



INDEPENDENT AUDITORS' REPORT

**To the Executive Director of
Balkan Investigative Reporting Network (BIRN)
Prishtina - Kosova**

We have conducted an audit of the accompanying statement of cash receipts and disbursement of the Balkan Investigative Reporting Network (hereinafter: the "BIRN") Prishtina-Kosovo, for the period 1 January 2010 to 31 December 2010.

Management's Responsibility for the Financial Report

These statements are the responsibility of the BIRN management. Our responsibility is to express an opinion on these statements based on our audit. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. The Organization's policy is to prepare the accompanying statement of cash receipts and disbursement on the modify cash basis. Based on this, revenues are recognized when received rather than earned, and expenses are recognized when paid rather than when incurred. The financial statements of Balkan Investigative Reporting Network as of 31 December 2009 were audited by other auditors, whose report dated July 2010 30, expressed an unqualified opinion on those statements.

Auditor's Responsibility

Our responsibility is to express an opinion on this Financial Report based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

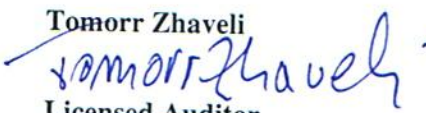
Basis of qualification

Opinion

In our opinion, we have been able to satisfy ourselves on the accompanying statement of cash receipts and disbursement presents fairly, in all material respects, the total income and expenditures received and paid by the organization during the period ended 1 January 2009 to 31 December 2010, are in accordance with the cash receipt and disbursement basis as described above.

**Balluku&Zhaveli
Prishtina, Kosovo**

Prishtina, 10 Jun, 2011

Tomorr Zhaveli

Licensed Auditor

Balkan Investigative Reporting Network ("BIRN Kosovo")

Statement of Financial Position as at December 31, 2010

(amounts in Euro)

Statement of Financial Position as at December 31, 2010

		<u>31-Dec-10</u>	<u>31-Dec-09</u>
Current assets			
Cash and bank	4	362,438.36	244,298.82
Advance for employers - Other	5	0.00	1,500.00
Receivable	6	107.97	0.00
		362,546.33	245,798.82
Fixed Assets			
Tangible fixed assets	7	62,185.39	24,140.98
		62,185.39	24,140.98
Total Assets		424,731.72	269,939.80
Liabilities and fund balance			
Creditors / Payables	8	20,851.07	6,249.98
Deferred Revenue	9	341,695.26	239,548.84
Permanent Restricted Funds - Assets	7	62,185.39	24,140.98
		424,731.72	269,939.80
Total liabilities and fund balance		424,731.72	269,939.80

Authorized for issue by the management on Jun 09, 2011

Ms. Jeta Xhara



Executive Director

Mr. Lum Ademi



Finance Manager

The accompanying notes on pages 4 to 25 form an integral part of this Statement.



Ballkan Investigative Reporting Network (“BIRN Kosovo”)
Statement of Performance for the year ending December 31, 2010

(amounts in Euro)

Statement of Performance for the year ending December 31, 2010

		<u>31-Dec-10</u>	<u>31-Dec-09</u>
Revenue			
Project grants	10	789,891.04	728,138.62
		<u>789,891.04</u>	<u>728,138.62</u>
Expenses			
Personnel	11	(310,405.69)	(231,612.62)
Projects expenses	11	(406,744.54)	(483,238.41)
Administrative expenses	11	(13,870.00)	(5,220.00)
		<u>(786,635.76)</u>	<u>(720,071.03)</u>
Other Expenses	11	(21,379.59)	(11,475.25)
Other expenses/ exchange loss	11	(435.41)	-
Total of Expenses		<u>(752,835.23)</u>	<u>(731,546.28)</u>
Excess of funds over expenditures		<u>38,044.41</u>	<u>(3,407.66)</u>

