

National Youth Council of Macedonia

FINANCIAL STATEMENTS

for the year ended on 31 December 2022
with

INDEPENDENT AUDITOR'S REPORT

TABLE OF CONTENTS

REPORT OF THE INDEPENDENT AUDITORS.....	3
STATEMENT ON REVENUES AND EXPENSES	5
BALANCE SHEET.....	6
BUSINESS FUND	7
NOTES TO THE FINANCIAL STATEMENTS	8

REPORT OF THE INDEPENDENT AUDITORS

To National Youth Council of Macedonia

Report on financial statements

We have audited the attached financial statements of the National Youth Council of Macedonia (Hereinafter: NYCM), which include the Balance Sheet as of 31 December 2022, as well as the Statement on revenues and expenses and the summary of the 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 Law on Accounting for Non-profit Organizations, prepared on a modified cash basis, 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.

Auditors' 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 applicable in the 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.

RSM MAKEDONIJA DOOEL Skopje

Dame Gruev 8, 1000 Skopje, R. North Macedonia

T+389 (0)2 3233 301

T+389 (0)2 3233 302

www.rsm.mk

The 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 judgment, including the assessment of the risks of material misstatement of the financial statements, notwithstanding whether they are due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements of the entity 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 internal control. The audit also includes an evaluation of the appropriateness of accounting policies used and the rationality of accounting estimates made by the management, as well as evaluation of 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of National Youth Council of Macedonia as of 31 December 2022, and its financial performance for the year then ended, in accordance with the Law on Accounting for Non-profit Organizations.

Skopje, 22.04.2024

Certified Auditor

Jaglika Jordanova Andrijeska



Audit Company

RSM MAKEDONIJA DOOEL Skopje



RSM
Друштво за ревизија РСМ
МАКЕДОНИЈА ДООЕЛ Скопје

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

STATEMENT ON REVENUES AND EXPENSES

<i>(in thousand denars)</i>	Note	Year ended 31 Dec	
		2022	2021
INCOME			
Income from donors	4	26.367	51.065
TOTAL INCOME		26.367	51.065
Transferred surplus income from previous year	4	17.212	9.225
EXPENSES			
Operating expenses	5	31.113	43.078
TOTAL EXPENSES		31.113	43.078
Income surplus before tax/ (uncovered expenses before tax)		12.467	17.212
Tax on unrecognized costs		-	-
Income surplus / (uncovered expenses)		12.467	17.212

Skopje, 28.02.2023

 Filip Ivkovski
 President

BALANCE SHEET

<i>(in thousand denars)</i>	Note	Year ended on 31 Dec	
		2022	2021
ASSETS			
<u>Long-term assets</u>		1.302	553
Tangible assets	6	1.302	553
Intangible assets	6.1	-	-
<u>Current assets</u>		12.467	17.212
Accounts receivables	7	-	-
Other recievables	8	-	-
Cash	9	12.467	17.212
<u>Prepaid expenses and undue collection of income</u>	10	-	-
TOTAL ASSETS		13.769	17.765
FUNDS AND LIABILITIES			
<u>Funds and reserve</u>		1.302	553
Business fund		1.302	553
<u>Long-term liabilites</u>		-	-
<u>Current liabilities</u>		-	-
Accounts payable	11	-	-
Other liabilities	12	-	-
<u>ACCRUALS</u>	13	12.467	17.212
TOTAL FUNDS AND LIABILITIES		13.769	17.765

Skopje, 28.02.2023

 Filip Ivkovski

President

BUSINESS FUND

Review of movement of business fund, revaluation reserves and accumulated surplus of revenues			
<i>(in thousand denars)</i>	Business fund	Accumulated surplus of revenues	Total
2021			
Balance at 01.01.	693	9.225	9.918
Income for the year	-	51.065	51.065
Expenses for the year	-	(42.937)	(42.937)
Increase of tangible assets / (capital expenditures)	141	(141)	-
Depreciation	(281)	-	(281)
Balance at 31.12.	553	17.212	17.765
2022			
Balance at 01.01.	553	17.212	17.765
Income for the year	-	26.367	26.367
Expenses for the year	-	(31.113)	(31.113)
Increase of tangible assets / (capital expenditures)	1.065	-	1.065
Depreciation	(316)	-	(316)
Balance at 31.12.	1.302	12.467	13.769

NOTES TO THE FINANCIAL STATEMENTS

1. General information on NGO

The National Youth Council of Macedonia (NYCM) is a union of associations where associations and foundations from the Republic of Macedonia are registered on a voluntary basis. NYCM was established on 29 June 2013 by 55 organizations.

