

**Balkan Investigative Reporting
Regional Network (BIRN)**

Financial statements for the year ended
31 December 2014 prepared in accordance
with International Financial Reporting Standards
and Independent Auditors' Report

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Responsibility for the Financial Statements

Management is responsible for ensuring that financial statements are prepared for each financial period in accordance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB), which give a true and fair view of the state of affairs and results of Balkan Investigative Reporting Regional Network BIRN (the "Association") for that period.

After making enquiries, Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, Association continues to adopt the going concern basis in preparing the financial statements.

In preparing these financial statements, the responsibilities of Association include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgments and estimates are reasonable and prudent;
- applicable accounting standards are followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

Management is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Association. Management is to ensure that the financial statements comply with the Accounting and Auditing Law in the Federation of Bosnia and Herzegovina. Management is also responsible for safeguarding the assets of the Association, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Association



Gordana Igric
Director

Balkan Investigative Reporting Regional Network
Branilaca Sarajevo 14/II
71000 Sarajevo
Bosnia and Herzegovina

5 June 2015

Independent Auditors' Report

To the Management Committee of Balkan Investigative Reporting Regional Network:

We have audited the accompanying financial statements of the Balkan Investigative Reporting Regional Network, BIRN (the "Association"), set out on pages 3 to 20, which comprise the statement of financial position as at 31 December 2014, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Responsibility of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Association as of 31 December 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Deloitte d.o.o.

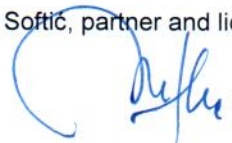
Sead Bahtanović, director and licenced auditor



Sarajevo, Bosna i Hercegovina
5 June 2015



Sabina Softić, partner and licenced auditor



Balkan Investigative Reporting Regional Network
Statement of profit and loss and other comprehensive income
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

	Note	2014	2013
Donors contributions	5	1,459,146	1,815,049
Other income	6	<u>133,013</u>	<u>177,466</u>
Total income		<u>1,592,159</u>	<u>1,992,515</u>
Staff expenses	7	(19,751)	(19,751)
Operating expenses	8	(1,734,779)	(1,780,456)
Depreciation and amortization	9	<u>(2,677)</u>	<u>(2,543)</u>
Total operating costs		<u>(1,757,207)</u>	<u>(1,802,750)</u>
Financial income		333	161
Foreign exchange differences, net		<u>(1,161)</u>	<u>(1,629)</u>
(Deficit) / surplus of income over expenses		<u>(165,876)</u>	<u>188,297</u>
<i>Other comprehensive income</i>		<u>-</u>	<u>-</u>
Total comprehensive (loss) / income		<u>(165,876)</u>	<u>188,297</u>

The accompanying notes form an integral part of these financial statements.

Balkan Investigative Reporting Regional Network
Statement of financial position
as at 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

	Note	31 December 2014	31 December 2013
ASSETS			
Non-current assets			
Tangible assets	9	7,476	4,695
Investments in associates	10	317	317
Long-term deposits		5,000	5,000
		<u>12,793</u>	<u>10,012</u>
Current assets			
Receivables from donors and other assets	11	100,557	139,278
Cash and cash equivalents	12	2,224,176	1,046,585
		<u>2,324,733</u>	<u>1,185,863</u>
TOTAL ASSETS		<u>2,337,526</u>	<u>1,195,875</u>
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus of income over expenses		70,210	236,086
		<u>70,210</u>	<u>236,086</u>
Current liabilities			
Trade and other payables	13	15,722	27,067
Deferred income	14	2,251,594	932,722
		<u>2,267,316</u>	<u>959,789</u>
TOTAL EQUITY AND LIABILITIES		<u>2,337,526</u>	<u>1,195,875</u>

The accompanying notes form an integral part of these financial statements.

