

**CENTRAL SECURITIES  
DEPOSITARY AD SKOPJE**

**AUDITORS REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDING  
31 DECEMBER 2023**

**Skopje, March 2024**

*These reports are translation from the official ones issued in Macedonian language*

<b>CONTENTS</b>	Page
<b>Independent Auditors' Report</b>	1-2
<b>Financial Statements</b>	
Income Statement	3
Statement of comprehensive income	4
Statement of financial position	5
Cash Flow Statement	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

Ss. Cyril and Methodius 20, 1000 Skopje,  
Republic of Macedonia

Tel: +389 (2) 32 14 706

Fax: +389 (2) 32 14 707

www.moore.mk  
www.moore-global.com

**INDEPENDENT AUDITOR'S REPORT  
TO THE  
SHAREHOLDERS OF  
CENTRAL SECURITIES DEPOSITORY AD - Skopje**

**Report on the Financial Statements**

We have audited the accompanying financial statements of CENTRAL SECURITIES DEPOSITORY AD – Skopje (The Company), which comprise the Statement of financial position as at 31 December 2023 and Income Statement, Statement of comprehensive income, Statement of changes in equity and Cash flow Statement for the period 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 standards which are accepted in the Republic of Macedonia and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

*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 International Standards on Auditing which are accepted in the Republic of 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.

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 the 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.

**INDEPENDENT AUDITOR'S REPORT  
TO THE  
SHAREHOLDERS OF  
CENTRAL SECURITIES DEPOSITORY AD - Skopje**

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of CENTRAL SECURITIES DEPOSITORY AD – Skopje as of 31 December 2023, and of its financial performance and its cash flows for the period then ended in accordance with the accounting standards which are accepted in the Republic of North Macedonia.

**Report on Other Legal or Regulatory Requirements**

The management of the Company is also responsible for preparation of the annual business report according to the article 384 from the Law on trade companies. Our responsibility, according to the Audit Law, is to report whether the annual business report is consistent with the annual account and the financial statements for the year ended 31 December 2023. Our job regarding the annual business report is conducted according to the ISA 720 and is restricted to reporting whether the historical financial information presented in the annual business report are consistent to the annual accounts and the audited financial statements.

The annual business report is consistent, in all material aspects, with the annual account and the audited financial statements of CENTRAL SECURITIES DEPOSITORY AD – Skopje as of 31 December 2023.

Skopje, 12 March 2024

**Certified Auditor**

Kostadinka Kitanoska



**Manager and Certified Auditor**

Antonio Veljanov



Друштво за ревизија  
МУР  
СТИВЕНС  
ДОО  
СКОПЈЕ



---

ЦЕНТРАЛЕН  
ДЕПОЗИТАР  
ЗА ХАРТИИ ОД ВРЕДНОСТ

---

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDING  
31 DECEMBER 2023**

**CENTRAL SECURITIES  
DEPOSITORY AD SKOPJE**

February, 2024

## CONTENTS

<b>CONTENTS</b>	<b>Page</b>
<b>Independent Auditors' Report</b>	<b>1-2</b>
<b>Financial Statements</b>	
Income Statement	3
Statement of comprehensive income	4
Statement of financial position	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8

**INCOME STATEMENT**

		In thousand MKD	
		For the year ended at	
	Note	31 December 2023	31 December 2022
Revenues	6	37,855	46,006
Other operating income	7	796	1,639
<b>Operating profit</b>		<b>38,651</b>	<b>47,645</b>
Used materials	8	(277)	(375)
Personnel expenses	9	(18,377)	(18,503)
Depreciation and amortization	19,20	(2,719)	(2,533)
Other operating expenses	10	(17,758)	(19,110)
<b>OPERATING PROFIT (LOSS)</b>		<b>(480)</b>	<b>7,124</b>
Income from investments	18	388	349
Financing income	11	1,149	381
Financing expenses	12	(36)	(23)
		<b>1,501</b>	<b>707</b>
<b>PROFIT (LOSS) BEFORE TAXATION</b>		<b>1,021</b>	<b>7,831</b>
Income tax expense	13	-	(942)
<b>NET PROFIT (LOSS)</b>		<b>1,021</b>	<b>6,889</b>
<b>Basic earnings (loss) per share (In MKD)</b>	25	<b>170</b>	<b>1,148</b>

**STATEMENT OF COMPREHENSIVE INCOME**

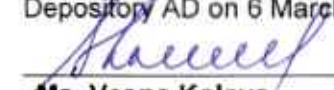
		in thousand MKD for the year ended	
	Note	31 December 2023	31 December 2022
<b>Net profit (loss) for the period</b>		<b>1,021</b>	<b>6,889</b>
<b>Other comprehensive income:</b>			
Revaluation of PPE		-	-
Fair value movement of available-for-sale investments		-	-
Currency translation differences		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>		<b>1,021</b>	<b>6,889</b>




**STATEMENT OF FINANCIAL POSITION**

	Note	2023	2022
in thousand MKD			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	19	18,346	15,619
Intangible assets	20	649	497
Investments available for sale	18	76	76
		<b>19,071</b>	<b>16,192</b>
<b>Current assets</b>			
Cash and cash equivalents	14,27	1,393	3,386
Bank deposits	15	52,299	84,332
Short-term investments held to maturity	15	25,000	-
Trade receivables	16	7,554	7,412
Other receivables	17	1,805	1,487
		<b>88,051</b>	<b>96,617</b>
<b>Total assets</b>		<b>107,122</b>	<b>112,809</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Equity</b>			
Shareholders capital	24	48,306	48,306
Reserves		22,256	18,765
Retained earnings		33,225	41,696
<b>TOTAL EQUITY</b>		<b>103,787</b>	<b>108,767</b>
<b>Non-current liabilities</b>			
Donations	21	-	242
		-	<b>242</b>
<b>Current liabilities</b>			
Trade payables	22	1,951	1,277
Income tax payables	23	84	130
Other liabilities	23	1,300	2,393
<b>TOTAL LIABILITIES</b>		<b>3,335</b>	<b>4,042</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>107,122</b>	<b>112,809</b>

These financial statements were approved by the Board of Directors of the Central Securities Depository AD on 6 March 2024. Signed on behalf of the Board of Directors by:

