

Balkans Policy Research Group - BPRG

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018, 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 2018 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

26 March 2019



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BALKANS POLICY RESEARCH GROUP-BPRG

STATEMENT OF FINANCIAL POSITION

As of 31 December 2018


(all amounts are in Euro unless otherwise stated)

As at 31 December		2018	2017
	Notes		
Assets			
Non-current assets			
Property Plant and Equipment		-	-
Total		-	-
Current assets			
Cash at bank and on hand	3	331,975	149,272
Total		331,975	149,272
Total assets		331,975	149,272
Liabilities			
Accounts Payable	4	707	611
Deferred Revenues	5	331,267	148,662
Total		331,975	149,272
Fund balance			
Total opening fund		-	-
Surplus/(deficit) for the period		-	-
Total		-	-
Total liabilities and fund		331,975	149,272

This financial report has been approved and signed by:


Naim Rashiti
 Executive Director




Emele Pushkofi
 Finance Manager

The accompanying notes 1 to 8 of the financial statements are an integral part of them.

BALKANS POLICY RESEARCH GROUP-BPRG

Income Statement

For the year ended 31 December 2018
(all amounts are in Euro unless otherwise stated)

For the year ended 31 December		2018	2017
Grants and Donations	Notes 5	299,216	245,897
Total		299,216	245,897
Expenses			
Human resources	6	(156,769)	(138,758)
Administrative expenses	7	(142,447)	(107,139)
Total Expenses		(299,216)	(245,897)
Net Surplus of Expense over Income		-	-

The accompanying notes 1 to 8 of the financial statements are an integral part of them.

BALKANS POLICY RESEARCH GROUP-BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2018

(all amounts are in Euro unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

1. Organization

Balkans Policy Research Group-BPRG is a non-governmental organization registered on 17 July 2013 with registration number 5114502-5 and fiscal number 601033707. The address of the Organization is in Prishtina, Str Qamil Hoxha road ob.29 apartment no. 7.

Balkans Policy Research Group-BPRG is an independent, nonpartisan think tank dedicated to contributing to state-building and societal harmony in Kosovo, and to facilitating state reconciliation in Kosovo and peace in the Western Balkans. Through evidence-based research, analysis, advocacy, policy dialogue and expertise, its ultimate aim is to bring the region closer to the EU. Balkans Group was established in Kosovo in 2013, as a successor of the work established by the International Crisis Group (ICG). The strategic orientations address key challenges of Kosovo's state-building process, which proves to be a monumental task for the Kosovo society. They are committed to supporting the goals of better functioning of institutions, democratic consolidation, integration of minorities, resolution of neighborly disputes, and advancing the EU agenda. All of the work is based on extensive, on the ground field research carried out by the BPRG staff, coupled with interviews with national and international leaders, which has enabled THE staff to develop an extensive network of contacts in Western Balkans.

Mission

BPRG is an independent non-partisan think tank dedicated to contribute to state consolidation and societal harmony in Kosovo and help state reconciliation in Kosovo and peace in the Western Balkans through field evidence-based research, analysis, advocacy, policy dialogue and expertise, with the ultimate aim of bringing the region closer to the EU.

Vision

The vision is to facilitate and promote development of sound policy reforms that lead to real societal changes.

Strategic Orientation

1. Institution Building and Democratic Consolidation
2. Regional Cooperation & Good Neighborly Relations
3. EU Integration and Policy Change

Balkans Policy Research Group main donors for the year 2018 were:

- European Commission
- The Swiss Confederation
- Royal Norwegian Embassy
- KFOS
- ABA RoL
- CFLI
- QKSS
- KCSF
- OSI TTF

BALKANS POLICY RESEARCH GROUP-BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2018
(all amounts are in Euro unless otherwise stated)
(continued)

2. 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-29on 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 2018

*(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 2018 and 2017:

At 31 December	2018	2017
Cash in the bank	331,517	149,272
Cash on hand	458	-
Total Cash at bank and on hand	331,975	149,272

4. Accounts Payable

At 31 December	2018	2017
Accounts Payable	707	611
Total Accounts Payable	707	611

5. Incomes / Deferred Income

For the year ended 31 December	2018	2017
Opening balance deferred income	148,662	164,179
Received during the year		
OSI TTF	22,131	12,436
KCSF	-	32,864
QKSS	-	4,032
The Swiss Confederation	-	121,030
Royal Norwegian Embassy	173,377	48,567
European Commission	272,598	-
ABA RoL	13,595	-
CFLI	-	11,004
Other	120	447
Total	630,483	394,558
Expensed during the year	(299,216)	(245,897)
Closing balance	331,267	148,662

BALKANS POLICY RESEARCH GROUP-BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2018

(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	2018	2017
Royal Norwegian Embassy	73,628	30,087
European Commission	7,054	-
ABA Rol	9,488	-
The Swiss Confederation	48,015	89,015
KCSF	8,359	7,528
OSI TTF	8,315	8,530
CFLI	1,910	2,964
CVE	-	634
Total	156,769	138,758

7. Administrative expenses - project based

For the year ended 31 December	2018	2017
Royal Norwegian Embassy	66,520	38,147
European Commission	13,258	-
ABA Rol	4,018	-
The Swiss Confederation	29,126	56,486
OPIC	-	34
KCSF	20,184	11,281
OSI TTF	6,784	5,132
KFOS	-	1,351
CFLI	4,469	805
CVE	-	3,523
BPRG	(1,913)	(9,621)
Total	142,447	107,139

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