

**ASSOCIATION OF INTERNAL AUDITORS  
OF NORTH MACEDONIA, Skopje**

**Financial Statements and  
Independent Auditors' Report  
for the year ended December 31, 2025**

**CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Income and Expenses	3
Balance Sheet	4
Notes to the Financial Statements	5 - 11

---

---

## INDEPENDENT AUDITOR'S REPORT

**To the Assembly and Managing Board of ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje**

### *Opinion*

We have audited the accompanying financial statements (page 3 to 11) of ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje (the "Association"), which comprise the balance sheet as at 31 December 2025, and the statement of income and expenses for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2025, and its financial performance for the year then ended in accordance with the Law on Accounting for Non-Profit Organizations 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 further described in the section "Auditor's responsibilities for the audit of the financial statements" of our report.

We are independent of the Association in accordance with the IESBA Code of Ethics for Professional Accountants (including International Independence Standards) 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Law on Accounting for Non-Profit Organizations 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

(continued)



## INDEPENDENT AUDITOR'S REPORT

To the Assembly and Managing Board of ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje (continued)

### *Auditor's responsibilities 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 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;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting;
- evaluate the overall presentation, structure and content of the financial statements.

### *Other matter*

We draw attention to the fact that the Association maintains its accounting records and prepares its financial statements in accordance with the Law on Accounting for Non-Profit Organizations applicable in the Republic of North Macedonia, according to which the Association is not required to prepare and present a Statement of changes in equity and a Cash flow statement.

Our opinion is not modified in respect of this matter.

JVK DOO, Skopje, Republic of North Macedonia

Krsto Nestorov  
Director

Skopje  
March 10, 2026



Krsto Nestorov  
Certified Auditor



JPA INTERNATIONAL  
Audit, Accounting, Tax, Consultancy  
A Worldwide Network of Independent Firms


**ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje**

**STATEMENT OF INCOME AND EXPENSES**  
**For the year ended December 31, 2025**  
**(In thousands of Denars)**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<b>Income</b>			
Revenue from membership fees	4	762	707
Revenue from services	5	723	1.721
Revenue from grants and sponsorships		76	111
Surplus brought forward from previous year		315	20
		<u>1.876</u>	<u>2.559</u>
<b>Expenses</b>			
Material expenses and services	6	(680)	(967)
Other expenses	7	(1.126)	(1.277)
		<u>(1.806)</u>	<u>(2.244)</u>
Financial income		2	1
Financial expenses		(7)	(1)
		<u>(5)</u>	<u>-</u>
<b>Surplus of income over expenses before taxation</b>		<b>65</b>	<b>315</b>
Income tax	8	(12)	-
<b>Surplus of income over expenses after taxation</b>		<u><b>53</b></u>	<u><b>315</b></u>

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

These financial statements were approved by the Association's management on March 5, 2026.


  
 Biljana Sekulovska  
 President of Association of Internal Auditors of  
 North Macedonia

ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje

**BALANCE SHEET**  
**At December 31, 2025**  
**(In thousands of Denars)**

	<u>Note</u>	<u>2025</u>	<u>2024</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	9	-	-
<b>Current assets</b>			
Trade and other receivables	10	21	16
Deferred expenses	11	48	73
Cash and cash equivalents	12	53	315
<b>Total current assets</b>		<u>122</u>	<u>404</u>
<b>TOTAL ASSETS</b>		<u><u>122</u></u>	<u><u>404</u></u>
<b>Fund balance</b>			
Undistributed surplus carried forward		53	315
Reserves		5	5
		<u>58</u>	<u>320</u>
<b>Current liabilities</b>			
Trade payables and other liabilities	13	64	73
Deferred revenue	14	-	11
		<u>64</u>	<u>84</u>
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<u><u>122</u></u>	<u><u>404</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. GENERAL INFORMATION

ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje (the "Association") is the association of citizens which is established in accordance with the Law of citizens' associations and foundations (Official Gazette of RM no.31/98, 29/07, 52/2010, 135/2011 and 55/2016) and as a legal entity is registered in the Central Registry of the Republic of North Macedonia under the number 4030008037125. The Association's headquarter is registered on Street 11ti oktombri 52A/1-3, Skopje. Its ID number is 6380140. The Statute of the Association is adopted 6 June 2008 based on the Law of citizens' associations and foundations.

This Statute defines the goals and tasks of the Association, form of association, organization, title and headquarter, requirements and gaining and terminating of membership, rights, and obligations of the Association bodies, representing, financing and other issues.