The NYCM is a representative body for youth organizations in Macedonia. NYCM unites 51 organizations, 17 youth organizations, 20 organizations for youth, 1 union, 7 youth wings of other organizations and 6 associate members, in order to promote and advocate for the rights of the Macedonian youth.

The membership of the NYCM is diverse, bringing together organizations working at national and regional level, rural and urban areas, student organizations, branches of international organizations and other types of organizations. In the process of achieving their goals, NYCM represents the interests of young people in the Republic of Macedonia regardless of their social and economic status, gender, race, ethnic and cultural background, political and religious beliefs, sexual orientation, gender identity or any other type of difference.

From 29 November 2015, the NYCM is part of the European family of youth organizations called the European Youth Forum (EYF).

VISION

Independent, autonomous and inclusive youth sector, representing young people in Macedonia.

MISSION

The mission of the NYCM is to represent the interests and needs of young people as a liaison to all stakeholders so as to ensure involvement and active participation of youth in the process of decision-making at every level.

GOALS

1. Strengthening the role of NYCM as a representative body of youth and youth organizations;
2. Encouraging processes for tailoring appropriate policies that provide social and personal development of young people;
3. Advocacy and action on behalf of the interests of young people and youth organizations through representation of their interests before the institutions;
4. Uniting and developing the capacities of the youth sector by strengthening and promoting the role of youth organizations;
5. Promoting informal education and encouraging the creation of systems to support young people at local and national level;
6. Improving the position of youth in society through: – Promotion and action for strengthening youth participation in the process of decision-making – Promotion of youth activism, youth information and active citizenship among young people;
7. Promoting equality, treatment of young people, tolerance and democracy among and between youth.

2. BASES FOR PREPARATION OF FINANCIAL STATEMENTS

NYCM prepares its financial statements in accordance with law regulations that are applicable in the Republic of North Macedonia, and refer to the activities of non-profit organizations, primarily Law on Accounting for Non-Profit Organizations (“Official Gazette of RNM” no. 24/03, 17/11 and 154/15) and Rulebook on Accounting for Non-Profit Organizations (“Official Gazette of RNM” no.42/03, 08/09, 12/09 and 175/11), and the specific by-law regulations adopted on basis of the Law on Non-Profit Organizations.

The financial statements are prepared according to the accounting principle for modified incurrence of business changes, i.e. transactions. The presented Financial Statements are prepared on a cash basis, whereas revenues are recognized when collected, and expenses are recognized when settled, within a period of 30 days after the end of the reporting period.

Financial statements are prepared with assumption for going concern, i.e. NYCM has no intention and no reason to discontinue the operation in a near future.

Financial statements are presented in thousands MKD, unless it is otherwise stated.

3. BASIC ACCOUNTING POLICIES

The fundamental accounting policies that have been applied in the preparation of the Financial Statements are presented below. The accounting policies of the NYCM are being adequately applied from year to year.

3.1 Revenue and expense recognition policy

Revenue and expense recognition is performed according to the article 13 from the Law on Accounting for Non-Profit Organizations, i.e. in accordance with the accounting principle for modified occurrence of business changes, i.e. transactions.

Accounting principle for modified occurrence of business changes, i.e. transactions means recognition of revenues in the accounting period when they occurred, in accordance with the criteria for scalability and availability. Revenues are measurable when they can be presented as a value. Revenues are available when they are generated in the accounting period or within a period of 30 days upon expiry of the accounting period, provided that the revenues refer to the accounting period and serve to cover the liabilities of that accounting period.

Accounting principle for modified occurrence of business changes, i.e. transactions, means recognition of expenses in the accounting period in which they occurred or in a period of 30 days upon expiry of the accounting period, provided that the payment liability has occurred within that accounting period.