  
**Ms. Vesna Koleva**  
 Head of Department for  
 financial affairs  
 No. of license 0100121



  
**Ms. Darinka Damjanovik**  
 Executive Director

**STATEMENT OF CHANGES IN EQUITY**

in thousand MKD

	Number of common shares	Share capital	Reserves and reinvested earining	Revaluation Reserves	Retained earnings / (loss)	Total
<b>As at January 1, 2023</b>	<b>6,000</b>	<b>48,306</b>	<b>18,765</b>	-	<b>41,696</b>	<b>108,767</b>
<i>Transactions with owners:</i>						
Distribution from reserves	-	-	(1,509)	-	1,509	-
Distribution of retained earnings in reinvested earinings	-	-	5,000	-	(5,000)	-
Distribution for dividends	-	-	-	-	(6,000)	(6,000)
Profit (loss) for the year	-	-	-	-	1,021	1,021
<i>Other comprehensive income (loss)</i>	-	-	-	-	-	-
<b>Total comprehensive income (loss) for the year</b>	-	-	-	-	<b>1,021</b>	<b>1,021</b>
<b>As at December 31, 2023</b>	<b>6,000</b>	<b>48,306</b>	<b>22,256</b>	-	<b>33,225</b>	<b>103,787</b>
<b>As at January 1, 2022</b>	<b>6,000</b>	<b>48,306</b>	<b>18,765</b>	-	<b>46,807</b>	<b>113,878</b>
<i>Transactions with owners:</i>						
Distribution from reserves	-	-	-	-	-	-
Distribution of retained earnings in reinvested earinings	-	-	-	-	-	-
Dividends	-	-	-	-	(12,000)	(12,000)
Profit (loss) for the year	-	-	-	-	6,889	6,889
<i>Other comprehensive income (loss)</i>	-	-	-	-	-	-
<b>Total comprehensive income (loss) for the year</b>	-	-	-	-	<b>6,889</b>	<b>6,889</b>
<b>As at December 31, 2022</b>	<b>6,000</b>	<b>48,306</b>	<b>18,765</b>	-	<b>41,696</b>	<b>108,767</b>

**CASH FLOW STATEMENT**

in thousand MKD

	Notes	for the year ended at 31 December	
		2023	2022
<b>Cash flows from operating activities</b>			
PROFIT (LOSS) BEFORE TAXATION		<b>1,021</b>	<b>7,831</b>
<i>Adjustments for:</i>			
Depreciation of property and equipment	19	2,345	712
Amortization of intangible assets	20	374	1,821
Income from depreciation of donations	7	(242)	(450)
Other adjustments	19	-	-
Impairment of doubtful receivables	10	717	1,033
Income from value adjustment of receivables and collected doubtful receivables	7	(277)	(304)
Income from investments	18	(388)	(349)
Interest income	11	(340)	(381)
<i>Operating profit before changes in working capital</i>		<b>2,710</b>	<b>9,913</b>
Trade receivables		(860)	(610)
Other receivables		595	(214)
Trade payables		674	(129)
Donations		-	-
Other liabilities		(1,093)	(1,070)
<i>Operating profit from operations after changes in working capital</i>		<b>2,026</b>	<b>7,980</b>
Income tax paid		(438)	(1,331)
		<b>1,588</b>	<b>6,559</b>
<b>Investment activities</b>			
Withdrawn deposits from banks		71,863	76,020
Placed deposits with banks		(39,830)	(70,076)
Short-term investment		(25,000)	-
Interest received		596	381
Disposal of equity investments		28,788	43,349
Acquisition of equity investment		(28,400)	(43,000)
Acquisition of property, equipment and intangible assets	19 и 20	(5,598)	(1,150)
<b>Net cash flows (used in) / from investing activities</b>		<b>2,419</b>	<b>5,524</b>
<b>Financing activities</b>			
Dividends		(6,000)	(12,000)
<b>Net cash flows from financing activities</b>		<b>(6,000)</b>	<b>(12,000)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(1,993)</b>	<b>83</b>
<b>Cash and cash equivalents at 1st January</b>	27	<b>3,386</b>	<b>3,303</b>
<b>Cash and cash equivalents at 31st December</b>		<b>1,393</b>	<b>3,386</b>

*Notes to financial statements*

**1 Basis data and activity**

Central Securities Depository AD Skopje (“herein after the Company”) is founded as a company for clearing and settlement of the liabilities based on securities and keeping a Register of securities in the Republic of Macedonia, based on agreement among the founders that are solely banks, broker and insurance companies. The Company has been registered at the trade register under T.Reg. No 3726/2001 on 31.10.2001. The address of the office is: Blvd. Kuzman Jasifovski Pitu no. 1 Skopje, Republic of North Macedonia.

Central Securities Depository AD Skopje was operating on non-profit basis until 01.01.2006 which means that the surplus of the revenues over the expenditures can be used only for its development. Since January 1, 2006 the Company is operating as a profit earning company which means that net profits can be distributed for dividends.

According to the Statistics Bureau of the Republic of Macedonia Decision No.27-6410/1 dated 05.11.2001, the basic activity of the Company is “other financial mediation”, under activity code no.64.99 in accordance with the National Classification of Activities.

The total number of employees in the Central Securities Depository AD Skopje as at 31 December 2023 is 18 (2022: 18 employees).

*Notes to financial statements*

**2 Accounting policies**

Below are the principal accounting policies used in preparation of these financial statements. These policies apply to all years shown, unless otherwise indicated.

**2.1 Basis of preparation**

The financial statements set on pages 3 to 32 are prepared in accordance with the International Financial Reporting Standards (IFRS) accepted and published in the Rulebook for accounting in Official gazette of the Republic of North Macedonia (No.159/2009,164/2010 and 107/2011) and became effective from 1 January 2010.

The financial statements have been prepared for the years ending 31 December 2023 and 2022. Current and comparative figures in the financial statements and in the notes to the financial statements are presented in thousand of Macedonian Denars (000 MKD) unless otherwise stated. Where is necessary, the comparative figures have been adjusted to conform to the presentation in the current year.

**2.2 Basic accounting methods**

The financial statements are prepared based on the principle of historical prices, except for the available-for-sale investments which are recognized at fair value.

**2.3 Accounting estimates and judgments**

The Company is applying certain accounting estimates and judgements during the process of preparation of the financial statements. Certain financial statements accounts which are not able to be measured properly are assessed on a regular basis. The assessment process includes judgments based on the latest relevant and available information.

Estimates are used during the assessment of the useful life period of the assets, fair value of receivables and its collectability, fair value of investments available for sale etc.

During the period certain estimates and judgments can be revised and changed if there are changes in the circumstances on which the assessment was based or as a result of a new information, greater experience and subsequent events.