Signed on behalf of the Association on 5 June 2015:


Gordana Igric
Director

Balkan Investigative Reporting Regional Network
Statement of changes in equity
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

	Accumulated surplus	Total
Balance at 31 December 2012	47,789	47,789
Surplus of income over expenses for the year	188,297	188,297
Other comprehensive income	-	-
<i>Total comprehensive income</i>	<i>188,297</i>	<i>188,297</i>
Balance at 31 December 2013	236,086	236,086
Deficit of income over expenses for the year	(165,876)	(165,876)
Other comprehensive income	-	-
<i>Total comprehensive income</i>	<i>(165,876)</i>	<i>(165,876)</i>
Balance at 31 December 2014	70,210	70,210

The accompanying notes form an integral part of these financial statements.

Balkan Investigative Reporting Regional Network
Statement of cash flows
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

	2014	2013
Operating activities		
(Deficit) / surplus of income over expenses	(165,876)	188,297
Adjustments for:		
Depreciation of tangible assets	2,677	2,543
Finance income recognized in the statement of profit and loss and other comprehensive income	(333)	(161)
<i>Cash flows before movements in working capital</i>	<i>(163,532)</i>	<i>190,679</i>
Decrease / (increase) in receivables from donors and other receivables	38,721	(49,544)
Decrease in trade and other payables	(11,345)	(2,472)
Increase in deferred income	1,318,872	609,426
Net cash from operating activities	1,182,716	748,089
Investing activities		
Purchases of equipment and intangible assets	(5,458)	(953)
Decrease / (increase) of long-term deposits	-	(1,000)
Proceeds from sales of shares in associate	-	172
Interest received	333	161
Net cash used in investing activities	(5,125)	(1,620)
Net increase in cash and cash equivalents	1,177,591	746,469
Cash and cash equivalents at the beginning of the year	1,046,585	300,116
Cash and cash equivalents at the end of the year	2,224,176	1,046,585

The accompanying notes form an integral part of these financial statements.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

1. GENERAL

Balkan Investigative Reporting Regional Network (the "Association") is association established on 5 July 2005 under Ministry of Justice of Bosnia and Herzegovina, registration number RU-297/05. The Association implements multi-annual media development programmes across the Balkans.

The registered address of the Association is Branilaca Sarajeva 14/II, Sarajevo, Bosnia and Herzegovina.

As at 31 December 2014, the Association had 2 employees (2013: 2 employees).

Management / Representative

Gordana Igrić, Director

Steering Board:

Ana Petruševa	President
Mirna Buljugić	Member from 6 August 2014
Kristina Voko	Member from 6 August 2014
Dragana Žarković-Obradović	Member
Jeta Xharra	Member
Marian Chiriac	Member
Gordana Igrić	Member
Albena Shkodrova	Member until 6 August 2014
Anisa Sućeska Vekić	Member until 6 August 2014

Assembly Committee

Tim Judah	President
Wolfgang Petritsch	Member
Steve Crawshaw	Member
Stefan Lehne	Member
Per Byman	Member
Ana Petruševa	Member

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 Standards and Interpretations effective in current period

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board are effective for the current period:

- Amendments to IFRS 10: "Consolidated Financial Statements", IFRS 12: "Disclosures of Interests in Other Entities" and IAS 27: "Separate Financial Statements" - Investment Entities (effective for annual periods beginning on or after 1 January 2014);
- Amendments to IAS 32: "Financial instruments: presentation" - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014);
- Amendments to IAS 36: "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014);

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

2.1 Standards and Interpretations effective in current period (continued)

- Amendments to IAS 39: "Financial Instruments: Recognition and Measurement" - Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014);
- IFRIC 21: "Levies" (effective for annual periods beginning on or after 1 January 2014).

The adoption of these standards, amendments and interpretations has not led to any changes in the Association's accounting policies.