Inventory items are recognized as expenses at purchasing value. The purchasing value is consisted of net purchasing price, increased by the import customs, Value Added Tax, transportation costs and all other expenditures that are directly attributed to the purchasing value, i.e. purchasing expenses, decreased for the discounts and commissions.

3.2 Long-term assets

Long-term assets are presented at purchase value. Purchase value of long-term assets is consisted of the net purchase price increased by the import duties, Value Added Tax, transportation costs and all other expenditures that are directly attributable to the purchasing value, i.e. purchase costs.

Long-term assets with separate value at the time of purchase less than 300 EUR in MKD counter-value, shall be classified as small inventory that will be written-off as one-time charge regardless of their useful life.

Decpeiation

The depreciation is calculated separately for each asset within the groups prescribed in the Rulebook on Accounting for Non-Profit Organizations until the value of the long-term assets has been fully compensated. When the value, which represents the basis for calculation of the depreciation, has been compensated, i.e, when the amount of purchase value of the assets is equal to the written-off value, further calculation of depreciation ceases. This also applies if the assets are being further used for operational activities.

Long-term assets' value write-off is performed by using straight-line depreciation method by applying annual rates prescribed by the Minister of Finance in the Rulebook on Accounting for Non-Profit Organizations. The annual rates for depreciation applied on some significant items, are presented below:

Equipment	25%
Computers	25%
Furniture	25%

The basis for long-term assets' write-off is the purchase value, i.e. the revaluated value of long-term assets.

The calculation of depreciation of tangible assets begins on the first day of the next month when those assets were put into usage for operational activities.

Revaluation

Revaluation of long-term assets is calculated in accordance with Article 15 of the Law on Accounting for Non-Profit Organizations and Articles 29 and 29-a of the Rulebook on Accounting for Non-Profit Organizations. In accordance with the previously mentioned legislation, calculation of revaluation is carried out in the following cases:

- Retirement and disposal of assets, or
- Revaluation in line with the increase of prices by manufacturers of industrial products.

The basis for revaluation of long-term assets is the cost of assets and their accumulated depreciation.

The revaluation of the long-term assets shall be carried out by applying the rate of increase of prices by the manufacturers of industrial products, published by the State Statistical Office.

The revaluation shall be carried out by reconciliation of the balances of the long-term assets with the performed valuation by the end of the month when the assets are retired from use, or disposed.

The revaluation of the long-term assets shall be carried out by multiplying the balances of the long-term assets from the preceding year with the index of the cumulative price increase of industry products from the start until the end of accounting period, while for the long-term assets which were purchased during the accounting period, their balance is multiplied with the index of the cumulative price increase of industry products from the first day in the month subsequent to the month of the purchase until the end of the accounting period.

The result of the revaluation of long-term assets shall be carried forward as credit or debit to the sources of financing.

3.3. Receivables and liabilities

The balances of receivables and liabilities are recognized in accordance with the amounts agreed in the contract.

3.4 Cash

Cash consists of cash at hand, cash deposits in a bank and cash deposits in bank in foreign currency accounts. The cash at hand and the cash deposits in a bank shall be presented in the general ledger at a nominal value, while the foreign currency shall be presented using the exchange rate of the National Bank of the Republic of North Macedonia on the balance sheet date.

3.5 Amounts stated in foreign currency

The transactions in foreign currency are stated in MKD according to the Official exchange rate of NBRSM 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.

Note 4*(in thousand denars)*

	2022	2021
Revenues	43.580	60.290
REVENUES FROM MEMBERSHIP FEES, GIFTS, DONATIONS AND REVENUES FROM OTHER SOURCES	26.367	51.065
Revenues from membership fees, gifts and donations	26.367	51.065
TRANSFERRED INCOME SURPLUS FROM PREVIOUS YEAR	17.212	9.225
Transferred income surplus from previous year	17.212	9.225

The primary sources of funds for the association's activities are donations.

The donors with which contracts have been concluded and amounts of transferred assets in this year can be seen in the table below.