The effect of the changes in the accounting estimates and judgments are included in the net profit or loss for the period as well as in the future periods on which the change takes effect or the both.

*Notes to financial statements*

**2.4 Going concern concept**

The financial statements are prepared based on the going concern concept which means that the Company will continue to operate in the near future. The management of the Company has no intention or need to liquidate or restrict significantly the scope of its operations.

**2.5 Revenue recognition**

*Sales of services*

Revenues from rendering services are recognized in the income statement according to stage of completion of services at the financial position date and when the amount of the revenue can be measured reliably, as it is probable that the economic benefits associated with the transaction will flow to the entity, transaction costs and costs for completion of the transaction can be measured reliably and there is an adequate evidence for the existence of the transaction.

**2.6 Finance income**

Finance income calculated during the year, is presented as income regardless of their collection. They are consisted of interest income and foreign exchange gains. Finance income is recognized on a time proportion basis that reflects the effective yield on the assets.

Interest is recognized on an accrual basis for the period in which it relates.

**2.7 Expenses**

*Finance expenses*

Finance expenses, are presented as expenses, regardless of their payment. They are consisted of interest expenses and foreign exchange losses. Finance expenses are recognized on a time proportion basis that reflect the effective yield on the assets.

Interest is recognized as an expense in accordance with the time period for which it relates.

*Other operating expenses*

Other operating expenses are recognized on the basis of the principle of matching the revenue and costs and they are recognized and recorded on the basis of actual costs reported in reliable accounting documents.

**2.8 Exchange rate differences**

Business transactions in foreign currency are presented in Denars by applying the exchange rate of NBRNM at the date of the transaction. All monetary assets and liabilities in foreign currencies are denominated into Denars at the middle foreign exchange rate of NBRNM valid at the statement of financial position date.

Foreign exchange gains and losses arising on the transaction of receivables and liabilities in foreign currencies in denars are presented in profit and loss as finance income or expenses in the period in which they arose. The average foreign exchange rates of the NBRNM on 31 December 2023 and 2022, are as follows:

*Notes to financial statements*

**2.8 Exchange rate differences (continued)**

	<b>2023</b>	<b>2022</b>
1 EUR =	61,4950	61,4932
1 GBP =	70,7612	69,3350
1 USD =	55,6516	57,6535

**2.9 Income tax (current and deferred)**

Income tax is consisted of current and deferred income tax. The income tax is presented in the Income Statement of the Company.

Income tax is calculated in accordance with the statutory regulations in Republic of North Macedonia. According to Income Tax Law, current tax expense at 10% rate is paid to profit for the year which is determined as the difference between total revenue and total expenses for the period, increased with the non – recognized expenses for the tax purposes adjusted for tax credit and less declared revenue. The current income tax is calculated by applying income tax rate on the date of Statement of financial position at rate of 10% (2022: 10%).

Deferred tax expense is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured using income tax rates valid at the statement of financial position date.

As at 31 December 2023 and 31 December 2022 the Company has no deferred income tax receivables and payables.

**2.10 Financial assets**

The Company classifies its assets in the following categories: loans and receivables, financial assets at fair value, financial assets available for sale, as well as financial assets held until maturity. Classification depends on the purpose for which the assets were acquired. Management determines classification of financial assets at initial recognition.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those that are due in a period longer than 12 months from the date of the statement of financial position. Loans and advances to the Company at the reporting date are comprised of cash and cash equivalents, deposits, trade receivables and other receivables.

*Financial assets at fair value through profit or loss*

A financial asset is classified as an asset held for trading if it is acquired for the purpose of generating profits from short-term price fluctuations or if it is included in the portfolio for which there is a short-term actual form of profit making.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are classified in this category or are not classified in any of the other categories. They are included in non-current assets unless the

*Notes to financial statements*

**2.10 Financial assets (continued)**

Management intends to dispose of the investment within 12 months of the date of the statement of financial position. The Company does not have assets classified in this category at the date of the Statement of Financial Position.

*Financial assets held to maturity*

Held-to-maturity investments are non-derivative financial instruments with fixed repayments periods and a fixed maturity that the Company does not have assets classified in this category at the date of the statement of Financial position.

*Initial recognition of financial assets*

Financial assets are recognized on the settlement date - the date when the Company undertakes to purchase or sell the asset.

All financial assets other than assets at fair value through profit and loss are initially recognized at fair value plus transaction costs. Assets at fair value through profit and loss are initially recognized at their fair value, with transaction costs recognized in profit and loss.

*Subsequent measurement of financial assets*

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently measured at their fair value. Loans and receivables and financial assets held to maturity are measured at amortized cost using the effective interest rate method.

Gains and losses from changes in the fair value of assets at fair value through profit and loss are included in profit or loss in the period in which they arise. Interest, if earned during the disposal of these funds, is recorded as interest income.

Gains and losses resulting from changes in the fair value of available-for-sale financial assets are recognized as other comprehensive income, until the financial asset is disposed of or impaired, whereby cumulative gains or losses previously recognized as other comprehensive income are recognized as current gains or losses.

Interest on investments in available-for-sale debt securities is calculated using the effective interest method and is recognized in current gains or losses as part of other income. Dividends on investments in available-for-sale equity instruments are recognized in current profits or losses as part of other income and when the Company has an established right to an inflow of dividends.

The fair values of listed investments on active stock exchanges are based on current listing prices. If the market for a financial asset is not active (also for unlisted securities), the Company determines fair value by using valuation techniques. Valuation techniques include the use of normal, commercial transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, and alternative pricing models.

If the value of the equity instruments cannot be adequately measured, they are measured at cost.



*Notes to financial statements*

**2.10 Financial assets (continued)**

*Derecognition of financial assets*

Financial assets cease to be recognized after the expiration of the rights to receive cash flows from the financial assets or after their transfer, and the Company has transferred substantially all the risks and benefits of ownership.

*Assets recognized at amortized cost*

On each reporting date, the Company assesses whether there is objective evidence of impairment of the financial asset. A financial asset or group of financial assets is impaired only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event (or events) affects the expected future cash flow of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss represents the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted using the original effective interest rate of the financial asset. Receivables with short-term maturities are not discounted.

The carrying amount of the asset is reduced through the use of an impairment allowance account, with the corresponding impairment expense being recognized in current profit and loss.

*Assets recorded at fair value*

On each reporting date, the Company assesses whether there is objective evidence of impairment of the financial asset. A significant or prolonged decline in the fair value of a financial asset below its purchase price is objective evidence in determining the possibility of impairment. If there is such evidence of financial assets available for sale, the cumulative loss - measured as the difference between the purchase value and the current fair value - is recognized in current gains and losses.

