

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

Financial statements for the year ended
31 December 2022 prepared in accordance
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



Milka Domanović

Director



Balkan Investigative Reporting Regional Network
Splitska 6
71000 Sarajevo
Bosnia and Herzegovina

3 May 2023

Auditors' Report

To the management of Balkan Investigative Reporting Regional Network:

Opinion

We have audited the accompanying financial statements of the Balkan Investigative Reporting Regional Network, BIRN (the "Association"), which comprise the statement of financial position as at 31 December 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the legal financial reporting framework applicable in the Federation of Bosnia and Herzegovina.

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 Association within the meaning of Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants („IESBA") and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the legal financial reporting framework applicable in the Federation of Bosnia and Herzegovina 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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 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 scepticism throughout the planning and performance of 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 entity'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 Association'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 Association 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 are required to communicate with Management 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.

n.Consulting d.o.o.

Nerman Čeho, director

Sarajevo, Bosnia and Herzegovina

3 May 2023



Ismail Katana, licensed auditor

Balkan Investigative Reporting Regional Network
Statement of comprehensive income
for the year ended 31 December 2022

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

	Note	2022	2021
Donors contributions	5	5,475,929	6,024,475
Other income	6	7,919	47,536
Total income		5,483,848	6,072,011
Staff expenses	7	(458,737)	(309,844)
Professional services	8	(3,890,660)	(5,047,948)
Other operating expenses	9	(550,378)	(628,539)
Depreciation and amortization	10	(21,939)	(15,746)
Total operating costs		(4,921,714)	(6,002,077)
Financial income		683	882
Foreign exchange differences, net		(67,214)	(75,116)
Surplus / (deficit) for the year		495,603	(4,300)
Other comprehensive income		-	-
Total comprehensive income / (loss)		495,603	(4,300)

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

Balkan Investigative Reporting Regional Network
Statement of financial position
as at 31 December 2022

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

	Note	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Tangible and intangible assets	10	131,997	97,685
Advances given for intangible assets		-	12,285
Investments in associates	11	317	317
Long-term deposits		14,800	10,800
		147,114	121,087
Current assets			
Receivables from donors	12	117,196	236,849
Receivables form partners	13	195,319	-
Prepaid expenses		10,647	-
Cash and cash equivalents	14	2,619,767	2,014,054
		2,942,929	2,250,903
TOTAL ASSETS		3,090,043	2,371,990
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus		875,035	379,432
		875,035	379,432
Current liabilities			
Deferred income	15	2,051,756	1,923,357
Trade and other payables	16	163,246	68,079
Bank account overdrafts		6	1,122
		2,215,008	1,992,558
TOTAL EQUITY AND LIABILITIES		3,090,043	2,371,990

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

Signed on behalf of the Association on 3 May 2023:


Milka Domanović, Director

Balkan Investigative Reporting Regional Network
Statement of changes in equity
for the year ended 31 December 2022
(All amounts are expressed in BAM, unless otherwise stated)

	Accumulated surplus	Total
Balance at 31 December 2020	383,732	383,732
Deficit for the year	(4,300)	(4,300)
Other comprehensive income	-	-
<i>Total comprehensive loss</i>	<i>(4,300)</i>	<i>(4,300)</i>
Balance at 31 December 2021	379,432	379,432
Surplus for the year	495,603	495,603
Other comprehensive income	-	-
<i>Total comprehensive income</i>	<i>495,603</i>	<i>495,603</i>
Balance at 31 December 2022	875,035	875,035

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 2022

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

	2022	2021
Operating activities		
Surplus / (deficit)	495,603	(4,300)
Adjustments for:		
Depreciation of tangible assets	21,939	15,746
Disposal of tangible assets	(100)	14
Finance income recognized in income statement	(683)	(882)
<i>Cash flows before movements in working capital</i>	516,759	10,578
Increase in receivables from donors and other receivables	(74,028)	(21,779)
Increase / (decrease) in trade and other payables	95,167	(5,739)
Increase in deferred income	128,399	590,038
Net cash from operating activities	666,297	573,098
Investing activities		
Purchases of equipment and intangible assets	(56,251)	(78,259)
Proceeds from disposal tangible assets	100	-
Increase receivables for deposit given	(4,000)	
Interest received	683	882
Net cash used in investing activities	(59,468)	(77,377)
Financing activities		
Decrease of bank overdrafts	(1,116)	-
Net cash used in financing activities	(1,116)	-
Net increase in cash and cash equivalents	605,713	495,721
Cash and cash equivalents at the beginning of the year	2,014,054	1,518,333
Cash and cash equivalents at the end of the year	2,619,767	2,014,054

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 2022

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

1. GENERAL

Balkan Investigative Reporting Regional Network (the "Association") is association established on 12 February 2005 under Ministry of Justice of Bosnia and Herzegovina, registration number RU-297/05. The Association implements a multi-year media development program in the territory of Balkans.

