

BALKAN INVESTIGATIVE REPORTING NETWORK

(BIRN)

Pristina - Kosovo

AUDIT REPORT

AND

**FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019**

Pristina, 29 April 2020



N.Sh. "Balluku & Zhaveli", General Partnership

INDIPENDENT AUDITOR'S REPORT

To the:

**- Steering Board and
- Executive Director of
Balkan Investigative Reporting Network (BIRN Kosovo)**

Pristina - Kosovo

Opinion

We have audited the financial statements of Balkan Investigative Reporting Network (BIRN Kosovo) which include the statement of financial position statements as at December 31, 2019 and 2018, Statements of Comprehensive income and the Statement of Cash flow for the year ended and notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the, the accompanying financial statements present fairly in all material respects the financial position of BIRN Kosovo as of December 31, 2019 as well as its financial performance and cash flow for the year that ended in accordance with accounting policies and procedures disclosed in the Note 2 to the accompanying financial statements and Law 04/L-57, "On Freedom of Association in Non-governmental Organisations".

The 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we have fulfilled our other 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.

Governance and Governance Responsibilities with regard to the Financial Statements

Management is responsible for the preparing and fair presentation of financial statements in accordance with the accounting basis disclosed in Note 2 to the financial and for such internal control as management determines is necessary to enable preparation of a statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

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Auditor's Responsibilities for the Audit of the 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 the 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 the 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 Company'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 the 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 Company's ability to continue as a 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 our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Balluku & Zhaveli
Prishtina, Kosova

Tomorr Zhaveli
Legal Auditor



Prishtina, 29 April 2020

Balkan Investigative Reporting Network ("BIRN Kosovo")

(Amounts in Euro)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDES 31 DECEMBER 2019

| | 31.12.2019 | 31.12.2018 |
|---|--------------------|------------------|
| Revenues from government grants and other grants | 1,481,268 | 901,027 |
| Income from donations and subvention | - | - |
| Income from business activities | - | - |
| Profits from the sale of assets | - | - |
| Other | - | - |
| Total Revenue | 1,481,268 | 901,027 |
| Cost of goods sold / cost of services provided | - | - |
| Expenditures for project implementation | (617,345) | (350,891) |
| Staff and contractor costs | (738,003) | (526,115) |
| Depreciation costs | (31,516) | (23,391) |
| Operational and administrative costs | (16,251) | (8,780) |
| Bad debts expenses | - | - |
| Other expenses | (3,338) | (2,796) |
| Costs for research and development | - | - |
| Losses from the sale of assets | - | - |
| Operating surpluses/(deficit) | (1,406,453) | (911,973) |
| Financial expenses | - | - |
| Financial income | - | - |
| Surplus/(Deficit) before tax (if applicable) | 0 | 0 |
| Tax on Profit | - | - |
| Surplus/(Deficit) for the year | 74,814 | (10,946) |
| Return of unused grants | - | - |
| Corrections of previous years | - | - |
| Surplus/(Deficit) at the end of the year | 74,814 | (10,946) |

These financial statements have been approved and signed on behalf of the management

on 29/04/2020

Ms. Jeta Xharra



Executive Director



Ms. Yilka Hoxha



Finance Manager

24

Balkan Investigative Reporting Network ("BIRN Kosovo")

(Amounts in Euro)

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

| | 31 December 2019 | 31 December 2018 |
|---|---------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and Cash equivalents | 805,604 | 800,118 |
| Financial Investment and other | - | - |
| Commercial and other accounts receivable | 406,580 | 503,869 |
| Project prepayments | 133,340 | 95,422 |
| Inventory | - | - |
| Other assets | - | - |
| Total current assets | 1,345,524 | 1,399,409 |
| Non-current assets | | |
| Financial Investment and other | - | - |
| Property, equipment and plants | 105,714 | 30,899 |
| Intangible Assets | - | - |
| Other long-term assets | - | - |
| Total non-current assets | 105,714 | 30,899 |
| Total assets | 1,451,238 | 1,430,308 |
| Liabilities and Fund balance | | |
| Current liabilities | | |
| Accounts payables and other payables | 40,756 | 3,384 |
| Financial liabilities, short-term | - | - |
| Provisions, Reserves | - | - |
| Deferred income-grants not earned | 1,304,769 | 1,396,025 |
| Other Liabilities | - | - |
| Total short-term liabilities | 1,345,525 | 1,399,409 |
| Long-term liabilities | | |
| Financial liabilities, long-term | - | - |
| Deferred tax liabilities | - | - |
| Deferred income - grants not earned | - | - |
| Total long-term liabilities | 0 | 0 |
| Total liabilities | 1,345,525 | 1,399,409 |
| Fund Balance | | |
| The fund at beginning of the year | 30,899 | 41,846 |
| Excess / (decrease) of the year | 74,814 | (10,946) |
| Net Fund balance | 105,713 | 30,899 |
| Total Liabilities and fund balance | 1,451,238 | 1,430,308 |

These financial statements have been approved and signed on behalf of the management

on 29/04/2020

Ms. Jeta Xharra


Executive Director



Ms. Yllka Hoxha


Finance Manager

2h

Balkan Investigative Reporting Network ("BIRN Kosovo")

(Amounts in Euro)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|--|------------------|-----------------|
| I. CASH FLOWS FROM OPERATIONG ACTIVITIES: | | |
| Excess / (Deficit) at the end of the year | 74,814 | (10,947) |
| <i>Adjustments for non-cash items of expenses and revenues</i> | | |
| Depreciation of property, equipment and plants | 31,516 | 23,392 |
| Changes in Assets and Operating Liabilities | | |
| (Increase) / decrease in account Receivables and other | 97,289 | 83,729 |
| (Increase) / decrease in other assets - Prepayments | (37,918) | (80,267) |
| Increase / (decrease) in Accounts payable and other | 37,372 | 3,384 |
| Increase / decrease in accounts of deferred revenues | (91,257) | 92,848 |
| | 5,486 | 99,693 |
| I. CASH FLOWS FROM OPERATIONG ACTIVITIES | 111,817 | 112,138 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of Property, equipment and plants | (106,331) | (12,445) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | (106,331) | (12,445) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | - | - |
| INCREASE/(DECREASE) OF NET CASH AND CASH EQUIVALNTES | 5,486 | 99,693 |
| CASH AND CASH EQUIVALNTES AT BEGENING | 800,118 | 700,426 |
| CASH AND CASH EQUIVALNTES AT END | 805,604 | 800,118 |

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