2.2 Standards and Interpretations in issue not yet adopted

At the date of authorization of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

- IFRS 9: "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018),
- IFRS 14: "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016),
- IFRS 15: "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017),
- Amendments to IFRS 10: "Consolidated Financial Statements" and IAS 28: "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IFRS 10: "Consolidated Financial Statements", IFRS 12: "Disclosure of Interests in Other Entities" and IAS 28: "Investments in Associates and Joint Ventures" - Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IFRS 11: "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 1: "Presentation of Financial Statements" - Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16: "Property, Plant and Equipment" and IAS 38: "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16: "Property, Plant and Equipment" and IAS 41: "Agriculture" - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 19: "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014),
- Amendments to IAS 27: "Separate Financial Statements" - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016),
- Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014);

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

2. ADOPTION OF NEW AND REVISED STANDARDS (CONTINUED)

2.2 Standards and Interpretations in issue not yet adopted (continued)

- Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014);
- Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)" resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The Association has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Association anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the Association in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), as published by the Board for International Accounting Standards.

Basis for presentation

These financial statements have been prepared on a historical cost basis, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

Revenue recognition

Grants that compensate the Association for expenses incurred are recognised as revenue in the statement of profit and loss and other comprehensive on a systematic basis in the same periods in which the expenses are incurred.

Grants that compensate the Association for the cost of an asset are recognised in the statement of profit and loss and other comprehensive income on a systematic basis over the useful life of the assets.

Expenses

Expenditures are recognized as expense, at historical cost, during the period in which they are incurred.

Employee benefits

On behalf of its employees, the Association pays personal income tax and contributions for pension, disability, health and unemployment insurance, on and from salaries, which are calculated as per the set legal rates during the course of the year on the gross salary. The Association pays the tax and contributions in the favour of the institutions of the Federation of Bosnia and Herzegovina (on federal and cantonal level).

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transactions or the rate as reported on the first day of the month. Monetary assets and liabilities denominated in foreign currency at the financial position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and other comprehensive income.

Non-monetary assets and items that are measured in terms of historical cost of a foreign currency are retranslated using the exchange rate at the date of the transaction.

Tangible assets

Equipment is stated at cost, less accumulated depreciation and any recognized accumulated impairment losses. The purchase cost includes the purchase price and all costs directly related to bringing the asset into operating condition for its intended use.

Gains and losses on the retirement or disposal of tangible assets are included in the statement of profit and loss and other comprehensive income in the period in which they occur.

Depreciation is charged from the moment the tangible asset is ready for its intended use. It is calculated in the basis of the estimated useful life of the asset, using the straight-line method. The estimated rates of depreciation were as follows:

Equipment	20% - 33%
Furniture	20%

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balance with banks.

Impairment

The carrying amounts of the Association's non-financial assets are reviewed at each reporting date to determine whether there is any indication for impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income and expenditure statement. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment (continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been an indication that an impairment loss may have decreased and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Deferred income

Grant income is recognised in the statement of financial position initially as deferred income when it is received. Exceptionally grant income is recognised in the statement of financial position before it has been received if it has been legally contracted and has been allocated for expenses that have been incurred in the reporting period.

Deferred income represents the amount of unused grant revenue that has not been expensed in the reporting period. Grant income used for the purchase of fixed assets is recognised as deferred income and is released to the statement of profit and loss and other comprehensive income on a systematic basis over the useful life of the asset.

Interest income and expenses

Interest income is recognised in the statement of profit and loss and other comprehensive income as it accrues.

Interest expense is recognised for the interest that is earned on donors' contributions which according to the contribution agreements, should be remitted to the donor.

Trade and other payables

Trade and other payables are initially recognised at fair value and then subsequently measured at amortised cost.

Investments in associates

An associate is an enterprise over which the Association is in a position to exercise significant influence, but not control, through participation in the financial and operating policy decisions of the investee. Investments in associates are carried in these separate financial statements at cost, including any impairment in the value of individual investments.

