

**Balkans Policy Research Group - BPRG**

FOR THE YEAR ENDED 31 DECEMBER 2016



## BAKER TILLY KOSOVO

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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 2016, 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 2016 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



10 May 2017

**Balkans Policy Research Group – BPRG**

**STATEMENT OF FINANCIAL POSITION**

As of 31 December 2016

*(all amounts are in Euro unless otherwise stated)*

		2016	2015
	Notes		
<b>Fixed assets</b>			
Property Plant and Equipment		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Current assets</b>			
Cash at bank and on hand	3	164,179	86,556
Receivables		-	-
<b>Total</b>		<b>164,179</b>	<b>86,556</b>
<b>Total assets</b>		<b>164,179</b>	<b>86,556</b>
<b>Liabilities</b>			
Deferred Revenues	5	164,179	85,661
Accounts Payable		-	896
<b>Total</b>		<b>164,179</b>	<b>86,556</b>
<b>Fund balance</b>			
Total opening fund			
Surplus/(deficit) for the period		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total liabilities and fund</b>		<b>164,179</b>	<b>86,556</b>

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 2016  
*(all amounts are in Euro unless otherwise stated)*

<b>For the year ended 31 December</b>		<b>2016</b>	<b>2015</b>
Grants and Donations	Notes 5	189,020	76,400
<b>Total</b>		<b>189,020</b>	<b>76,400</b>
Human resources	6	126,118	42,663
Administrative and staff expenses	7	62,902	33,737
<b>Total Expenses</b>		<b>189,020</b>	<b>76,400</b>
<b>Net Surplus of Expense over Income</b>		<b>-</b>	<b>-</b>

## **Balkans Policy Research Group – BPRG**

### **NOTES TO FINANCIAL STATEMENTS**

For the year ended 31 December 2016  
(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 2016  
*(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 2016 and 2015:

<b>At 31 December</b>	<b>2016</b>	<b>2015</b>
Cash in the bank	164,168	86,556
Cash on hand	10	-
<b>Total Cash at bank and on hand</b>	<b>164,179</b>	<b>86,556</b>

**4. Accounts Payable**

<b>At 31 December</b>	<b>2016</b>	<b>2015</b>
	-	896
<b>Total Accounts Payable</b>	<b>-</b>	<b>896</b>

**Balkans Policy Research Group – BPRG**

**NOTES TO FINANCIAL STATEMENTS**

For the year ended 31 December 2016  
(all amounts are in Euro unless otherwise stated)

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

**5. Incomes / Deferred Income**

<b>For the year ended 31 December</b>	<b>2016</b>	<b>2015</b>
Opening balance deferred income	85,661	51,787
<b>Received during the year</b>		
OSI TTF	12,706	-
KCSF	16,300	-
QKSS	4,032	-
OPIC	21,125	-
Finland Embassy	9,995	19,975
Government of Switzerland	152,186	9,920
Royal Norwegian Embassy	51,194	66,469
KFOS	-	13,910
<b>Total</b>	<b>353,199</b>	<b>162,061</b>
<b>Expensed during the year</b>	<b>(189,020)</b>	<b>(76,400)</b>
<b>Closing balance</b>	<b>164,179</b>	<b>85,661</b>



**Balkans Policy Research Group – BPRG**

**NOTES TO FINANCIAL STATEMENTS**

For the year ended 31 December 2016  
*(all amounts are in Euro unless otherwise stated)*

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

**6. Human resources – project based**

<b>For the year ended 31 December</b>	<b>2016</b>	<b>2015</b>
Royal Norwegian Embassy	31,944	41,893
Finland Embassy	2,602	770
Government of Switzerland	66,204	-
OPIC	16,373	-
KCSF	2,555	-
OSI TTF	-	-
KFOS	6,441	-
<b>Total</b>	<b>126,118</b>	<b>42,663</b>

**7. Programme expenses based on donors**

<b>For the year ended 31 December</b>	<b>2016</b>	<b>2015</b>
Royal Norwegian Embassy	23,328	16,426
Finland Embassy	3,557	15,920
Local government and Serb integration	-	1,391
Government of Switzerland	21,541	-
OPIC	4,645	-
KCSF	3,360	-
OSI TTF	300	-
KFOS	6,171	-
<b>Total</b>	<b>62,902</b>	<b>33,737</b>