9.128</b>
Depreciation 2022	606	399	1.005
Correction	(345)	336	(9)
Revaluation of depreciation	-	(697)	(697)
<b>Balance as of 31 December 2022</b>	<b>6.902</b>	<b>2.525</b>	<b>9.427</b>
Depreciation 2023	3.170	1.673	4.843
Disposals	(8.394)	(590)	(8.984)
<b>Balance as of 31 December 2023</b>	<b>1.678</b>	<b>3.608</b>	<b>5.286</b>
<b>Net book value as of:</b>			
<b>31 December 2022</b>	<b>2.151</b>	<b>1.912</b>	<b>4.063</b>
<b>31 December 2023</b>	<b>1.528</b>	<b>1.434</b>	<b>2.962</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

## 14. INTANGIBLE ASSETS

	Software	Total
<b>Cost</b>		
<b>At 01 January 2022</b>	<b>595</b>	<b>595</b>
Additions	44	44
Correction	49	49
<b>At 31 December 2022</b>	<b>688</b>	<b>688</b>
Additions	130	130
Sales	(331)	(331)
<b>At 31 December 2023</b>	<b>487</b>	<b>487</b>
<b>Accumulated amortisation</b>		
<b>At 01 January 2022</b>	<b>321</b>	<b>321</b>
Amortization for 2022	64	64
Correction	8	8
<b>At 31 December 2022</b>	<b>423</b>	<b>423</b>
Amortization for 2023	267	267
Disposals	(392)	(392)
<b>At 31 December 2023</b>	<b>298</b>	<b>298</b>
<b>Net carrying value</b>		
<b>At 31 December 2022</b>	<b>265</b>	<b>265</b>
<b>At 31 December 2023</b>	<b>189</b>	<b>189</b>

## 15. CASH AND CASH EQUIVALENTS

	2023	2022
Bank account	14.811	23.385
Petty cash	36	20
Foreign currency bank account	137.639	125.875
<b>Balance at 31 December</b>	<b>152.486</b>	<b>149.281</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

**16. TRADE RECEIVABLES**

	<u>2023</u>	<u>2022</u>
Trade receivables in the country	5	-
<b>Balance at 31 December</b>	<b>5</b>	<b>-</b>

**17. OTHER RECEIVABLES**

	<u>2023</u>	<u>2022</u>
Advances for credit card deposit	330	330
Given advances	-	35
State receivable for more paid tax	376	376
<b>Balance at 31 December</b>	<b>706</b>	<b>741</b>

**18. PREPAYMENTS**

	<u>2023</u>	<u>2022</u>
Prepayments	1.399	1.106
<b>Balance at 31 December</b>	<b>1.399</b>	<b>1.106</b>

**19. OPERATING FUND**

	<u>2023</u>	<u>2022</u>
Operating fund	3.151	4.328
Current surplus of revenues over expenses	153.726	150.834
<b>Balance at 31 December</b>	<b>156.877</b>	<b>155.162</b>

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



**NOTES TO THE FINANCIAL STATEMENTS**

For the Year Ended 31 December 2023

All amounts are expressed in MKD thousand, unless otherwise stated

**20. ACCOUNTS PAYABLE**

	<b>2023</b>	<b>2022</b>
Accounts payable	622	196
<b>Balance at 31 December</b>	<b>622</b>	<b>196</b>

**21. OTHER CURRENT LIABILITIES**

	<b>2023</b>	<b>2022</b>
Visa card	-	98
<b>Balance at 31 December</b>	<b>-</b>	<b>98</b>

**22. DEFERRED EXPENSES**

	<b>2023</b>	<b>2022</b>
Deferred expenses	246	-
<b>Balance at 31 December</b>	<b>246</b>	<b>-</b>

**23. OFF-BALANCE RECORDS**

As of 31 December 2023, the Foundation has no off-balance sheet exposure.

**24. SUBSEQUENT EVENETS**

After 31 December 2023 – the reporting date until the approval of these financial reports, there are no events that have occurred.