

Balkans Policy Research Group - BPRG

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019, 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 2019 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

16 March 2020



Baker Tilly Kosovo L.L.C.
Prishtinë

BALKANS POLICY RESEARCH GROUP-BPRG


STATEMENT OF FINANCIAL POSITION

As of 31 December 2019

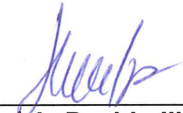
(all amounts are in Euro unless otherwise stated)

As at 31 December	Notes	2019	2018
Assets			
Non-current assets			
Property Plant and Equipment		-	-
Total		-	-
Current assets			
Advances to grantees	3	31,887	-
Cash at bank and on hand	4	184,759	331,975
Total		216,646	331,975
Total assets		216,646	331,975
Liabilities			
Accounts Payable and other short-term liabilities	5	29,820	707
Deferred Revenues	6	186,825	331,267
Total		216,646	331,975
Fund balance			
Total opening fund		-	-
Surplus/(deficit) for the period		-	-
Total		-	-
Total liabilities and fund		216,646	331,975

This financial report has been approved and signed by:


Naim Rashiti
 Executive Director




Emele Pushkolli
 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 2019
(all amounts are in Euro unless otherwise stated)

For the year ended 31 December		2019	2018
	Notes		
Grants and Donations	6	551,083	299,216
Total		551,083	299,216
Expenses			
Human resources	7	(167,065)	(156,769)
Administrative expenses	8	(384,019)	(142,447)
Total Expenses		(551,083)	(299,216)
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 2019

(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

- Institution Building and Democratic Consolidation
- Regional Cooperation & Good Neighborly Relations
- EU Integration and Policy Change

Balkans Policy Research Group main donors for the year 2019 were:

- European Commission
- The Swiss Confederation
- Royal Norwegian Embassy
- CFLI

BALKANS POLICY RESEARCH GROUP-BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2019
(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-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 2019
(all amounts are in Euro unless otherwise stated)

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

3. Advance to grantees

At 31 December	2019	2018
Advance payments to grantee	31,887	-
Total grant prepayments	31,887	-

Advances to grantees relate to amounts disbursed to grantee organizations for projects which are not completed until 31 December 2019. These amounts will be cleared against project expenses in agreed phases after submission of financial reports by grantee organizations

4. Cash and cash equivalents

The following amounts comprise the balance as of 31 December 2019 and 2018:

At 31 December	2019	2018
Cash in the bank	183,830	331,517
Cash on hand	929.29	458
Total Cash at bank and on hand	184,759	331,975

5. Accounts Payable and other short-term liabilities

At 31 December	2019	2018
Overhead accumulated	28,814	-
Accounts Payable	1,007	707
Total Accounts Payable	29,820	707

5. Incomes / Deferred Income

For the year ended 31 December	2019	2018
Opening balance deferred income	331,267	148,662
Received during the year		
OSI TTF	-	22,131
Royal Norwegian Embassy	354,398	173,377
SDC	29,924	-
European Commission	-	272,598
CEPS	8,851	-
ABA RoL	-	13,595
CFLI	9,589	-
Other	3,880	120
Total	737,909	630,483
Expensed during the year	(551,083)	(299,216)
Closing balance	186,825	331,267

BALKANS POLICY RESEARCH GROUP-BPRG

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2019
(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	2019	2018
Royal Norwegian Embassy	127,092	73,628
European Commission	33,200	7,054
ABA Rol	-	9,488
The Swiss Confederation	-	48,015
KCSF	-	8,359
OSI TTF	4,822	8,315
CFLI	1,950	1,910
Total	167,065	156,769

7. Administrative expenses - project based

For the year ended 31 December	2019	2018
Royal Norwegian Embassy	159,802	66,520
European Commission	197,211	13,258
ABA Rol	-	4,018
The Swiss Confederation	-	29,126
KCSF	-	20,184
OSI TTF	13,392	6,784
CFLI	10,718	4,469
BPRG	2,896	(1,913)
Total	384,019	142,447

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.