If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases, and the increase can be objectively related to an event occurring after the recognition of an impairment loss in current profit or loss, the impairment loss is reduced through current gains or losses.

For equity financial assets available for sale, the reversal of impairment is not recorded through profit and loss and any subsequent increase in fair value is recognized as other comprehensive income.

**2.11 Cash and cash equivalents**

Cash and cash equivalents are carried out at nominal value in the statement of financial position. For the purposes of these financial statements, cash and cash equivalents are comprised of cash in hand, cash in banks in denar and foreign currency accounts, demand deposits and time deposits in denar and foreign currency after maturity.

*Notes to financial statements*

**2.12 Trade receivables**

Trade receivables arise from sales of services and are recognized at cost less any provision for impairment of bad and doubtful receivables.

A provision for impairment of bad and doubtful receivables is recognized as expenses in the income statement for all receivables from companies that are in bankruptcy in the amount of 100% of their nominal value and write-off for all companies in the current year that have been liquidated from the Central register of RNM. Besides the 100% provision for receivables from companies that are in bankruptcy or liquidation and removal of the companies that have been previously removed from the trade register annually recognized provision for all outstanding receivables in accordance with their age structure. Provision in amount of 100% from the nominal value is made for all receivables that are due more than 3 years, 75% from the nominal value for all receivables that are due from 2 years to 3 years, 50% from nominal value for all receivables that are due from 1 year to 2 years and 0% for all receivables that are due up to 1 year.

**2.13 Investment in securities**

The Company classifies its investments as available-for-sale investments. Investments intended to be held for an indefinite period of time, which may be sold at any time are classified as available-for-sale investments.

Subsequently, investments available-for-sale are stated at their fair value that is their last market value at the date of the statement of financial position for all securities which have active market, except or those for which active market does not exist and are stated at cost less for any impairment loss (entities in bankruptcy or in liquidation).

Gains and losses arising from changes in the fair value of available-for-sale investments are recorded in shareholder's equity as fair value and other reserves, until the investment is sold at which time the unrealized gain or loss previously reported in the equity is included in net profit or loss.

**Impairment of financial assets**

*Assets carried at amortized cost*

At each reporting date, the Company assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets.

The financial asset or group of financial assets is impaired and impairment loss is recorded only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets and that the event has an impact on the expected future cash flows of a financial asset or a group of financial assets that can be reliably estimated. Evidence of impairment can be taken into account when the debtor or the group of debtors has significant financial difficulties, delay in payment of principal and interest, probability to enter bankruptcy or other reorganization, and where there are visible indications for decreased future cash flows which changes in the economic conditions that correspond with the loss.

For the category of loans and receivables, the amount of the impairment loss is the difference between the recorded amount of the asset and the present value of the estimated future cash flows discounted using the original effective interest rate of the financial asset. The recorded amount of the asset is decreased and the amount of the loss is recognized at the same time in the Statement of comprehensive income.

*Notes to financial statements*

**2.13 Investment in securities (continued)**

If, in a subsequent period, the amount of the impairment is decreased and that decrease can be objectively related to an event occurring after the recognition of the impairment (such as an improvement in the debtor's credit rating), the previously recognized loss will be restored by a correction in the Statement of Comprehensive Income.

**2.14 Netting of financial instruments**

Financial assets and liabilities are offset and the net value is presented in the statement of financial position when there is a statutory executive right of offset the recognized values and there is a possibility to settle on a net basis or at the same time to realize the funds and pay off the liabilities.

**2.15 Property, plant and equipment (PPE)**

*(1) Basic presentation*

Initially, property, plant and equipment are carried out at cost. Cost includes invoiced value and all other cost to bring the PPE to their present condition and location.

Subsequently, PPE were revalued in the past years and each year-end using uniformed revaluation coefficient based on the manufacturer's price increase index published by the State Bureau of Statistics of RNM and which was applied to historical cost or later revaluations and to the accumulated depreciation. This kind of revaluation of PPE is no more recorded. The effect of revaluation is the revaluation reserve, presented in the statement of financial position as part of the equity which until 2001 were allocated in proportion to the shareholders capital, statutory reserves and retained earnings.

Maintenance and repairs are charged to expenses as incurred. Cost relating to reconstruction and improvements that change the capacity or the purpose of the PPE are added to the value of the assets.

Gains on disposal of PPE are credited directly to other operating revenue. Losses on disposal of PPE are charged to other operating expenses.

*(2) Depreciation*

Depreciation is charged on a straight-line basis over the estimated useful life. PPE are depreciated on a single asset basis, until the asset is fully depreciated. No depreciation is provided on land and construction in progress.

Pursuant to Decision No. 02-2879/1 from 04/08/2023 for supplementing the Rulebook for the Application of Accounting Policies, the used annual depreciation rates, i.e. the predicted useful lives of PPE for 2023 in relation to 2022 are as follows:

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Property	2,5 %	2,5 %	40 years	40 years
Vehicles	25 %	25 %	4 years	4 years
Computers	25 %	25 %	4 years	4 years
Computers	20 %	-----	5 years	-----
Fire station	10%	10%	10 years	10 years
Office furniture	20%	20%	5 years	5 years

*Notes to financial statements*

**2.16 Intangible assets**

An asset should be recognized as intangible asset in the financial statements if, and only if, it is controlled from the company, it is probable that the future economic benefit will flow, the cost of the asset can be measured reliably and it has non-material form.

An intangible asset should be recognized initially, at cost, and that is the amount of cash and cash equivalents paid for its acquisition.

Subsequently, the intangible assets are recognized at cost less accumulated amortization and any impairment losses. Intangible assets should be amortized over the best estimate of their useful life. The basic amortization rate used in 2023 for intangible assets is 20% per year (2022: 20% per year).

**2.17 Impairment of non-financial assets**

Assets that are subject to amortization and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's value less cost to sell and value in use.

**2.18 Financial liabilities**

Financial liabilities are classified in accordance with the substance of the contract. Financial liabilities at amortized cost comprise liabilities to suppliers and other liabilities.

*Trade and other payables*

Liabilities to suppliers are recorded at their fair value and subsequently measured at amortized cost using the effective interest method. Obligations towards suppliers are derecognized at the moment they are settled, canceled or expired.

**2.19 Capital**

*(1) Share capital*

The Company's share capital is recognized in the amount of the nominal (par) value of the authorized and issued shares. Incremental costs related to equity issue, if any, are deducted from equity.