The registered address of the Association is Splitska no. 6, Sarajevo, Bosnia and Herzegovina.

As at 31 December 2022, the Association had 11 employees (2021: 8 employees).

Management / Representative

Milka Domanović Director

Assembly Committee

Tim Judah	President
Per Byman	Member
Robert Bierman	Member
Steve Crawshaw	Member
Ana Petruševa	Member

Steering Board

Ana Petruševa	President
Denis Džidić	Member
Kristina Voko	Member
Dragana Žarković Obradović	Member
Jeta Xharra	Member
Marian Chiriac	Member
Milka Domanović	Member

Based on author and temporary working contracts, the Association had 292 employees (2021: 314 employees), which can be presented as follows:

Regional manager	1	Development - operational management	13
Journalists	197	Web personel	8
Translator	16	Marketing Officer	5
Project manager / Coordinators	16	Trainers	6
Finance/Admin	4	Others	17
Editors	9		

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

New and amended standards, adopted by the Association

For the first time, the Association has applied the following new and revised standards and amendments, as well as their interpretations, for the annual reporting period beginning on 1 January 2022:

- Covid-19-Related Rent Concessions – additional amendments to IFRS 16 (issued on 31 March 2021 and effective for annual periods beginning on or after 1 April 2021).
- Proceeds before intended use, Onerous contracts – cost of fulfilling a contract, Reference to the Conceptual Framework – narrow scope amendments to IAS 16, IAS 37 and IFRS 3, and Annual Improvements to IFRSs 2018-2020 – amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 (issued on 14 May 2020 and effective for annual periods beginning on or after 1 January 2022)

These changes did not have an impact on amounts recognized in prior periods and are not expected to have a material effect on current or future periods.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

Published standards that have not yet entered into force

Certain new accounting standards and interpretations have been issued, which are not mandatory for the reporting period ending on 31 December 2022 and which have not been previously adopted by the Association.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB)
- IFRS 17: "Insurance Contracts" (issued on 18 May 2017) and Amendments to IFRS 17 and an amendment to IFRS 4 (issued on 25 June 2020) – all effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8: Definition of Accounting Estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023)
- Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023)
- Transition option to insurers applying IFRS 17 – Amendments to IFRS 17 (issued on 9 December 2021 and effective for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024)
- Classification of liabilities as current or non-current – Amendments to IAS 1 (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).

These standards are not expected to have a significant impact on the Association in the current or future reporting periods and on foreseeable future transactions.

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

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

The financial statements are presented in thousands of Convertible mark (KM) which is the functional currency of the Association.

The financial statements have been prepared on an accrual basis and undergoing concern assumption.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis for presentation (continued)

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and their reported amounts of revenues and expenses during the reporting period. These estimates are based on the information available as at the reporting period date and actual results could differ from those estimates.

The financial statements are prepared on an accrual basis of accounting, under the going concern assumption.

Revenue recognition

Grants that compensate the Association for expenses incurred are recognised as revenue in the income and expenditure statement 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 income and expenditure statement 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). In addition, meal allowances, transport allowances and vacation bonuses are paid in accordance with the local legislation. These expenses are recorded in the income statement in the period in which the salary expense is incurred.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency using the exchange rate prevailing at the date of the transactions or published daily exchange rates. 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 income and expenditure statement.

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 income statement in the period in which they occur.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tangible assets (continued)

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.

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.

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred income (continued)

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 income and expenditure statement on a systematic basis over the useful life of the asset.

Interest income and expenses

Interest income is recognised in the income statement 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 2022

(All amounts are expressed in BAM, 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 2022