*Basic principles of organizing*

The Association is independent, non-party, non-profitable citizen association, founded by the free will of citizens for associating, exercising of basic rights and liberties, openly and transparently for public and open to new memberships, organized for the promotion of internal auditor's profession and its principles in the Republic of North Macedonia. Transparency in working is achieved through publishing occasional printed materials, organizing seminars, trainings and courses for achieving CIA certification for its members, information in the public media, web site and other forms of communication for the members and all other interested in the Association activities.

*Basic goals*

- Development of internal auditor profession in the Republic of North Macedonia;
- Improving knowledge and professionalism among its members;
- Protecting the interests of its members;
- Creating a professional unity and mutual support of its members;
- Increasing the level of the internal auditor profession;
- Sustainable development of new methods, techniques, and instruments in performing internal audit;
- Networking and cooperation promotion, synergy in the development processes and exchange of experience and knowledge regionally and internationally;
- Consistently directing and planning of help and support of its members and other interested individuals which will be realized inside the CIA learning system and program activities;
- To support growth of its own resources in the operating areas and the projects in which it will be involved;
- Training on different levels and trainees (technical and professional education) especially training of internal audit professional teams in topics related with the internal audit professional development; and
- Other activities which will lead to improving of local internal audit profession in general.

**NOTES TO THE FINANCIAL STATEMENTS**

**December 31, 2025**

**2. BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with the Law of accounting for not-for-profit organizations (Official Gazette of RM no.24/03, 17/11, 154/15 and Official Gazette of RM no.122/21) and the Rulebook for accounting for not-for-profit organizations (Official Gazette of RM no.42/2003).

The financial statements are prepared on the modified cash basis.

A summary of the principal accounting policies applied in preparing the statutory financial statements are set out within Note 3 to the financial statements.

Macedonian Denar is the Association's functional and the presentation currency for statutory purposes. Current and comparative data are expressed in thousands of Denars, unless otherwise stated.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Revenue and expenses recognition**

Revenue and expenses are recognized based on the modified cash basis of accounting.

Revenue is recognized in the accounting period in which the changes have occurred based on the criteria for measurement and availability. Revenue is measurable when it can be reliably expressed in monetary terms. Revenue is considered available when it is collected during the accounting period or within 30 days after the reporting date, provided that it relates to the reporting period and covers liabilities incurred in that period.

For the services rendered, the revenue is measured at the fair value of the consideration received or receivable in the regular course of Association activities.

Expenses are recognized in the accounting period in which they occurred or within 30 days after the reporting period if the liability for payment occurred in that period.

**3.2 Foreign exchange translation**

Transactions denominated in foreign currencies have been translated into Denars at rates set by the National Bank of the Republic of North Macedonia as of the transaction date. Assets and liabilities denominated in foreign currencies are translated at the balance sheet date using official rates of exchange. Net foreign exchange gains or losses, resulting from foreign currency translation, are included in the Statement of income and expenses in the period in which they arose.

**3.3 Equipment**

Equipment is recorded at cost less accumulated depreciation and accumulated impairment loss, if any.

The initial cost of equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The annual depreciation rates applied is 10%.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**3.4 Trade receivables**

Receivables from customers and other short-term receivables are recognized at the moment the transaction is performed. They are recorded by debiting the appropriate receivable account and crediting the corresponding account within Deferred Income.

When the receivables are collected, the corresponding deferred income account is released and recognized as revenue.

In the statement of financial position, receivables are presented at net value, which should correspond to the related balance of deferred income.

**3.5 Prepayments and accrued expenses**

Accounts for prepayments and accrued expenses include all expenses that have been incurred but not yet paid within the reporting period, or at the latest by 30 January of the following reporting period.

**3.6 Cash and cash equivalents**

Cash and cash equivalents comprise funds in bank and cash in hand.

**3.7 Trade payables**

Trade payables are stated at their nominal amount.

**3.8 Deferred income**

Income that does not meet the criteria for recognition (i.e., income not collected within the reporting period or by 30 January of the following reporting period) is recorded within the appropriate Deferred Income accounts.

Deferred income accounts also include the excess of revenues over expenses that is carried forward to the next reporting year.

**3.9 Income tax**

In accordance with the Law on Income Tax, not-for-profit organizations are tax liable for 1% on the amount of annual business activity turnover that exceeds 1.000.000 denars.

