

BALKANS POLICY RESEARCH GROUP-BPRG

Financial Statements

For the year ended December 31, 2022

and

Independent Auditor's Report

Contents

INDEPENDENT AUDITORS REPORT	3
STATEMENT OF FINANCIAL POSITION.....	5
STATEMENT OF PROFIT / LOSS AND OTHER COMPREHENSIVE INCOME	6
STATEMENT OF CASH FLOWS.....	7
NOTES TO FINANCIAL STATEMENTS	8
1. Introduction and background	8
2. Statement of Significant Accounting Policies	9
3. Cash and cash equivalents	10
4. Accounts Payables	10
5. Deferred Income	10
6. Human resources – project based.....	11
7. Program expenses-project based.....	11
8. Administrative expenses - project based.....	11
9. Subsequent events	11

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 2022, and the income statement, cash flows statement and a summary of significant accounting policies.

In our opinion, the financial statements of Balkans Policy Research Group – BPRG, for the year ended 31 December 2022 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
07 February 2023



bakertilly
Baker Tilly Kosovo L.L.C.
Prishtinë

**BALKANS POLICY RESEARCH GROUP-BPRG
STATEMENT OF FINANCIAL POSITION**

As of 31 December 2022
(All amounts are in Euro)

		<u>As at 31 December 2022</u>	<u>As at 31 December 2021</u>
	Notes		
Assets			
Non-current assets			
Property, plant and equipment		-	-
Total non-current assets		<u>-</u>	<u>-</u>
Current assets			
Cash and cash equivalents	3	1,301,335	1,339,050
Total		<u>1,301,335</u>	<u>1,339,050</u>
TOTAL ASSETS		<u><u>1,301,335</u></u>	<u><u>1,339,050</u></u>
Liabilities and fund balance			
Accounts payable	4	149,913	71,553
Deferred Revenues	5	1,151,421	1,267,497
Total current liabilities		<u>1,301,335</u>	<u>1,339,050</u>
Fund Balance			
Balance as at 01 January		-	-
Suficit (deficit) of the year		-	-
Total fund balance		<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCE		<u><u>1,301,335</u></u>	<u><u>1,339,050</u></u>

These financial statements are approved and signed on 23 January 2023 on behalf of the management of Balkans Policy Research Group-BPRG by:


Naim Rashiti
Executive Director


Marigona Rafuna
Finance Manager

The accompanying notes 9 to 11 of the financial statements are an integral part of them.

BALKANS POLICY RESEARCH GROUP-BPRG
STATEMENT OF PROFIT / LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022
(All amounts are in Euro)

For the year ended 31 December		2022	2021
	Notes		
Grants and Donations	5	2,141,366	1,134,816
Total		2,141,366	1,134,816
Expenses			
Human resources	6	(343,257)	(232,065)
Program expenses	7	(1,559,290)	(763,771)
Administrative expenses	8	(238,819)	(138,981)
Total Expenses		(2,141,366)	(1,134,816)
Net Surplus of Expense over Income		-	-

The accompanying notes 9 to 11 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 2022

(All amounts are in Euro)

For the year ended 31 December

		2022	2021
Net profit for the year	Notes		
(Increase) / decrease of advances to grantees			-
Increase / (decrease) of accounts payable	4	78,360	51,828
Net cash flow from operating activities		78,360	51,828
Increase / (decrease) of deferred revenues	5	(116,076)	762,673
Net cash flow from financing activities		(116,076)	762,673
Increase / (decrease) of net cash flow from activities		(37,716)	814,501
Cash and cash equivalents as at 1 January	3	1,339,050	524,550
Cash and cash equivalents at 31 December		1,301,335	1,339,050

The accompanying notes 1 to 9 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 2022

(All amounts are in Euro)

1. Introduction and background

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, 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 2022 were:

- Royal Norwegian Embassy

BALKANS POLICY RESEARCH GROUP-BPRG

Notes to Financial Statements

For the year ended 31 December 2022

(All amounts are in Euro)

(continued)

2. Statement of Significant Accounting Policies

a) General Accounting Principle

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

b) Functional and presentation 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 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.

d) Property, plant and equipment

It is organization policy to expenses 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 in bank.

f) 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

g) Revenue

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

h) Expenses

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

i) Account Payables

Vendor payables, have been disposed on the financial statements as accounts payable.

j) 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.

k) Deficit of revenues over expenses

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

l) Employee benefits

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

BALKANS POLICY RESEARCH GROUP-BPRG
Notes to Financial Statements
For the year ended 31 December 2022
(All amounts are in Euro)

3. Cash and cash equivalents

	<u>As at 31</u> <u>December 2022</u>	<u>As at 31</u> <u>December 2021</u>
Cash at bank	1,301,259	1,338,783
Petty cash	76	267
Total	<u>1,301,335</u>	<u>1,339,050</u>

4. Accounts Payables

	<u>As at 31</u> <u>December 2022</u>	<u>As at 31</u> <u>December 2021</u>
Overhead accumulated	149,913	71,553
Total	<u>149,913</u>	<u>71,553</u>

5. Deferred Income

	<u>As at 31</u> <u>December 2022</u>	<u>As at 31</u> <u>December 2021</u>
Opening balance as at 1 January	1,267,497	504,824
Funds received for the year		
Royal Norwegian Embassy 4	2,009,974	-
Royal Norwegian Embassy	-	1,894,425
CFLI	-	3,065
Other	15,316	-
Total	<u>3,292,787</u>	<u>2,402,314</u>
Total expenses incurred	<u>(2,141,366)</u>	<u>(1,134,816)</u>
Closing balance	<u>1,151,421</u>	<u>1,267,497</u>

BALKANS POLICY RESEARCH GROUP-BPRG**Notes to Financial Statements**

For the year ended 31 December 2022

*(All amounts are in Euro)***6. Human resources – project based**

For the year ended 31 December	2022	2021
Royal Norwegian Embassy	343,257	230,365
CFLI	-	1,700
Total	343,257	232,065

7. Program expenses-project based

For the year ended 31 December	2022	2021
Royal Norwegian Embassy	1,559,290	751,772
CFLI	-	5,999
Other	-	6,000
Total	1,559,290	763,771

8. Administrative expenses - project based

For the year ended 31 December	2022	2021
Royal Norwegian Embassy	238,819	138,631
CFLI	-	350
Total	238,819	138,981

9. Subsequent events

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