

BALKANS POLICY RESEARCH GROUP – BPRG

Prishtinë, Kosovë

Financial Statements

For the year ended December 31, 2024

and

Independent Auditor's Report

Contents:

INDEPENDENT AUDITOR'S REPORT	3
Statement of Financial Position	5
Statement of Income	6
Statement of Cash Flows	7
1. Introduction and background	8
2. Statement of Significant Accounting Policies	8
3. Cash and cash equivalents	10
4. Accounts Payable	10
5. Deferred Revenues.....	11
6. Personnel Expenses.....	11
7. Program expenses.....	11
8. Expenses by Project.....	11
9. Contingencies and Commitments	12
10. Subsequent Events	12

INDEPENDENT AUDITOR'S REPORT

To: Management of BALKANS POLICY RESEARCH GROUP – BPRG

Opinion

We have audited financial statements of 'Balkans Policy Research Group (the Organization) which comprises the Statement of Financial Position as at December 31, 2024 and the Statement of Income and Statement of Cash Flows for the year ended on that date, and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the 'Balkans Policy Research Group (BPRG) as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and requirements of the Law No. 06 / L-043 on Freedom of Association in Non-Governmental Organizations.

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 and fair presentation of financial statements in accordance with International Financial Reporting Standards 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



bakertilly
Baker Tilly Kosovo L.L.C.
Prishtinë

Baker Tilly Kosovo
06 March 2025

Baker Tilly Kosovo trading as Baker Tilly is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities

BALKANS POLICY RESEARCH GROUP – BPRG**Statement of Financial Position**

As of 31 December 2024

(all amounts are in Euro)

		As at 31 December 2024	As at 31 December 2023
ASSETS	<i>Notes</i>		
Non-current assets			
Equipment		-	-
Total		-	-
Current assets			
Prepaid grants			-
Cash and cash equivalents	3	857,921	333,686
Total		857,921	333,686
TOTAL ASSETS		857,921	333,686
LIABILITIES			
Accounts Payable	4	355,688	314,801
Deferred revenues	5	502,233	18,885
Total		857,921	333,686
Funds			
Balance of funds		-	-
Surplus / Deficit of the year		-	-
Total		-	-
Total liabilities and fund balance		857,921	333,686

These financial statements are approved and signed on 06 March 2025 on behalf of the management by:

Naim Rashiti
Executive Director

Shpresa Osmani
Finance Controller

The accompanying notes 8 to 12 of the financial statements are an integral part of them.

BALKANS POLICY RESEARCH GROUP – BPRG**Statement of Income**

For the year ended 31 December 2024

(all amounts are in Euro)

For the year ended		As at 31 December 2024	As at 31 December 2023
	Notes		
Grants and Donations	5	1,798,666	2,744,192
Total income		1,798,666	2,744,192
Expenditures			
Personnel expenses	6	(250,584)	(361,509)
Program expenses	7	(1,361,778)	(2,072,000)
Administrative expenses	8	(186,304)	(310,683)
Total Expenditures		(1,798,666)	(2,744,192)
Net surplus/(shortage) of funds		-	-

The accompanying notes 8 to 12 of the financial statements are an integral part of them.

BALKANS POLICY RESEARCH GROUP – BPRG**Statement of Cash Flows**

For the year ended 31 December 2024

(all amounts are in Euro)

For the year ended	As at 31 December 2024	As at 31 December 2023
(Deficit)/surplus for the year		
(Increase) / decrease in prepaid grants		
Increase / (decrease) in accounts payable	40,887	164,888
Net cash flow from operating activities	40,887	164,888
Increase / (decrease) in deferred income	483,347	(1,132,536)
Net cash flow from financing activities	483,347	(1,132,536)
Net increase / decrease in cash from activities	524,234	(967,648)
Cash and cash equivalents as of January 1	333,687	1,301,335
Cash and cash equivalents as at 31 December	857,921	333,687

The accompanying notes 8 to 12 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 2024

(all amounts are in Euro)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

1. Introduction and background

Balkans Policy Research Group - BPRG is a non-governmental organization registered on July 17, 2013 with registration number 5114502-5 and fiscal number 601033707/ re-registered as an Institute with registration number 5400241-6. The Organization's address is in Pristina, street Qamil Hoxha ob.29 apartment no.7.

Balkans Policy Research Group - BPRG is an independent institute, dedicated to contributing to state building and social harmony in Kosovo, and to facilitating state reconciliation in Kosovo and peace in the Western Balkans. Through research, analysis, advocacy, dialogue and evidence-based expertise, its ultimate goal is to bring the region closer to the EU. The Balkan Group was established in Kosovo in 2013, as a successor to the work established by the International Crisis Group (ICG). The strategic orientations address the main challenges of the state building process, which proves to be a monumental task for the Kosovar society. They are committed to supporting the goals of better functioning of institutions, democratic consolidation, integration of minorities, resolution of neighborhood disputes and advancement of the EU agenda. All work is based on extensive field research conducted by BPRG staff, accompanied by interviews with local and international leaders, which has enabled EU staff to develop a wide network of contacts in the Western Balkans.

MISSION

BPRG is an independent non-partisan institute dedicated to contributing to the consolidation of the state and social harmony in Kosovo and to assisting the reconciliation of the state in Kosovo and peace in the Western Balkans through research, analysis, advocacy, political dialogue and field expertise, with the ultimate goal of bringing the region closer to the EU.

Vision

The vision is to facilitate and foster the development of sound policy reforms that lead to real social change.