*(2) Purchased treasury shares*

Shares issued and at the same time owned by the Company are considered to be treasury shares and are recognized at cost and presented as equity decrease.

Treasury shares are gained through the process of acquisition on the secondary securities market (stock exchange) for current stock prices with previously made decision for their acquisition by the Company's management. The acquired treasury shares are recognized at cost including all transaction costs (fees).

*Notes to financial statements*

**2.19 Capital (continued)**

Treasury shares are disposed through process of re-selling according to the provisions of the Law on securities. The difference between the cost and the disposal price is recognized as share premium and it is presented in the equity.

*(3) Legal reserves*

Legal reserves are formed from profit based on legal provisions and schedule of revaluation reserves, and can be used to cover the loss. Under the local statutory legislation, the Company is required to set aside 5% of its year net profit in the reserves until the level of this reserve reaches 10% of the registered share capital. Until reaching the minimum required level reserve could be used only for loss recovery. If the reserve exceeds 10% of the Company's equity capital, it may be used for payment of dividends by prior decision of the Shareholders Assembly.

*(4) Revaluation reserve*

The revaluation reserve was formed in the basis of the performed annual revaluation, as stated in point 2.16 of these notes. In accordance with the legal regulations, the balance of the revaluation reserve after the annual calculation is recorded within the equity. This reserve is not subject to distribution.

**2.20 Donations**

Donations are recorded as income systematically and rationally over the useful life of assets. The received donations are treated as a separate income in the accompanying financial statements. Revenues from donations are recognized in current profit and losses as other operating revenues.

**2.21 Employee benefits**

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

*(1) Short-term employee benefits*

Short-term employee benefits are employee benefits which fall due wholly within twelve months after the end of the period in which the employees render the related services. These benefits include items such as: wages, salaries and other non-monetary benefits. All short-term employee benefits are recognized as a liability and expense for the undiscounted amount.

*(2) Post-employment benefits*

The Company calculates and pays pension insurance contributions of its employees according to the domestic legislation. The contributions, based on the employee's salaries are paid in the domestic Government and Private Funds. The Company has no additional liabilities.

Also, the Company is obliged to pay benefit in amount of two months salary to all its employees who are retiring in the moment of retirement. The Company has made no provision for these liabilities as the amount is not significant for the financial statements.

*Notes to financial statements*

**2.22 Provisions**

Provisions (uncertain liabilities) are recognized when the Company has present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as an asset when, and only when, it is virtually certain that the reimbursement will be received. The expense relating to a provision is present in the income statement net of the amount recognized for a reimbursement. Where the effect of the time value of money is material, the amount of a provision shall be the present value of the expenditures expected to be required to settle the obligation using pre-tax rates reflects current market assessments.

**2.23 Contingent asset and liabilities**

Contingent liabilities are possible obligation arising from past events, the existence of which will be confirmed by occurrence or failure of one or more uncertain future events that are not entirely under the control of the Company. Contingent liabilities are not recognized in the financial statements, but are only disclosed.

Contingent asset are possible assets arising from past events, the existence of which will be confirmed by occurrence or failure of one or more uncertain future events that are not entirely under the control of the Company. Uncertain assets are recognized only when the inflow of economic benefits is likely.

**3 Financial Risk Management**

The Company's business activities are exposed to various risk of financial nature. Financial risk management activities include the analysis, assessment, acceptance and management of risks. The Company strives to achieve an appropriate balance between risk and compensation and minimize potential adverse effects on the Company's financial performance.

The Risk Management policies of the Company are aimed at identifying and analyzing these risks, establishing appropriate limits and risk control, as well as monitoring risks and adherence to limits through reliable and up-to-date information systems. The Company regulatory policy and established risk management systems in accordance with market changes, product changes and best practices. The Risk Management policies are carried out by the Company's Management in accordance with the policies of the Board of Directors. The Management identifies and assesses financial risk in close cooperation with the Company's business units.

**3.1 Market risk**

*Foreign exchange risk*

The Company does not enter in transactions denominated in foreign currencies and therefore the Company is not exposed to foreign currency risk, except for the bank deposits in foreign currency.

The balance of foreign currency amounts of the assets and liabilities denominated in Denars as at 31 December 2023 and 2022 by currency is the following:

*Notes to financial statements*

**Financial Risk Management (continued)**

**3.1 Market risk (continued)**

In thousand Denars	Assets		Liabilities	
	2023	2022	2023	2022
EUR	10	2,228	-	-
Others	-	-	-	-
	<b>10</b>	<b>2,228</b>	-	-

The following table shows the sensitivity analysis of an increase or decrease of 10% of the Macedonian denar against foreign currencies. The analysis was made on the foreign exchange balance of the assets and liabilities at the balance sheet date. The positive amounts are profits increase, and the negative are profit cuts for the respective period.

In thousand Denars	Increases by 10%		Reductions by 10%	
	2023	2022	2023	2022
EUR	1	223	(1)	(223)
Other	-	-	-	-
<b>Net effect</b>	<b>1</b>	<b>223</b>	<b>(1)</b>	<b>(223)</b>

*Equity price risks*

Equity price risk is the possibility that equity prices will fluctuate affecting the fair value of the investments in shares and other instruments that derive their value from particular investments in shares or index of equity prices. The primary exposure to equity prices arise from investments in securities. The Company is not exposed to this kind of risk as it does not own any securities.

**3.2 Credit risk**

The Company is exposed to credit risk in the event where its customers fail to meet their payment obligations. The Company does not have significant concentration of credit risk exposure as all of the main customers are domestic brokerage houses and shareholders entities in the Republic of North Macedonia. The Company's policy to avoid or reduce this kind of risk is to make advance collection of its receivables and to provide adequate provision for all bad and doubtful receivables in order to present them at their fair and recoverable amount.

As at 31 December 2023 and 2022, the maximum exposure to credit risk is as follows:

In thousand Denars	2023	2022
Classes of financial assets – book value:		
Cash and cash equivalents	1,393	3,386
Deposits in banks	52,299	82,156
Short-term investments held to maturity	25,000	-
Trade receivables	7,554	7,870

Credit risk for cash, cash equivalents and deposits is materially insignificant because the funds are deposited in renowned banks with a high credit rating, as well as short-term investments in government securities/government bills, where the State is the guarantor.