Revenues of the Association earned from membership fees, sponsorships and donations that are collected and allocated for intended purposes and are not planned for business purposes are excluded.

The Association prepares and submits an annual tax return in accordance with the applicable tax regulations.

In accordance with the accounting regulations applicable to not-for-profit organizations in the Republic of North Macedonia, income tax expense is recognized in the period in which the tax is paid. Consequently, the income tax calculated for the current year is not recognized as an expense in the Statement of Income and Expenses for that year, but is recognized as an expense in the period when the tax payment is made.

**ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje**

**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2025**

**4. REVENUE FROM MEMBERSHIP FEES**

	<b>In thousands of Denars</b>	
	<b>Year ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Membership fees	762	707

Revenues from membership fees relate to revenue collected by the Association from its members during the year. Individual's annual fee membership amounts to Denar 3.5 thousand (2024: 3.5 thousand).

**5. REVENUE FROM SERVICES**

	<b>In thousands of Denars</b>	
	<b>Year ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Technical and professional education (regular trainings)	723	1.721

Revenues from services rendered relate to regular annual trainings and courses organized by the Association for its members and business community.

**6. MATERIAL EXPENSES AND SERVICES**

	<b>In thousands of Denars</b>	
	<b>Year ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Trainings and conferences	236	287
Travel costs	370	306
Office and equipment rent	37	123
Materials	13	14
Entertainment and promotion	11	184
Other expenses and services	13	53
	680	967

ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025

7. OTHER EXPENSES

	In thousands of Denars	
	Year ended December 31	
	<u>2025</u>	<u>2024</u>
Professional fees (trainers, administrator, marketing etc)	707	889
Membership costs	270	253
Hotel accommodation	124	106
Bank commission	<u>25</u>	<u>29</u>
	<u>1.126</u>	<u>1.277</u>

Membership costs relate to annual membership fees paid to the Institute of Internal Auditors, Florida, United States of America, and European Confederation of Institutes of Internal Auditing (ECIIA), Brussels, Belgium.

8. INCOME TAX

	In thousands of Denars	
	Year ended December 31	
	<u>2025</u>	<u>2024</u>
Income tax expense	<u>12</u>	<u>-</u>

The income tax expense of MKD 12 thousand represents income tax paid during the year relating to taxable turnover from business activities generated in the previous reporting period, recognized on a cash basis.

9. EQUIPMENT

In thousands of Denars

	<u>Equipment</u>
<b>Cost</b>	
Balance, 1 January 2025	82
Additions	-
Balance, 31 December 2025	<u>82</u>
<b>Accumulated depreciation</b>	
Balance, 1 January 2025	82
Charge for the year	-
Balance, 31 December 2025	<u>82</u>
<b>Net carrying amount</b>	
31 December 2025	<u>-</u>
31 December 2024	<u>-</u>

**ASSOCIATION OF INTERNAL AUDITORS OF NORTH MACEDONIA, Skopje**

**NOTES TO THE FINANCIAL STATEMENTS**  
December 31, 2025

**10. TRADE AND OTHER RECEIVABLES**

	<b>In thousands of Denars</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Trade receivables local	-	-
Trade receivables foreign	-	11
Other short-term receivables	21	5
	<u>21</u>	<u>16</u>

**11. DEFERRED EXPENSES**

	<b>In thousands of Denars</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Deferred expenses (unpaid)	48	73
	<u>48</u>	<u>73</u>

**12. CASH AND CASH EQUIVALENTS**

	<b>In thousands of Denars</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Cash in bank in Denars	50	88
Cash in bank in foreign currency	3	227
	<u>53</u>	<u>315</u>

**13. TRADE PAYABLES AND OTHER LIABILITIES**

	<b>In thousands of Denars</b>	
	<b>December 31, 2025</b>	<b>December 31, 2024</b>
Trade payables local	45	28
Trade payables foreign	-	28
Current tax liabilities (personal tax)	3	17
Other current liabilities	16	-
	<u>64</u>	<u>73</u>

In 2025, based on a decision of the Management Board were written off overdue trade payables more than 3 years in amount of MKD 37 thousand.

NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2025

14. DEFERRED REVENUE

	In thousands of Denars	
	December 31 2025	December 31, 2024
Deferred revenue (uncollected)	-	11

15. EVENTS AFTER THE REPORTING DATE

After the reporting date as of 31 December 2025, until the date of approval of these financial statements, there are no events that would cause adjustment to the financial statements, nor events that are materially significant for disclosure in these financial statements.