Strategic orientation

- Building Institutions and Democratic Consolidation
- Regional cooperation and good neighborly relations
- EU integration and policy change

The main donors of the Balkans Policy Research Group - BPRG for 2024 were:

- Royal Norwegian Embassy
- Swedish International Development Agency (SIDA)

2. Statement of Significant Accounting Policies

2.1. General Accounting Principle

The organization maintains its accounting records on the modified cash basis of accounting. Accordingly, revenue is recorded when cash is received and expenses are recorded when paid. Modifications to the cash basis of accounting relate to the accounts receivable and payable which are recognized at the end of reporting period.

BALKANS POLICY RESEARCH GROUP – BPRG

Notes to Financial Statements

For the year ended as at 31 December 2024

(all amounts are in Euro)

Statement of Significant Accounting Policies (continued)

2.2. Basis of measurement

The Financial Statements have been prepared on the historical cost basis in accordance with with the requirements of the law nr. 06/L-043 on Freedom of Association in Non-Governmental Organizations.

2.3. Functional and presentation currency

The Financial Statements are presented in EUR, which is the Organization's functional currency. All amounts reported in the Statement of Financial Position and Net Changes are reported in Euro. Transactions in foreign currencies are registered according to the Ex-change Rates of the time of the Transactions. Monetary Items and Monetary Liabilities in foreign currencies are converted according to the Ex-change rate on the date of the Statement of Financial Position. Profit or Loss as a result of ex-change rates is registered in the Statement of Income.

2.4. Income Tax

The organization is a Non-Governmental organization (NGO) whose received donations in the reporting year have been implemented for the humanitarian purposes. According to law no 06/L-105 on Corporate Income Tax, NGO's whose total income was used for their public benefit purposes are tax exempted.

2.5. Property, plant and equipment

The organization does not use a policy on capitalization of non-current assets but debits them through the statement of comprehensive income (annual expenses). The non-current assets organization recognizes annual expenses at the time of occurrence, but also maintains a specific donor list.

2.6. Cash and cash equivalents

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

2.7. Foreign currency transactions

Foreign currency transactions are recorded at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign currency differences arising on retranslation are recognized in profit or loss.

2.8. Revenues

The organization's revenues represent donations received from donors. Revenues are recognized when earned rather than received and expenses are recognized when incurred rather than paid. Revenue is recognized at the level of the expenditure incurred and is treated in accordance with IAS 20. The remainder is presented as deferred revenue or held-to-equity funds for future use.

BALKANS POLICY RESEARCH GROUP – BPRG

Notes to Financial Statements

For the year ended as at 31 December 2024

(all amounts are in Euro)

2.9. Expenses

The organization recognizes costs at the time of occurrence. Expenditures are recorded on an accrual basis. The organization's expenses consist of personnel expenses, operating and administrative expenses, program and other general expenses.

2.10. Accounts Payable

Pension contribution, payroll taxes and other accrued liabilities, have been disposed on the financial statements as accounts payable.

2.11. Deferred Income

Deferred income is an income/donation for which the cash has been collected by the organization, but have yet to be expensed. Consequently, this liability occurs when 'BPRG' receives payment in advance for a project to be implemented in future.

2.12. Deficit of revenues over expenses

The negative balance (deficit) is a result of donations and implemented project costs until end of the year.

2.13. Employee benefits

The Organization makes contributions for the benefit of employees to the Kosovo Pension Saving Trust (KPST). The contributions are expensed as incurred.

3. Cash and cash equivalents

	As at 31 December 2024	As at 31 December 2023
Cash at bank	857,081	333,428
Petty cash	839	258
Total	857,921	333,686

4. Accounts Payable

	As at 31 December 2024	As at 31 December 2023
Overhead accumulated	352,688	279,501
Accounts Payable	3,000	35,300
Total	355,688	314,801

BALKANS POLICY RESEARCH GROUP – BPRG

Notes to Financial Statements

For the year ended as at 31 December 2024

(all amounts are in Euro)

5. Deferred Revenues

Deferred revenues at the end of the year represent funds remaining from donor funds, funds that will be used during the implementation of future projects. The balance of unearned income is presented as follows.

	As at 31 December 2024	As at 31 December 2023
Opening balance as at 1 January	18,885	1,151,421
Funds received for the year		
Royal Norwegian Embassy	1,728,267	1,611,656
SIDA	553,747	-
Other	-	-
Total	2,300,899	2,763,077
Total expenses incurred	(1,798,666)	(2,744,192)
Closing balance	502,233	18,885

6. Personnel Expenses

For the year ended 31 December	2024	2023
Royal Norwegian Embassy	250,584	361,509
Total	250,584	361,509

Salary expenses of personnel for 2024 are in the amount of 250,584 Euros (2023 361,509Euros).

7. Program expenses

For the year ended 31 December	2024	2023
Royal Norwegian Embassy	1,176,388	2,072,000
Swedish International Development Agency (SIDA)	185,390	-
Total	1,361,778	2,072,000

8. Expenses by Project

For the year ended 31 December	2024	2023
Royal Norwegian Embassy	177,034	310,683
Swedish International Development Agency (SIDA)	9,270	-
Total	186,304	310,683

BALKANS POLICY RESEARCH GROUP – BPRG

Notes to Financial Statements

For the year ended as at 31 December 2024

(all amounts are in Euro)

9. Contingencies and Commitments

Legal issues

For the year ended December 31, 2024 and December 31, 2023, the organization has not been involved in any legal issues.

10. Subsequent Events

There are no events after the date of authorization of the financial statements that require adjustments or disclosures in the financial statements.