



**Balkan Civil Society
Development Network**

Financial Statements for the Year Ended
31 December 2025

Independent Auditor's Report

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To:
The Management of
Balkan Civil Society Development Network, Skopje

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report on the financial statements

Auditor's opinion

We have audited the financial statements of the Balkan Network for Civil Society Development, Skopje (hereinafter referred to as the "Foundation"), which comprise the Statement of Financial Position as at 31 December 2025, the Statement of Income and Expenses, and the Statement of Changes in Sources of Funds for the year then ended, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Balkan Network for Civil Society Development, Skopje as at 31 December 2025, as well as its income and expenses and changes in sources of funds for the year then ended, in accordance with the accounting standards and regulations applicable to non-profit organizations 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 further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code), as applied 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 our other ethical responsibilities in accordance with these requirements and the IESBA Code as applied 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 Responsibilities 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

To:
The Management of
Balkan Civil Society Development Network, Skopje

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 may arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. 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 Foundation'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 auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- 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.

To:
The Management of
Balkan Civil Society Development Network, Skopje

INDEPENDENT AUDITOR'S REPORT (Continued)

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Certified Auditor, Partner

Darko Kalin



Director

Darko Kalin

28.04.2026

	Note	2025	2024
CURRENT INCOME			
Revenue from donations and memberships	4	31.707	26.189
Other revenues	5	251	9
Financial revenues	6	30	229
Surplus of Revenues from Previous Years	7	3.711	2.990
TOTAL REVENUE		35.699	29.417
CURRENT EXPENCES			
Material expenses	8	(1.303)	(635)
Operating expenses	9	(23.116)	(16.347)
Capital expenditures	11	(99)	(74)
Employee expenses	10	(11.181)	(12.361)
TOTAL EXPENSES		(35.699)	(29.417)
Surplus of income over expenses before taxation		-	-
Income tax		-	-
Surplus of income over expenses after taxation		-	-

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

The accompanying financial statements were authorised for issue on 28 February 2026, by the management of the Foundation and were signed on its behalf by:



Anja Bosilkova Antovska

Acting Executive Director

BALANCE SHEET
As of 31 December 2025
In MKD thousands

	Note	2025	2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	12	32.871	35.947
Other receivables	13	44	44
		32.915	35.991
NON-CURRENT ASSETS			
Material assets	14	283	322
		283	322
TOTAL ASSETS		33.198	36.313
LIABILITIES AND OPERATING FUND			
CURRENT LIABILITIES			
Accounts payable	15	33	139
Other short-term liabilities	16	32.262	35.232
		32.295	35.371
OPERATING FUND			
Operating Fund		903	942
Surplus of Revenues Over Expenses After Taxation		-	-
TOTAL OPERATING FUND		903	942
TOTAL LIABILITIES AND FUNDS		33.198	36.313

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

STATEMENT OF CHANGES IN OPERATING FUND

For the Year Ended 31 December 2025

In MKD thousands

	Operating Fund	Surplus of revenues over expenses	Total
Balance as of 1 January 2024	999	-	999
Transferred surplus of revenues over expenses from previous year	-	-	-
Purchase of fixed assets	71	-	71
Depreciation	(128)	-	(128)
Surplus of revenues over expenses for next year	-	-	-
Balance as of 31 December 2024	942	-	942
Balance as of 1 January 2025	942	-	942
Transferred surplus of revenues over expenses from previous year	-	-	-
Purchase of material assets	98	-	98
Disposal of material assets	(95)	-	(95)
Depreciation	(111)	-	(111)
Depreciation of disposed material assets	69	-	69
Surplus of revenues over expenses for next year	-	-	-
Balance as of 31 December 2025	903	-	903

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

1. ESTABLISHMENT AND ACTIVITY

The Balkan Civil Society Development Network (BCSDN) (hereinafter: The Foundation) is a network of 10 civil organizations in 10 countries on the Balkan (Albania, Bosnia and Hercegovina, Bulgaria, Kosovo, Romania, Montenegro, North Macedonia, Slovenia, Serbia and Turkey). The Foundation has been founded on 06.07.2009. The Foundation works intensely with the goal of promoting the civil society's role by strengthening its voice when it comes to political decision making and other national, regional and EU related matters. Promotion the civil dialog between the agents of the civil society, the state (public) institutions and the European Union with the primary goal of having an influence on the public policies. Developing knowledge and skills which represent the agents of civil society as a basis for a higher impact. Strengthening the communication, coordination and cooperation between the agents of the civil society of the Balkan region.

The vision of the Foundation is peace, harmony and prosperity among the societies of the Balkan region.

The mission of the Foundation is to strengthen the civil societies and to have and influence the European and national policies in the direction to a more favourable environment for developing civil societies with sustainable and functional democracies on the Balkan.

The Foundation is registered in the Central Registry of the Republic of North Macedonia with a unique identification number of the subject 6524710 and with activity according to the Decision of the Central Registry with code 94.990 - activities of other organizations based on subscription, not mentioned elsewhere. The Foundation is registered in the Register of Foundations.