(in thousand denars)

Received funds by donors	2022	2021
Athens Chamber	-	4.516
Junior Achievement Serbia	2.460	8.276
British Embassy	8.467	-
National Youth Council of Portugal	-	110
UNDP	1.391	-
City of Skopje	-	20.233
IFES	1.911	-
East West Management Institute	1.475	-
National Agency for European Educational Programmes and Mobility	1.719	8.166
European Commission	7.694	-
FOSM	-	8.835
European Commission	-	246
Council of Europe	865	-
Groupe SOS Pulse 15	157	-
Cooperation and development Institute	229	-
TOTAL RECEIVED FUNDS	26.367	50.382

In 2021 the rest of 683 thousand denars are: income from membership fees in amount of 161 thousand denars and income from government grants for salaries in amount of 522 thousand denars.

Note 5*(in thousand denars)*

	2022	2021
Expenses	31.113	43.078
OPERATING EXPENSES, SERVICES AND DEPRECIATION	4.444	10.589
Supplies	180	285
Spent energy	236	279
Other services	416	454
Transport services	280	234
Advertising, propaganda and representation	440	3.279
Rents and utilities	949	2.754
Other material expenses	1.943	3.304
OTHER EXPENSES	9.726	26.814
Bank fee	89	89
Insurance premium	216	91
Business trips and travel expenses	1.091	768
Allowances for expenses for workers and citizens	5.606	22.494
Negative FX	42	73
Other expenses	2.682	3.299
TRANSFERRED ASSETS	9.591	-
Transferred assets to other subjects	9.591	-
NON-CURRENT AND OTHER ASSETS	-	141
Equipment	-	141
ASSISTANCE, DONATIONS AND OTHER PAYMENTS	836	-
Assistance, donations and other payments to subjects	836	-
SALARIES AND CONTRIBUTIONS	6.373	5.420
Salaries	4.226	3.606
Contributions	2.147	1.814
TAXES AND CONTRIBUTION THAT DO NOT DEPEND ON RESULT	143	114
Taxes and contribution that do not depend on result	143	114

Note 6*(in thousand denars)***Tangible assets**

2021	Equipment	Furniture	Total
Cost			
Balance January 1	982	141	1.123
Additions	141	-	141
Disposed / Outlaid assets	-	-	-
Balance December 31	1.123	141	1.264
Accumulated depreciation			
Balance January 1	(360)	(71)	(430)
Depreciation for the year	(246)	(35)	(281)
Disposed / Outlaid assets	-	-	-
Balance December 31	(605)	(106)	(711)
Net book value December 31	518	35	553

2022	Equipment	Furniture	Total
Cost			
Balance January 1	1.123	141	1.264
Additions	1.065	-	1.065
Disposed / Outlaid assets	-	-	-
Balance December 31	2.188	141	2.329
Accumulated depreciation			
Balance January 1	(605)	(106)	(711)
Depreciation for the year	(281)	(35)	(316)
Disposed / Outlaid assets	-	-	-
Balance December 31	(886)	(141)	(1.027)
Net book value December 31	1.302	-	1.302

Note 6.1*(in thousand denars)***Intangible assets**

	2022	2021
Supply values		
Balance January 1	-	-
New supplies	-	-
Disposed assets	-	-
Balance December 31	-	-
Depreciation		
Balance January 1	-	-
Current depreciation	-	-
Disposed assets	-	-
Balance December 31	-	-
Current value at 31.12	-	-

Note 7

(in thousand denars)

	2022	2021
Accounts receivables	-	-

Note 8

(in thousand denars)

	2022	2021
Other receivables	-	-

Note 9

(in thousand denars)

	2022	2021
Monetary assets	12.467	17.212
Bank account	10.871	8.150
Foreign exchange accounts	1.596	9.063

Note 10

(in thousand denars)

	2022	2021
Prepaid expenses and undue collection of income	-	-

Note 11

(in thousand denars)

	2022	2021
Accounts payable	-	-

Note 12

(in thousand denars)

	2022	2021
Other liabilities	-	-

Note 13

(in thousand denars)

	2022	2021
Accruals	12.467	17.212
Part of the income surplus for transfer in next year	12.467	17.212