*Notes to financial statements***3 Financial Risk Management (continued)****3.2 Credit risk (continued)**

The structure of trade receivables according to their maturity on 31 December 2023 is as follows:

In thousand Denars	<b>Gross amount</b>	<b>Impairment</b>	<b>Net amount</b>
Overdue receivables	5,099	(31)	5,068
Current receivables			
- in 2023	2,063	-	2,063
- in 2022	669	(335)	334
- in 2021	354	(265)	89
- before 2021	10,964	(10,964)	-
	<b>19,149</b>	<b>11,595</b>	<b>7,554</b>

The structure of trade receivables according to their maturity on 31 December 2022 is as follows:

In thousand Denars	<b>Gross amount</b>	<b>Impairment</b>	<b>Net amount</b>
Overdue receivables	5,311	(235)	5,076
Current receivables			
- in 2022	2,023	-	2,023
- in 2021	511	(256)	255
- in 2020	230	(172)	58
- before 2020	11,579	(11,579)	-
	<b>19,654</b>	<b>12,242</b>	<b>7,412</b>

**3.3 Interest rate risk**

The Company is exposed to risk of interest rate fluctuation, which relates to the loans, borrowings or bank deposits with variable interest rates or when it has invested funds with other companies or banks with variable interest rates. At the statement of financial position date, the Company is not exposed to this kind of risk as it does not have any borrowings.

**3.4 Liquidity risk**

Liquidity risk includes the risk of being unable to fund its liabilities at appropriate maturities with its cash. This kind of risk is managed by maintaining sufficient cash for regular funding of its committed credit facilities. The Company has no such liquidity issues. As of 31 December 2023 and 2022, all financial liabilities of the Company are short-term.

**3.5 Tax risk**

According to local legislation in RNM, the tax authorities may at any time inspect the books and records subsequent to the reported tax year, and may impose additional tax assessments. Up to the date of the Auditors report, inspection for income tax, personnel income tax and contributions on allowances for period 2023 is not yet executed and therefore additional taxes or contributions are possible. Accordingly, additional taxes in the even of future control by tax authorities at this point cannot be determined with reasonable certainty.



*Notes to financial statements*

**3.6 Risk of Financing**

The Company finances its operations exclusively with its own funds and therefore does not use short-term or long-term loans from banks and other companies. The Company continuously monitors its indebtedness through an appropriate analysis which as of 31 December 2023 and 2022 is as follows:

In thousand Denars	2023	2022
Cash and cash equivalents	(1,393)	(3,386)
<b>Net liabilities(cash)</b>	<b>(1,393)</b>	<b>(3,386)</b>
<b>Total equity</b>	<b>103,787</b>	<b>108,767</b>
<b>% of gearing ratio</b>	<b>0%</b>	<b>0%</b>

**4 Fair value estimation**

The Company has financial assets and liabilities that include the receivables from customers, deposits in banks, liabilities to suppliers, as well as non-financial assets for which a number of accounting policies and disclosures require the determination of their fair value.

The fair value of financial assets and liabilities approximates their carrying amount, given the fact that they have relatively short maturity within a maximum of one year from the date of the statement of financial position.

**5 Segment reporting**

According to its size and activities, the Company is not obliged to report under segments, neither as business segments, nor as geographical segments.

*Notes to financial statements***6 Revenues**

	<b>2023</b>	<b>2022</b>
Income fee from settlement of stock exchange transactions	9,614	15,193
Income fee from annual record keeping of joint-stock companies	15,283	15,483
Income fee from legal entities and individuals according to Tariff book of CSD AD Skopje	7,391	10,128
Income fee from annual record keeping of debt securities	2,625	2,376
Income fee from registration of new emissions of securities	1,657	1,656
Income from annual membership fee for brokerage houses and banks	1,157	946
Income fee for initial access of joint stock companies	128	224
	<b>37.855</b>	<b>46.006</b>

**7 Other operating income**

	<b>2023</b>	<b>2022</b>
Income from released impairment due to collected receivables (Note16)	172	78
Income from collected impaired receivables (Note16)	54	117
Income from depreciation of donation (Note 20)	242	450
Income from insurance premiums	124	124
Revenues from collected bad and doubtful receivables (Note 16)	51	110
Other income	153	760
	<b>796</b>	<b>1,639</b>

During 2023, donations in the amount of 242 thousand denars (2022: 450 thousand Denars) were realized as an income arising from the activities related to the Grant-donation of the European Bank for Reconstruction and Development for the purposes of establishing a Distribution system of the Company. Expenditures related to these activities were realized in the same amount.

**8 Used materials**

	<b>2023</b>	<b>2022</b>
Spent materials	181	163
Used spare parts	21	153
Small inventory write-off	75	41
Tires write-off	-	18
	<b>277</b>	<b>375</b>

**9 Employees expenses**

	<b>2023</b>	<b>2022</b>
Net-wages of employees	11,828	11,002
Contributions from wages	5,027	4,672
Wage personal income tax	1,097	1,012
Net rewards of the employees	-	753
Contributions from rewards of the employees	-	326
Personal tax from rewards of the employees	-	83
Net rewards of the management	-	150
Contributions from rewards of the management	-	64
Personal tax from rewards of the management	-	17
Other employees-related expenses	425	424
	<b>18,377</b>	<b>18.503</b>

*Notes to financial statements*

**10 Other operating expenses**

	<b>2023</b>	<b>2022</b>
Supervision fee	6,814	8,281
Compensation for members of governing bodies	1,474	1,404
Post, telephone and Internet services	1,408	1,329
Expenses for NBRNM	1,464	1,269
Public utility expenses	1,698	1,309
Costs for marketing, representation and donation	296	344
Compensation for temporary work	600	467
Impairment of trade receivables (Note 16)	537	900
Reward for members of governing bodies	-	450
Insurance expenses	431	426
Impairment of receivables from companies in bankruptcy and liquidated shareholding companies from the trade register (Note 16)	180	133
Business services for business activities	105	343
Allowance for business trips and travel cost	289	47
Expenses for donations (Note 7)	-	-
Other expenses	2,462	2,408
	<b>17,758</b>	<b>19,110</b>

**11 Finance income**

	<b>2023</b>	<b>2022</b>
Foreign exchange gains	12	17
Interest received on bank deposits	840	364
Interest income from treasury bills	297	-
	<b>1,149</b>	<b>381</b>

**12 Finance expenses**

	<b>2023</b>	<b>2022</b>
Foreign exchange expenses	14	23
Lost interest expense	22	-
	<b>36</b>	<b>23</b>