The headquarters of the Foundation is St. Makedonija number. 43/19, Skopje, Center.

Average number of employees for 2025 is 8 (2024: 7 employees)

2. BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statements of the Foundation 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. BASIC ACCOUNTING POLICIES

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, 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).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continues)

Financial statements are prepared for the year ended 31 December 2025 and 2024. 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 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 NBRM at the reporting date.

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 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 Institute in 2025 are as follows: 1 – 2,5% for buildings, 10 – 20% for equipment, 12 – 16% for furniture and 25% for computer equipment.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continues)

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

The income tax for the reporting period represents the sum of current and deferred income tax

(a) *Income Tax*

Income tax represents an amount that is calculated and paid in accordance with the effective Profit Tax Law of the Republic of North Macedonia. In 2025, the income tax is payable at the rate of 1% on the amount of revenues from sales of goods or services above the threshold revenue of 1 million MKD.

(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 reserves.

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).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

3. BASIC ACCOUNTING POLICIES (Continued)

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:

	<u>31 December 2025</u>	<u>31 December 2024</u>
1 USD	52,3050 Denars	58,8807 Denars
1 EUR	61,4950 Denars	61,4950 Denars

4. GRANTED DONATIONS

	<u>2025</u>	<u>2024</u>
Revenues from memberships	274	338
Revenues from donations	31.433	25.850
Total	<u>31.707</u>	<u>26.188</u>

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

Donator	2025
1 SIDA WB Civil Society Developm	54.891
2 ROCKEFELLER BROS FUND	4.872
3 Civicus Monitor	2.872
4 European Center for Not-for-Profit Law (ECNL)	666
5 Other	380
Transferred surplus of revenues for next year	(32.248)
Total	31.433

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

5. OTHER REVENUES

	2025	2024
Other revenues	251	9
Total	251	9

6. FINANCIAL INCOME

	2025	2024
Exchange rate gains	30	229
Total	30	229

7. SURPLUS OF REVENUES FROM PREVIOUS YEARS

	2025	2024
Surplus of Revenues from Previous Years	3.711	2.990
Total	3.711	2.990

8. MATERIAL EXPENSES

	2025	2024
Office supplies expenses	186	100
Utilities expenses	77	28
Maintenance expenses	163	132
Other services	305	233
Rent expenses	572	142
Total	1.303	635

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

9. OPERATING EXPENSES

	2025	2024
Membership fees	176	68
Intellectual services	3.269	3.101
Per diems and travel expenses	3.144	2.726
Internet and telephone expenses	346	302
Vacation allowance	375	375
Other services	77	31
Bank fees	142	122
Advertising, marketing and entertainment expenses	97	237
Other taxes and contributions on income	1	-
Transferred funds	14.629	9.101
Exchange losses	584	35
Insurance expenses	4	9
Other expenses	272	240
Total	23.116	16.347

10. EMPLOYEE EXPENSES

	2025	2024
Gross Salaries	11.181	12.361
Total	11.181	12.361

11. CAPITAL EXPENSES

	2025	2024
Purchase of assets	99	74
Total	99	74

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

12. CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
Domestic bank accounts	854	1.781
Foreign currency bank accounts	31.993	34.125
Petty cash	24	40
Total	<u>32.871</u>	<u>35.947</u>

13. TRADE AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
Deposits paid	40	40
Advances paid	4	4
Total	<u>44</u>	<u>44</u>

14. MATERIAL ASSETS

	Equipment	Furniture	Total material assets
Cost			
Balance as of 01.01.2024	929	491	1.420
Additions	34	37	71
Balance as 31.12.2024	963	528	1.491
Additions	43	55	98
Disposal of material assets	(57)	(37)	(94)
Balance as 31.12.2025	<u>949</u>	<u>546</u>	<u>1.495</u>
Depreciation			
Balance as 01.01.2024	688	353	1.041
Depreciation	111	17	128
Balance as 31.12.2024	799	370	1.169
Depreciation	95	17	112
Depreciation of disposed material assets	(69)	-	(69)
Balance as 31.12.2025	<u>825</u>	<u>387</u>	<u>1.281</u>
Net book value as of:			
Balance as 31.12.2024	<u>164</u>	<u>158</u>	<u>322</u>
Balance as 31.12.2025	<u>124</u>	<u>159</u>	<u>283</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2025

All amounts are expressed in MKD thousand, unless otherwise stated

15. ACCOUNT PAYABLES

	2025	2024
Domestic trade payables	33	108
Foreign trade payables	-	31
Total	33	139

16. OTHER SHORT-TERM LIABILITIES

	2025	2024
Liabilities for received donations	32.248	35.179
Personal tax liabilities	14	11
Other short-term liabilities	-	41
Total	32.262	35.232

17. OFF-BALANCE RECORDS

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

18. SUBSEQUENT EVENETS

After 31 December 2025 – date of reporting, until the date of approval of these financial statements, there are no material subsequent events that would have an impact on understanding of financial statements, or which would require correction of the financial statements.