Taxation

In Bosnia and Herzegovina, the Association is afforded exemption from taxation in line with the normal privileges extended to diplomatic organisations.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Association's accounting policies, which are described in Note 3, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of equipment

As described in Note 3 above, the Association reviews the estimated useful lives of equipment at the end of each annual reporting period.

Impairment of trade receivables and other receivables

The Association recognizes impairment losses for doubtful receivables based on estimated losses that result from the inability of customers to settle their obligations. When evaluating the adequacy of the allowance for doubtful receivables, the Management of the Association makes own assessment based on the age structure of claims and write-downs from previous years.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

5. DONORS CONTRIBUTIONS

	2014	2013
<i>Restricted donors contributions</i>		
Open Society Institute Budapest Foundation / Die ERSTE österreichische Spar-casse Privatstiftung	391,888	770
Norwegian Ministry of Foreign Affairs (NOR)	265,363	204,695
BIRN Kosovo, subgrant Austrian Development Agency (ADA)	213,229	51,705
European Commission / Swiss Federal Department for Regional Affairs	188,153	573,047
Foreign & Commonwealth Office	162,750	154,765
Robert Bosch	47,474	61,665
Die ERSTE österreichische Spar-casse Privatstiftung / Foundation		
Open Society Institute - Alumni	39,823	-
Robert Bosch Stiftung Die ERSTE österreichische Spar-casse Privatstiftung (BFJE 2013)	39,739	-
Konrad-Adenauer-Stiftung Media (summer school 2014) / King Baudouin Foundation (summer school 2013) / OSCE Beograd	39,117	92,480
The Balkan Trust for Democracy	30,608	25,964
North Atlantic Treaty Organization (NATO)	19,550	-
Princ Clause Fund for Culture and Development	8,573	-
Prague Freedom Foundation	7,772	-
Organization for Security and Cooperation in Europe (OSCE)	7,449	-
Swedish International Development Cooperation Agency (SIDA)	2,446	-
Robert Bosch Stiftung GmbH / Die ERSTE österreichische Spar-casse Privatstiftung	475	362,734
Swiss Cultural Programme in the Western Balkans	-	34,828
Robert Bosch Stiftung (returns in 2014)	(5,263)	-
	<u>1,459,146</u>	<u>1,562,653</u>
<i>Unrestricted donors contributions</i>		
Charles Stewart MOTT Foundation	-	181,006
Rockefeller Brothers Fund	-	71,390
	<u>-</u>	<u>252,396</u>
	1,459,146	1,815,049

6. OTHER INCOME

	2014	2013
Services rendered – foreign	120,682	167,553
Services rendered - domestic	12,331	9,913
	<u>133,013</u>	<u>177,466</u>

7. STAFF EXPENSES

	2014	2013
Author Fees and taxes	971,526	961,805
Employment contract	19,751	19,751
	<u>991,277</u>	<u>981,556</u>

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

8. OPERATING EXPENSES

	2014	2013
Author Fees and taxes	971,526	961,805
Conference meetings and training expenses	123,645	92,606
Editorial expenses	118,752	115,402
Other service contracts	95,338	82,132
Rent and utilities	94,531	100,584
Scholarships and awards	87,500	92,918
Web services	48,512	26,893
Bank fees and services	33,072	32,763
Communications	30,167	29,272
Per diems and travel expenses	25,526	50,989
Accounting and audit services	23,884	33,072
Promotion of fellowship program	20,939	15,396
Subscriptions	13,535	21,814
Office supplies	10,446	15,573
Contributions, fees and other taxes	9,191	8,334
Film production	7,618	50,754
Entertainment	5,817	12,174
Translation services	5,640	8,358
Printing expenses	3,393	2,249
Consultancy fees	3,484	1,529
Fuel and energy	1,150	1,196
Other cost	1,113	24,643
	1,734,779	1,780,456