**13 Income tax expense**

	<b>2023</b>	<b>2022</b>
<b>Profit before taxation</b>	<b>1,021</b>	<b>7,831</b>
Profit tax incentives	-	-
<b>Non-recognized expenses:</b>	<b>1,138</b>	<b>1,778</b>
Impairment of receivables	537	923
Write-off of receivables	3	44
Compensation for members of governing bodies	76	7
Representation and sponsorship	266	162
Other	256	642
<b>Tax basis</b>	<b>2,159</b>	<b>9,609</b>
<b>Reducing the tax base</b>	<b>2,159</b>	<b>188</b>
Other relief (tax credit)	222	188
Amount of investments from profit (reinvested profit)	1,937	-
<b>Tax base after reduction</b>	<b>0</b>	<b>9,421</b>
<b>Calculated income tax</b>	<b>0</b>	<b>942</b>
Tax incentives for a given donation	-	-
<b>Profit before taxation</b>	<b>0</b>	<b>942</b>
<b>Effective tax rate</b>	<b>0%</b>	<b>12,03%</b>

**14 Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
Cash at bank accounts	1,348	3,349
Cash on bank cards	27	22
Cash register in Denars	8	1
Foreign currency accounts	10	14
	<b>1,393</b>	<b>3,386</b>

**15 Bank deposits**

	<b>2023</b>	<b>2022</b>
<b>Short-term deposits</b>		
Sparkasse Bank AD Skopje	18,000	15,214
Komercijalna Bank AD Skopje	-	15,000
Stopanska Bank AD Skopje	10,000	12,000
TTK Bank AD Skopje	10,000	12,000
NLB Bank AD Skopje	-	13,000
Halkbank AD Skopje	5,000	5,000
Uni Bank AD Skopje	9,000	12,000
	<b>52,000</b>	<b>84,214</b>
Interest receivables	299	118
	-	<b>84,332</b>
<b>Total bank deposits</b>	<b>52,299</b>	<b>84,332</b>

As of 31 December 2023, the placed deposits in banks are in the amount of 52,299 thousand Denar (2022: 84,332 thousand Denar).

The short-term deposits in banks in 2023 include short-term deposits with twelve-month maturity in domestic and foreign currency, and annual interest rate of 2.00% up to 4.00% (2022: short-term deposits with six-to-twelve-month maturity and annual interest rate of 0.4% up to 2.10%).

**Short-term investments held to maturity**

	<b>2023</b>	<b>2022</b>
Short-term investments held to maturity	25,000	-
<b>Short-term investments held to maturity</b>	<b>25,000</b>	<b>-</b>

The Company invested in short-term government securities - treasury bills in 2023 with one-year maturity and annual interest rate of 4.00% up to 4.25% (2022: there aren't any investments in short-term government securities- treasury bills)

**16 Trade receivables**

	<b>2023</b>	<b>2022</b>
Brokerage houses receivables	1,170	1,213
Shareholders companies receivables	14,576	15,482
Receivables from the Government	3,403	2,959
<b>Total gross trade receivables</b>	<b>19,149</b>	<b>19,654</b>
Impairment of shareholders companies receivables	(11,595)	(12,242)
<b>Total net trade receivables</b>	<b>7,554</b>	<b>7,412</b>

*Notes to financial statements*

<b>16 Trade receivables (continued)</b>	<b>2023</b>	<b>2022</b>
<b>Changes in impairment for bad and doubtful receivables:</b>		
<b>Balance as of 1 January</b>	12,242	11,945
Impairment of receivables from companies in bankruptcy and liquidated companies from the trade register (Note 10)	180	88
Write-off receivables from deleted companies	(1,087)	(431)
Impairment of overdue receivables (Note 10)	537	900
Collected bad and doubtful receivables (Note 7)	(51)	(227)
Released provisions for collected trade receivables (Note 7)	(226)	(78)
Final write-off of receivables	-	45
<b>Balance as at 31 December</b>	<b>11,595</b>	<b>12,242</b>

Within the overall impairment of receivables for the year 2023 and according to the aged receivables report, as well as the established criteria for impairment of receivables, the recorded impairment of receivables is in the amount of 717 thousand denars (2022:1,033 million denars).

<b>17 Other receivables</b>	<b>2023</b>	<b>2022</b>
Prepaid expenses	609	808
Assets taken from bankruptcy	110	110
Other receivables	40	38
Income tax refund receivables	1,046	524
VAT refund receivables	-	7
	<b>1,805</b>	<b>1,487</b>

**18 Investment available for sale**

Income from investments presented in the Income statement and Statement of cash flows arising from sale of investments in shares in open cash funds in 2023 and acquired during 2023, are in the amount of 388 thousand Denard (2022: 349 thousand Denar). As of 31 December 2023, the Company has no investments in shares in open cash funds (2022: none).

Also, the Company has investments in the amount of 76 thousand Denar in ANNA (European Association of Numerical Agencies), The investment is recognized at its cost.

19 Property and equipment

	Construction buildings	Equipment	Investments in progress - equipment	Total
<b>Cost or valuation</b>				
<b>At 1 January 2022</b>	<b>26,915</b>	<b>42,867</b>	<b>0</b>	<b>69,782</b>
Additions during the year	0	1,150	0	1,150
Disposals and write-off	0	(2,610)	0	(2,610)
Investments in progress	0	0	0	0
Correction of the opening balance	0	0	0	0
<b>At 31 December 2022/ 1 January 2023</b>	<b>26,915</b>	<b>41,407</b>	<b>0</b>	<b>69,322</b>
Additions during the year	61	5,011	0	5,072
Disposals and write-off	0	(6,608)	0	(6,608)
Transfer from investments in progress	0	0	0	0
<b>At 31 December 2023</b>	<b>26,976</b>	<b>39,810</b>	<b>0</b>	<b>66,786</b>
<b>Accumulated depreciation/amortization</b>				
<b>At 1 January 2022</b>	<b>13,375</b>	<b>40,117</b>	<b>0</b>	<b>53,492</b>
Depreciation/amortization for the year	672	2,405	0	3,077
Disposals and write-off	0	(3,866)	0	(3,866)
<b>At 31 December 2022/ 1 January 2023</b>	<b>14,047</b>	<b>38,656</b>	<b>0</b>	<b>52,703</b>
Depreciation/amortization for the year	673	1,672	0	2,345
Disposals and write-off	0	(6,608)	0	(6,608)
<b>At 31 December 2023</b>	<b>14,720</b>	<b>33,720</b>	<b>0</b>	<b>48,440</b>
<b>Net carrying value</b>				
<b>As of 1 January 2022</b>	<b>13,540</b>	<b>2,750</b>	<b>0</b>	<b>16,290</b>
<b>As of 31 December 2022</b>	<b>12,868</b>	<b>2,751</b>	<b>0</b>	<b>15,619</b>
<b>At 31 December 2023</b>	<b>12,256</b>	<b>6,090</b>	<b>0</b>	<b>18,346</b>

The property is used for the regular business activities of the Depository. The Company is in procedure of obtaining property deed for its properties. The company has no pledge over its own real estate, plant and equipment.

