

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

Pristina - Kosovo

**AUDIT REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2020**

Pristina, 29 March 2021



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

Independent auditor's report

**For the Executive Director of
Balkan Investigative Reporting Network (BIRN Kosova)**

Prishtina - Kosova

Opinion

We have audited the financial statements provided by the BIRN Kosova (based in Prishtina, Kosovo), including financial position statements as of December 31, 2019 and 2020, comprehensive statements of income and cash flow statements for the previous year, and notes relating to these financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements fairly represent, in all material respects, the financial position of BIRN Kosova of December 31, 2019, as well as its financial performance and cash flow for the previous year, which are in accordance with the accounting policies and procedures disclosed in Note 2 to the accompanying financial statements.

The Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs), our responsibilities deriving from which are further described in the Auditor's Responsibilities section in the Audit of the Financial Statements chapter of our report.

We are independent of the Company, in accordance with the ethical requirements relevant to our auditing of financial statements in Kosovo and have fulfilled all other responsibilities set out by 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 in regard to Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the accounting basis disclosed in Note 2 accompanying the financial statements, as well as with any internal controls 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 organisation's ability to continue as a going concern, disclosing, as applicable, matters related to the 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.

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



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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, then 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 controls.

Obtain an understanding of internal controls, which is 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 controls.

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 then 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

Prishtina, 29 March 2021


Tomorr Zhaveli
Auditor Ligjor



Balkan Investigative Reporting Network - BIRN Kosovo

(Amounts in Euro)

Statement of comprehensive income for the year ended 31 December 2020

	Notes	31 December 2020	31 December 2019
Revenues from government grants and other grants	3	1,375,990	1,481,268
Income from donations and subvention		-	-
Income from business activities		-	-
Profits from the sale of assets		-	-
Other		-	-
Total Revenue		1,375,990	1,481,268
Cost of goods sold / cost of services provided		-	-
Expenditures for project implementation	4.1	(597,312)	(617,345)
Staff and contractor costs	4.2	(724,230)	(738,003)
Depreciation costs	4.3	(34,992)	(31,516)
Operational and administrative costs	4.4	(19,054)	(16,251)
Bad debts expenses		-	-
Other expenses	4.5	(2,432)	(3,338)
Costs for research and development		-	-
Losses from the sale of assets		-	-
Operating surpluses/(deficit)	4	(1,378,020)	(1,406,453)
Financial expenses		-	-
Financial income		-	-
Surplus/(Deficit) before tax (if applicable)		0	0
Tax on Profit		-	-
Surplus/(Deficit) for the year	10	(2,030)	74,814
Return of unused grants		-	-
Corrections of previous years		-	-
Surplus/(Deficit) at the end of the year	10	(2,030)	74,814

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

on 29 march 2021

Ms. Jeta Xharra


Executive Director

Ms. Yllka Hoxha


Finance Manager

The accompanying notes are an integral part of this Statement.

Balkan Investigative Reporting Network - BIRN Kosovo

(Amounts in Euro)

Statement of financial Position at 31 December 2020

ASSETS		31 December 2020	31 December 2019
Current assets			
Cash and Cash equivalents			
Financial Investment and other	5	902,886	805,604
Commercial and other accounts receivable		-	-
Project prepayments	6	390,208	406,580
Inventory	7	193,430	133,340
Other assets		-	-
Total current assets		1,486,524	1,345,524
Non-current assets			
Financial Investment and other		-	-
Property, equipment and plants		-	-
Intangible Assets	8	103,683	105,714
Other long-term assets		-	-
Total non-current assets		103,683	105,714
Total assets		1,590,207	1,451,238
Liabilities and Fund balance			
Current liabilities			
Accounts payables and other payables	9	27,433	40,756
Financial liabilities, short-term		-	-
Provisions, Reserves		-	-
Deferred income-grants not earned	10	1,459,091	1,304,769
Other Liabilities		-	-
Total short-term liabilities		1,486,524	1,345,525
Long-term liabilities			
Financial liabilities, long-term		-	-
Deferred tax liabilities		-	-
Deferred income - grants not earned		-	-
Total long-term liabilities		0	0
Total liabilities		1,486,524	1,345,525
Fund Balance			
The fund at beginning of the year		105,714	30,899
Excess / (decrease) of the year		(2,030)	74,814
Net Fund balance	11	103,683	105,714
Total Liabilities and fund balance		1,590,207	1,451,238

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on 29 March 2021

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(Amounts in Euro)

Statement of cash flows for the year ended 31 December 2020

	2020	2019
I. I. CASH FLOWS FROM OPERATIONG ACTIVITIES:		
Excess / (Deficit) at the end of the year	(2,030)	74,814
<i>Adjustments for non-cash items of expenses and revenues</i>		
Depreciation of property, equipment and plants	34,992	31,516
Changes in Assets and Operating Liabilities		
(Increase) / decrease in account Receivables and other	16,372	97,289
(Increase) / decrease in other assets - Prepayments	(60,090)	(37,918)
Increase / (decrease) in Accounts payable and other	(13,323)	37,372
Increase / decrease in accounts of deferred revenues	154,322	(91,256)
Increase / (decrease) in other liabilities	0	0
	97,281	5,487
I. CASH FLOWS FROM OPERATIONG ACTIVITIES	130,243	111,817
II. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, equipment and plants	(32,962)	(106,331)
Purchase of Intangible assets	0	0
II. CASH FLOWS FROM INVESTING ACTIVITIES	(32,962)	(106,331)
III. CASH FLOWS FROM FINANCING ACTIVITIES:		
	0	0
III. CASH FLOWS FROM FINANCING ACTIVITIES	0	0
INCREASE/(DECREASE) OF NET CASH AND CASH EQUIVALNTES	97,281	5,486
CASH AND CASH EQUIVALNTES AT BEGENING	805,604	800,118
CASH AND CASH EQUIVALNTES AT END	902,885	805,604

The accompanying notes are an integral part of this Statement