9. TANGIBLE ASSETS

	Equipment	Furniture	Total
<u>HISTORICAL COST</u>			
At 31 December 2012	29,094	1,478	30,572
Additions	-	953	953
At 31 December 2013	29,094	2,431	31,525
Additions	5,035	423	5,458
At 31 December 2014	34,129	2,854	36,983
<u>ACCUMULATED DEPRECIATION</u>			
At 31 December 2012	22,951	1,336	24,287
Charge for the year	2,296	247	2,543
At 31 December 2013	25,247	1,583	26,830
Charge for the year	1,413	1,264	2,677
At 31 December 2014	26,660	2,847	29,507
<u>NET BOOK VALUE</u>			
At 31 December 2014	7,469	7	7,476
At 31 December 2013	3,847	848	4,695

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

10. INVESTMENTS IN ASSOCIATES

Company	31 December 2014		31 December 2013	
	Amount	Ownership	Amount	Ownership
BIRN d.o.o. Belgrade, Serbia	317	32.37%	317	32.37%
	317	32.37%	317	32.37%

Summary financial information of associate is shown below:

	31 December 2014	31 December 2013
Total assets	83,679	93,568
Total liabilities	31,410	46,067
Net assets	52,269	47,501
The Association's share in Net assets	16,919	15,376

11. RECEIVABLES FROM DONORS AND OTHER ASSETS

Receivables from donors:

	31 December 2014	31 December 2013
Erste Stiftung / Foundation Open Society Institute (project Alumni)	39,823	-
Swiss Federal Department	29,618	-
Erste Stiftung	15,647	38,612
North Atlantic Treaty Organisation NATO	9,770	-
Foreign Commonwealth Office FCO	4,581	-
Organization for Security and Co-operation in Europe OSCE	1,118	1,859
European Commission	-	91,035
Prague Freedom Foundation	-	7,772
	100,557	139,278

12. CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
Cash at bank accounts – foreign currencies	2,209,989	1,032,645
Cash at bank accounts – KM	13,137	13,689
Petty cash	1,050	251
	2,224,176	1,046,585

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2014

(All amounts are expressed in KM, unless otherwise stated)

13. TRADE AND OTHER PAYABLES

	31 December 2014	31 December 2013
<i>Trade payables:</i>		
Trade payables – related parties	-	1,757
Trade payables – other	8,728	6,569
	<u>8,728</u>	<u>8,326</u>
<i>Other payables:</i>		
Liabilities to service contracts with individuals	4,753	14,882
Liabilities for taxes and contributions	752	1,034
Other	1,489	2,825
	<u>6,994</u>	<u>18,741</u>
	<u>15,722</u>	<u>27,067</u>

14. DEFERRED INCOME

In 2014, the Association has received funds for implementation of project activities. As such, these funds are deferred and will be chargeable to the income at the same rate as expenses incurred in 2015.

	31 December 2014	31 December 2013
Swedish International Development Cooperation Agency (SIDA)	1,628,403	-
Norwegian Ministry of Foreign Affairs	233,530	257,393
European Commission	230,251	91,035
BIRN Kosovo, subgrant Austrian Development Agency (ADA)	78,010	178,870
Open Society Institute Budapest Foundation / Die ERSTE osterreichische Sparkasse Privatstiftung	72,949	225,898
Robert Bosch Stiftung	8,211	55,685
Princ Calus Fund	240	-
Robert Bosch Stiftung GmbH / Die ERSTE osterreichische Sparkasse Privatstiftung / Prague Freedom Foundation	-	53,323
Foreign & Commonwealth Office	-	38,051
Balkan Trust for Democracy	-	30,608
Organization for Security and Co-operation in Europe (OSCE)	-	1,859
Robert Bosch Stiftung GmbH / Die ERSTE Osterreichische Sparkasse Privatstiftung (ALUMNI)	-	-
	<u>2,251,594</u>	<u>932,722</u>

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15. RELATED PARTY TRANSACTIONS

Transactions between the Association and its related parties are summarized as follows:

