



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

Financial Statements for the Year Ended
31 December 2024 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 state ments Metamorphosis Foundation for Internet and Society, Skopje (in the following text "the Foundation"), 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 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 far 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 and 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
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 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 Foundations and standards for reporting under the cash basis of accounting.

Certified Auditor, Partner

Darko Kalin



30 May 2025

Director

Darko Kalin




Metamorphosis Foundation for Internet and Society, Skopje

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

	Notes	2024	2023
Granted donations	4	90.432	100.506
Services	5	870	578
Revenue from financing	6	5.133	328
Other revenues	7	280	159
Transferred surplus of revenue from the previous year		153.726	150.834
TOTAL REVENUES		250.441	252.405
Material expenses and services	8	12.256	22.977
Other operating expenses	9	61.605	48.016
Exchange differences	10	165	2.230
Capital expenses	11	217	-
Expenses for employees	12	25.684	25.455
TOTAL EXPENSES		99.927	98.678
Surplus of revenues over expenses before taxes		150.514	153.726
Income Tax		-	-
Surplus of revenues over expenses after taxation		150.514	153.726

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

The accompanying financial statements were authorised for issue on 03.03.2025 by the management of the Foundation and were signed on its behalf by:



Bardhyl Jashari
 Executive Director

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

	Notes	2024	2023
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	2.196	2.962
Intangible assets	14	120	189
		2.316	3.151
CURRENT ASSETS			
Cash and cash equivalents	15	149.150	152.485
Trade receivables	16	-	5
Other receivables	17	706	706
Prepayments	18	1.064	1.399
		150.920	154.595
TOTAL ASSETS		153.236	157.746
LIABILITIES AND OPERATING FUND			
OPERATING FUND			
Operating Fund		2.316	3.151
Surplus of revenues over expenses after taxation		150.514	153.726
	19	152.830	156.877
CURRENT LIABILITIES			
Accounts payable	20	403	622
Other current liabilities	21	1	-
Deferred expenses	22	2	246
Total current liabilities		406	868
TOTAL LIABILITIES AND FUNDS		153.236	157.745

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 31 December 2023
In MKD thousands

	Operating Fund	Surplus of revenues over expenses	Total
Balance as of 1 January 2023	4.328	150.834	155.162
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
Balance as of 31 December 2023	3.151	153.726	156.877
Transferred surplus of revenues over expenses from previous year	-	(153.726)	(153.726)
Additions	638	-	638
Depreciation of assets disposed	-	-	-
Depreciation for the year	(1.473)	-	(1.473)
Sale of fixed assets	-	-	-
Surplus of revenues over expense	-	150.514	150.514
Balance as of 31 December 2024	2.316	150.514	152.830

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 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 Foundation's headquarters is located in Skopje, at Str.19 Franklin Ruzvelt, 1000 Skopje, Centar. The average number of the employees for year 2024 amounts 27 employees (2023: 28 employees).

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

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. BASIC ACCOUNTING POLICIES

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, C 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 2024 and 2023. 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 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.

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)

3.2 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 2024 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.

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 2024

All amounts are expressed in MKD thousand, unless otherwise stated

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 NBRM.

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 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).

3.9 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:

In MKD	2024	2023
EUR	61,4950	61,4950
GBP	74,1350	70,7612
USD	58,8807	55,6516

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

	<u>2024</u>	<u>2023</u>
Revenues from donations	90.432	100.506
Total	<u>90.432</u>	<u>100.506</u>

In the course of 2024, revenues from the following donors were realized:

Breakdown of granted donations by donors:

<u>Donor</u>	<u>2024</u>
META PLATFORMS IRLAND	29.600
Foundation Techsoup Poland	21.877
Macedonian Center for International Cooperation (MCIC)	4.480
The Sigrid Rausing Trust, London	9.374
European Commission	7.691
American Bar Association	314
DCAF – GENEVA CENTRE FOR SECURITY SECTOR GOVERNANCE	155
CDT - CENTER FOR DEMOCRATIC TRANSITION	603
UNICEF	516
INTERNATIONAL CENTER FOR JOURNALISM	1.519
JAKO	111
PeaseNexus	653
Journalism Fund	84
INTERNEWS NETWORK	1.429
PARTNERS SRBIJA	834
International Foundation For Electoral Systems	3.516
EUROPEAN FACT CHECKING STANDAR	2.418
Center for promotion of civil society	3.777
EDRi	17
The Poyter institute for media	1.464
Total	<u>90.432</u>

5. SERVICES

	<u>2024</u>	<u>2023</u>
Revenue from services	870	578
Total	<u>870</u>	<u>578</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