**20 Intangible assets**

	Intangible assets	Investments in progress - intangible assets	Total
<b>Cost or valuation</b>			
<b>At 1 January 2022</b>	<b>65,445</b>	<b>0</b>	<b>65,445</b>
Additions during the year	0	0	0
Disposals and write-off	0	0	0
Transfer from investments in progress	0	0	0
<b>At 31 December 2022/ 1 January 2023</b>	<b>65,445</b>	<b>0</b>	<b>65,445</b>
Additions during the year	526	0	526
Disposals and write-off	0	0	0
Transfer from investments in progress	0	0	0
<b>At 31 December 2023</b>	<b>65,971</b>	<b>0</b>	<b>65,971</b>
<b>Accumulated depreciation/amortization</b>			
<b>At 1 January 2022</b>	<b>64,236</b>	<b>0</b>	<b>63,236</b>
Depreciation/amortization for the year	712	0	712
Disposals and write-off	0	0	0
<b>At 31 December 2021/ 1 January 2022</b>	<b>64,948</b>	<b>0</b>	<b>64,948</b>
Depreciation/amortization for the year	374	0	374
Disposals and write-off	0	0	0
<b>At 31 December 2023</b>	<b>65,322</b>	<b>0</b>	<b>65,322</b>
<b>Net carrying value</b>			
<b>As of 1 January 2022</b>	<b>1,209</b>	<b>0</b>	<b>1,209</b>
<b>As of 31 December 2022</b>	<b>497</b>	<b>0</b>	<b>497</b>
<b>At 31 December 2023</b>	<b>649</b>	<b>0</b>	<b>649</b>

Intangible assets consist entirely of computer software that is used for implementation of the operational activities of the Depository.

**21 Donations**

As of 31 December 2023, the Company has deferred donations consisting of equipment and intangible assets in total amount of 0,00 thousand Denar (2022: 242 thousand Denar).

The changes in the deferred donations during 2023 and 2022 are as follows:

	2023	2022
As at 1 January	242	692
Increases	-	-
Depreciation of equipment and intangible assets (Note 7)	(242)	(450)
<b>As of 31 December</b>	<b>-</b>	<b>242</b>

*Notes to financial statements***22 Trade payables**

	<b>2023</b>	<b>2022</b>
Other domestic trade payables	1,951	1,277
	<b>1,951</b>	<b>1,277</b>

**23 Other liabilities**

	<b>2023</b>	<b>2022</b>
Payables for value added tax (VAT)	580	657
Payables for income tax	84	130
Payables for awards of the employees	-	1,162
Payables for awards of the executive director	-	231
Payables for awards of the members of governing bodies	-	450
Received advances	9	8
Other payables	711	(115)
	<b>1,384</b>	<b>2,523</b>

**24 Shareholders capital**

Shareholders capital

The Company's shareholders capital is in the amount of 48,306 thousand denars, consisting of 6,000 common shares with par value of 131.67 EUR for one share.

The following shareholders own more the 5% of the issued shares with voting rights:

	<b>2023</b>	<b>2022</b>
Macedonian Stock Exchange AD Skopje	28,67%	19,82%
Sparkasse Bank AD Skopje	19,00%	19,00%
Komercijalna Bank AD Skopje	15,00%	15,00%
TTK Bank AD Skopje	9,98%	9,98%
NLB Bank AD Skopje	9,03%	9,03%
Stopanska Bank AD Skopje	7,03%	7,03%
Halkbank AD Skopje	5,03%	5,03%

The common shares are authorized, issued and fully paid. The owners of the shares have right to dividend when declared and right to vote in the Shareholders Assembly.

As of 31 December 2023, the shares of the Company are owned by 17 shareholders (2022: 16 shareholders).

Reserves

As of 31 December 2023 and 2022, the reserves consist of:

	<b>2023</b>	<b>2022</b>
Statutory reserves	13,882	13,882
Other reserves	665	666
Revaluation reserves	2,709	2,710
Reserves for reinvested earning	5,000	1,507
	<b>22,256</b>	<b>18,765</b>



*Notes to financial statements***25 Earning per share**

	<b>2023</b>	<b>2022</b>
Net profit attributable to shareholders of ordinary shares	1,021	6,889
Dividend of priority shares	-	-
<b>Corrected net profit</b>	<b>1,021</b>	<b>6,889</b>
<i>Number of shares</i>		
<i>Weighted average number of ordinary shares</i>		
Ordinary shares issued on 1 January	6,000	6,000
Converted priority shares in ordinary shares	-	-
<b>Weighted average number of ordinary share at December 31</b>	<b>6,000</b>	<b>6,000</b>
<b>Basic earning per share (in Denar)</b>	<b>170</b>	<b>1,148</b>

**26 Related party transactions and compensation to management**

None of the shareholders of the Company has the status of a related entity, since none of them has significant influence over the activities of the Company.

Compensation for key management is as follows:

	<b>2023</b>	<b>2022</b>
Executive Directors		
Gross wages	3,078	3,065
Gross awards	-	231
	<b>3,078</b>	<b>3,065</b>

**27 Cash and cash equivalents for the purpose of the Cash Flow Statement**

For the purposes of the Cash Flow Statement, the cash and cash equivalents of the Company for 2023 and 2022 are as follows:

In thousand Denar	Note	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	14	1,393	3,386
Term deposits in Denar for up to one month	15	-	-
		<b>1,393</b>	<b>3,386</b>

**28 Commitments and contingencies**

The Company is joint defendant in several lawsuits arising from its regular operations. The claims against the Company, as of 31 December 2023, are in the amount of 99,232 thousand denars (2022:99,734 thousand denars). These cash amounts don't include the penalty interests. According to the management of the Company, there aren't any significant future obligations arising from these lawsuits.

*Notes to financial statements*

**29 Events after the reporting date**

Until the reporting date and the date of approval of these financial statements, there are neither events that would cause a reason for correction of the financial statements nor events that are materially significant after 31 December 2023.