	Income / Sales		Expenses / Purchases	
	2014	2013	2014	2013
BIRN d.o.o.	12,126	34,227	83,473	75,023
BIRN Bosnia	9,202	9,752	19,373	110,113
BIRN Kosovo	73,461	91,552	3,560	10,757
BIRN Srbija	-	8,801	51,368	47,789
BIRN Makedonija	10,916	13,269	3,413	54,935
BIRN Albania	11,478	-	29,564	-
BIRN Romania	2,402	-	5,476	-
	119,585	157,601	196,227	298,617

At year end the Association had receivables from and liabilities to related parties as follows:

	Receivables		Liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Birn d.o.o. Belgrade	-	-	-	1,757
	-	-	-	1,757

Directors' remuneration

The remuneration of Director during the year was as follows:

	2014	2013
Temporary employment contract	57,153	47,592
Authorship service contracts	7,932	4,780
	65,085	52,372

16. FINANCIAL INSTRUMENTS

Significant accounting policies

Basic accounting policies and procedures, including criteria for recognition, basis for presentation, measurement and recognition based on which income and expenses for each category of financial assets, liabilities and equity instruments are recognized, are disclosed in Note 3 of financial statements.

Categories of financial instruments

	31 December 2014	31 December 2013
Financial assets		
Receivables (including cash and cash equivalents)	2,329,733	1,190,863
	2,329,733	1,190,863
Financial liabilities		
Amortised cost	15,722	27,067
	15,722	27,067

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16. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management objectives

Accountings of FinAudit Sarajevo provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Association through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk, liquidity risk and cash flow interest rate risk.

Market risk

The Association's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures are supplemented by sensitivity analysis. There has been no change to the Association's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk management

The Association undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The amounts of the Association's monetary assets and monetary liabilities at the reporting date, denominated in foreign currencies, were as follows:

	Assets		Liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
EUR	2,311,411	1,030,440	7,287	408,661
USD	7	141,484	-	158,714

Foreign currency sensitivity analysis

The Association is mainly exposed to EUR, USD, CHF and NOK. In Management's opinion, the sensitivity analysis related to EUR is unrepresentative of the inherent foreign exchange risk since in accordance with the Law on Central Bank of Bosnia and Herzegovina the Convertible Mark ("KM") is officially tied to the Euro. Change in the exchange rate would require the amendments of the law and approval by Parliamentary Assembly of Bosnia and Herzegovina.

Interest rate risk management

The Association is not exposed to interest rate risk as it has no financial instruments (assets and liabilities) issued at floating interest rates.

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16. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Association's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Liquidity risk management

The Association manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Association anticipates that the cash flow will occur in a different period.

Maturity for non-derivative financial assets

	Weighted average effective interest rate %	Less than 1 month KM	1-3 months KM	3 months to 1 year KM	1-5 years KM	Total KM
2014						
Non-interest bearing		2,225,294	34,199	65,240	5,000	2,329,733
		2,225,294	34,199	65,240	5,000	2,329,733
2013						
Non-interest bearing	-	1,094,828	91,035	-	5,000	1,190,863
		1,094,828	91,035	-	5,000	1,190,863

The following tables detail the Association's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Association can be required to pay.

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16. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management (continued)

Liquidity and interest risk tables (continued)

Maturity for non-derivative financial liabilities

	Weighted average effective interest rate %	Less than 1 month KM	1-3 months KM	3 months to 1 year KM	1-5 years KM	Total KM
2014						
Non-interest bearing		15,722	-	-	-	15,722
		15,722	-	-	-	15,722
2013						
Non-interest bearing	-	27,067	-	-	-	27,067
		27,067	-	-	-	27,067

Fair value of financial instruments

The Management considers that carrying amounts of financial assets and liabilities, recorded by amortized cost in financial statements, and does not differ significantly of its fair value.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Management and authorised for issue on 5 June 2015.


Gordana Igric
Director