6. REVENUE FROM FINANCING

	<u>2024</u>	<u>2023</u>
Foreign exchange gains	5.133	328
Total	<u>5.133</u>	<u>328</u>

7. OTHER REVENUES

	<u>2024</u>	<u>2023</u>
Other revenues	280	159
Total	<u>280</u>	<u>159</u>

8. MATERIAL EXPENSES AND SERVICES

	<u>2024</u>	<u>2023</u>
Office materials	850	3.118
Electricity, telephone and utilities costs	167	240
Maintenance	155	90
Other services	4.474	7.246
Transport	1.357	2.519
Marketing	273	400
Depreciation	168	185
Rent	3.317	4.607
Other costs	1.495	4.572
Total	<u>12.256</u>	<u>22.977</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

9. OTHER OPERATING EXPENSES

	2024	2023
Bank charges	421	507
Per diems and travel costs	108	1.118
Insurance	169	57
Intellectual services	287	3.287
Membership fees	1.923	592
Subgranting	50.148	32.531
Other expenses	8.548	9.923
Total	61.605	48.016

10. EXCHANGE DIFFERENCES

	2024	2023
Foreign exchange losses	165	2.230
Total	165	2.230

11. CAPITAL EXPENSES

	2024	2023
Equipment	217	-
Total	217	-

12. EXPENSES FOR EMPLOYEES

	2024	2023
Salaries	25.144	24.915
Recourse for vacation	540	540
Total	25.684	25.455

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment and furniture	Vehicles	Total
Cost as of 1 January 2023	9.053	4.437	13.490
Additions	2.608	1.195	3.803
Sales	(8.455)	(590)	(9.045)
Balance as of 31 December 2023	3.206	5.042	8.248
Additions	351	267	618
Sales	-	-	-
Balance as of 31 December 2024	3.557	5.309	8.866
Accumulated depreciation as of 1 January 2023	6.902	2.525	9.427
Depreciation 2023	3.170	1.673	4.843
Disposals	(8.394)	(590)	(8.984)
Balance as of 31 December 2023	1.678	3.608	5.286
Depreciation 2024	690	694	1.384
Disposals	-	-	-
Balance as of 31 December 2024	2.368	4.302	6.670
Net book value as of:			
31 December 2023	1.528	1.434	2.962
31 December 2024	1.189	1.007	2.196

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

14. INTANGIBLE ASSETS

	Software	Total
Cost		
At 01 January 2023	688	688
Additions	130	130
Correction	(331)	(331)
At 31 December 2023	487	487
Additions	20	20
Sales	-	-
At 31 December 2024	507	507
Accumulated amortisation		
At 01 January 2023	423	423
Amortization for 2023	267	267
Disposals	(392)	(392)
At 31 December 2023	298	298
Amortization for 2024	89	89
Disposals	-	-
At 31 December 2024	387	387
Net carrying value		
At 31 December 2023	189	189
At 31 December 2024	120	120

15. CASH AND CASH EQUIVALENTS

	2024	2023
Bank account	18.665	14.811
Petty cash	61	36
Foreign currency bank account	130.424	137.639
Balance at 31 December	149.150	152.486

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2024

All amounts are expressed in MKD thousand, unless otherwise stated

16. TRADE RECEIVABLES

	<u>2024</u>	<u>2023</u>
Trade receivables in the country	-	5
Balance at 31 December	-	5

17. OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
Advances for credit card deposit	330	330
Given advances	-	-
State receivable for more paid tax	376	376
Balance at 31 December	706	706

18. PREPAYMENTS

	<u>2024</u>	<u>2023</u>
Prepayments	1.064	1.399
Balance at 31 December	1.064	1.399

19. OPERATING FUND

	<u>2024</u>	<u>2023</u>
Operating fund	2.316	3.151
Current surplus of revenues over expenses	150.514	153.726
Balance at 31 December	152.830	156.877

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 2024

All amounts are expressed in MKD thousand, unless otherwise stated

20. ACCOUNTS PAYABLE

	2024	2023
Accounts payable domestic	139	622
Accounts payable foreign	69	-
Advances	195	-
Balance at 31 December	403	622

21. OTHER CURRENT LIABILITIES

	2024	2023
Visa card	1	-
Balance at 31 December	1	-

22. DEFERRED EXPENSES

	2024	2023
Deferred expenses	2	246
Balance at 31 December	2	246

23. OFF-BALANCE RECORDS

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

24. SUBSEQUENT EVENETS

After 31 December 2024 – the reporting date until the approval of these financial reports, there are no events that have occurred.