

Balkans Policy Research Group - BPRG

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017



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INDEPENDENT AUDITORS REPORT

To: The management of Balkans Policy Research Group – BPRG

Opinion

We have audited financial statements of Balkans Policy Research Group – BPRG (the Organization), which comprises the statement of financial position as at 31 December 2017, and the income statement, for the year then ended, and notes to financial statements, including a summary of significant accounting policies. In our opinion, the financial statements of Balkans Policy Research Group – BPRG, for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the financial reporting requirement of organization and relevant laws in Kosovo.

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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we fulfilled our other ethical responsibilities in accordance with these requirements. 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 of the financial statements in accordance with the financial reporting requirements and for such controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of 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 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 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Organization'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 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 Organization's ability to continue as 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 auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

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.

Lulzim Zeka
Statutory Auditor

Baker Tilly Kosovo
Prishtina Kosovo



29 March 2018

Balkans Policy Research Group – BPRG

STATEMENT OF FINANCIAL POSITION

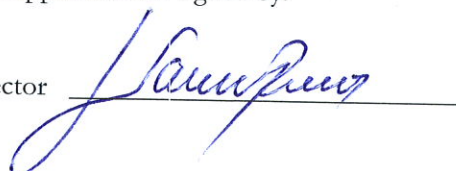
As of 31 December 2017

(all amounts are in Euro unless otherwise stated)

As at 31 December		2017	2016
	Notes		
Fixed assets			
Property Plant and Equipment		-	-
Total		-	-
Current assets			
Cash at bank and on hand	3	149,272	164,179
Receivables		-	-
Total		149,272	164,179
Total assets		149,272	164,179
Liabilities			
Accounts Payable	4	611	-
Deferred Revenues	5	148,662	164,179
Total		149,272	164,179
Fund balance			
Total opening fund		-	-
Surplus/(deficit) for the period		-	-
Total		-	-
Total liabilities and fund		149,272	164,179

This financial report has been approved and signed by:

Naim Rashiti, Executive Director



Balkans Policy Research Group – BPRG

Income Statement

For the year ended 31 December 2017
(all amounts are in Euro unless otherwise stated)

For the year ended 31 December		2017	2016
Grants and Donations	Notes 5	245,897	189,020
Total		245,897	189,020
Human resources	6	(138,758)	(126,118)
Administrative and management expenses	7	(107,139)	(62,902)
Total Expenses		(245,897)	(189,020)
Net Surplus of Expense over Income		-	-

Balkans Policy Research Group – BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2017

(all amounts are in Euro unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization

The Balkans Policy Research –is registered as a Non-Governmental Organization, under Law No. 03/L-134, section 17 On Freedom Association in Non-Governmental Organizations, with a registering number 5114592-5, with the address Str Qamil Hoxha road ob.29 apartment no. 7.

Balkans Group is built on the foundation laid down by the International Crisis Group's years of work in the region. It is not a continuation of Crisis Group under another name, but a wholly independent organization with a distinct goal, carrying forward a valuable legacy. The founding staff are veterans of Crisis Group's Balkans and Kosovo projects. They have been the force behind Crisis Group's reporting and analysis with a strong record of picking the right topic at the right time, getting the key information, analyzing it objectively and devising the right solutions.

Balkans Group main goal is to contribute to state consolidation and societal harmony in Kosovo and Western Balkans through field evidence-based research, analysis, advocacy, and policy dialogue, with the ultimate aim of bringing the region closer to EU membership.

The Balkans Policy Research Group will work to develop a reputation for integrity, professionalism and independence in its publications and (public) advocacy. BPR's work is focused in Kosovo, Bosnia, Macedonia, Serbia and Albania.

1. Basis for presentation

(a) Statement of compliance

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Functional currency

The Financial Statements are presented in EUR, which is the Organization's functional currency.

(c) Income tax

The organization is a non-governmental organization (NGO) whose received donations in the reporting year have been implemented for humanitarian purposes. According to law Nr.05/L-29 on Corporate Income Tax, NGO's whose total income was used for their public benefit purposes are tax exempted.

(d) Property plant and equipment

It is organization policy to expense property, plant and equipment acquired for the purpose of the project in accordance with donor requirements.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash deposited to the bank.

(f) Expenses

Expenses consist of program, administration and management expenses. Expenses are recognized when incurred.

(g) Revenue

Revenues of the organization consist of revenues received from donors. Revenues are recognized when funds are received

Balkans Policy Research Group – BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2017
(all amounts are in Euro unless otherwise stated)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(continued)**

3. Cash and cash equivalents

The following amounts comprise the balance as of 31 December 2017 and 2016:

At 31 December	2017	2016
Cash in the bank	149,272	164,168
Cash on hand	-	10
Total Cash at bank and on hand	149,272	164,179

4. Accounts Payable

At 31 December	2017	2016
	611	-
Total Accounts Payable	611	-

Balkans Policy Research Group – BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2017

(all amounts are in Euro unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(continued)

5. Incomes / Deferred Income

For the year ended 31 December	2017	2016
Opening balance deferred income	164,179	85,661
Received during the year		
OSI TTF	12,436	12,706
KCSF	32,864	16,300
QKSS	4,032	4,032
OPIC	-	21,125
Finland Embassy	-	9,995
The Swiss Confederation	121,030	152,186
Royal Norwegian Embassy	48,567	51,194
KFOS	-	-
CFLI	11,004	-
Other	447	-
Total	394,558	353,199
Expensed during the year	(245,897)	(189,020)
Closing balance	148,662	164,179

Balkans Policy Research Group – BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2017
(all amounts are in Euro unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(continued)

6. Human resources – project based

For the year ended 31 December	2017	2016
Royal Norwegian Embassy	30,087	31,944
Finland embassy	-	2,602
The Swiss Confederation	89,015	66,204
OPIC	-	16,373
KCSF	7,528	2,555
OSI TTF	8,530	-
KFOS	-	6,441
CFLI	2,964	-
CVE	634	-
Total	138,758	126,118

7. Administrative and management expenses - project based

For the year ended 31 December	2017	2016
Royal Norwegian Embassy	38,147	23,328
Finland embassy	-	3,557
The Swiss Confederation	56,486	21,541
OPIC	34	4,645
KCSF	11,281	3,360
OSI TTF	5,132	300
KFOS	1,351	6,171
CFLI	805	-
CVE	3,523	-
BPRG overhead charged in accordance with donor agreements	(9,621)	-
Total	107,139	62,902

Balkans Policy Research Group – BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2017
(all amounts are in Euro unless otherwise stated)

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION
(continued)**

8. Subsequent events

There are no events subsequent to the date of Statement of Financial Position that require adjustments or disclosure in the Financial Statements