



Balluku & Zhaveli, General Partnership

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of cash receipts and disbursement of the Balkan Investigative Reporting Network (hereinafter: the "BIRN") Prishtina-Kosovo, for the year ended 31 December 2011.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on this Financial Statements and Notes on Financial Statements 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 financial statements give a true and fair view of the state of the BIRN's affairs as at and of its comprehensive income for the year then ended and have been properly prepared in accordance with International Financial Reporting Standards

Balluku&Zhaveli
Prishtina, Kosovo

Tomorr Zhaveli

Tomorr Zhaveli
Legal Auditor



Prishtina, July 23, 2012

Balkan Investigative Reporting Network (“BIRN Kosovo”)
Statement of Financial Position as at December 31, 2011

(amounts in Euro)

		<u><u>31-Dec-11</u></u>	<u><u>31-Dec-10</u></u>
Current assets			
Cash and bank	4	48,196	362,438
Advance for employers - Other	5	463	-
Prepaid expenses	6	23	108
VAT Reimbursement Claims	7	923	-
		<u>49,605</u>	<u>362,546</u>
Fixed Assets			
Tangible fixed assets	8.1	111,498	62,185
LHI	8.1	15,648	-
Intangible assets	8.2	81,807	-
		<u>208,953</u>	<u>62,185</u>
Total Assets		<u><u>258,558</u></u>	<u><u>424,732</u></u>
Liabilities and fund balance			
Creditors / Payables	9	13,239	20,851
Deferred Revenue	10	36,366	341,695
Permanent Restricted Funds - Assets	8.1;8.2	208,953	62,185
		<u>258,558</u>	<u>424,732</u>
Total liabilities and fund balance		<u><u>258,558</u></u>	<u><u>424,732</u></u>

Authorized for issue by the management on July 23, 2012

Ms. Jeta Xhara

Executive Director

Mr. Lum Ademi

Finance Manager

The accompanying notes on pages 4 to 28 form an integral part of this Statement

Balkan Investigative Reporting Network (“BIRN Kosovo”)

Statement of Performance for the year ending December 31, 2011

(Local Regulation)

(amounts in Euro)

		<u>31-Dec-11</u>	<u>31-Dec-10</u>
Revenue			
Project grants	11	1,091,620	790,880
		<u>1,091,620</u>	<u>790,880</u>
Expenses			
Personnel	14	(436,020)	(310,406)
Projects expenses	14	(416,832)	(406,745)
Administrative expenses	14	(11,705)	(13,870)
		<u>(864,557)</u>	<u>(731,020)</u>
Other Expenses	14	(76,925)	(21,380)
Other expenses/ exchange loss	14	(3,371)	(435)
Total of Expenses		<u>(944,852)</u>	<u>(752,835)</u>
Excess of funds over expenditures		<u>146,768</u>	<u>38,044</u>

The accompanying notes on pages 4 to 28 form an integral part of this Statement.