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

5. DONORS CONTRIBUTIONS

	2022	2021
<i>Restricted donors contributions</i>		
Swedish International Development Cooperation Agency (SIDA)	1,149,999	1,464,282
The State of the Netherlands, Ministry of Foreign Affairs Security Policy Department	915,683	452,492
Foreign Commonwealth Office – British Council – Brit 2019	820,770	1,370,887
Die ERSTE osterreichische Spar-casse Privatstiftung - RepDeM	584,128	431,707
European Commission – Strengthening Quality News and Ind. Journalism in Western Balkans and Turkey	478,370	976,890
BIRN Kosovo, subgrant Austrian Development Agency	288,499	141,618
The State of the Netherlands, Ministry of Foreign Affairs – MATRA	189,246	8,849
Internews – RepDem Gif Internews	158,661	13,117
The German Marshall Fund of the United States – BTDFY2021	104,321	71,672
International Federation of Journalists AISBL – EBU	85,252	34,872
European Commission – Balkan Transitional Justice	84,008	243,663
Fondation Nicolas Puech	83,435	106,480
N-ost - Netzwerk fur Osteuropa – Berichterstattung – Berlin	74,051	-
International Press Institute – EU	66,692	-
Konrad-Adenauer-Stiftung, BIRN Summer School of Investigative Reporting	42,050	58,676
International Press Institute – IJ4EU	27,779	9,714
US Department of State	23,321	-
The Federal Ministry for Economic Cooperation and Development (BMZ) – NOST	21,107	108,321
GIZ Deutsche Gesellschaft für Internationale Zusammenarbeit	20,034	-
The United Nations Democracy fund	17,423	-
European Union – Creative Europa	4,427	-
Network of European Foundations – EUAI Fund	4,186	83,816
The Federal Ministry for Economic Cooperation and Development (BMZ) Germany	1,928	-
The Regional Youth Cooperation Office	1,687	50,516
CIN-CG, subgrant European Commission	1,589	32,286
Justice for Journalist Foundation – London	1,164	-
Network of European Foundations – Civitates	-	59,588
Konrad-Adenauer-Stiftung, Digital Rights Monitoring Database	-	57,062
European Commission – CIJA	-	40,098
Hedayah	-	5,166
Central European University – Black waters	-	1,527
	5,249,810	5,823,299
<i>Unrestricted donors contributions</i>		
Rockefeller Brothers Fund	226,119	201,176
	226,119	201,176
	5,475,929	6,024,475

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

6. OTHER INCOME

	2022	2021
Income from abroad	7,457	-
Income from disposals of tangible assets	100	-
Services rendered – foreign	-	44,006
Services rendered – domestic	-	3,290
Write-off of liabilities	-	-
Other income	362	240
	7,919	47,536

7. STAFF EXPENSES

	2022	2021
Gross salaries	434,711	292,105
Meal allowance	16,308	12,464
Transport allowance	5,566	3,710
Other income	2,152	1,565
	458,737	309,844

8. PROFESSIONAL SERVICES

	2022	2021
Royalties and taxes	1,651,459	1,743,301
Expense related to joint work on projects	860,134	2,305,494
Conference meeting and training expenses	597,307	225,381
Editorial expenses	250,408	159,507
Web services and web subscription	243,083	252,344
Consulting fees	145,299	250,947
Film production	53,196	44,458
Accounting and auditing services	42,722	30,203
Business trip	11,166	5,979
Translation services	8,060	13,718
Other professional services	27,826	16,616
	3,890,660	5,047,948

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

9. OTHER OPERATING EXPENSES

	2022	2021
Rents and utilities	217,316	168,347
Given stipends, awards and development expenses	97,792	136,579
Travel expenses and accommodation	85,199	151,214
Bank fees and services	59,704	70,415
Contributions, fees and other taxes	19,054	22,419
Donations	16,840	688
Representation	11,230	15,076
Printing	8,648	37,392
Communication expenses	8,432	12,098
Office supplies	3,070	8,965
Other expenses	23,093	5,346
	550,378	628,539

10. TANGIBLE AND INTANGIBLE ASSETS

	Intangible assets	Transport vehicles	Equipment	Furniture	Assets in progress	Total
<u>HISTORICAL COST</u>						
At 31 December 2020	21,516	-	73,376	10,837	-	105,729
Additions	28,555	43,900	5,640	164	-	78,259
Disposals	-	-	(33,277)	(4,072)	-	(37,349)
At 31 December 2021	50,071	43,900	45,739	6,929	-	146,639
Additions	-	-	10,646	4,441	41,164	56,251
Disposals	-	-	(397)	-	-	(397)
At 31 December 2022	50,071	43,900	55,988	11,370	41,164	202,493
<u>ACCUMULATED DEPRECIATION</u>						
At 31 December 2020	789	-	63,668	6,086	-	70,543
Charge for the year	8,111	2,195	3,819	1,621	-	15,746
Disposals	-	-	(33,277)	(4,058)	-	(37,335)
At 31 December 2021	8,900	2,195	34,210	3,649	-	48,954
Charge for the year	9,180	6,036	6,099	624	-	21,939
Disposals	-	-	(397)	-	-	(397)
At 31 December 2022	18,080	8,231	39,912	4,273	-	70,496
<u>CARRYING AMOUNT</u>						
At 31 December 2021	41,171	41,705	11,529	3,280	-	97,685
At 31 December 2022	31,991	35,669	16,076	7,097	41,164	131,997

Balkan Investigative Reporting Regional Network
Notes to the financial statements
for the year ended 31 December 2022

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

11. INVESTMENTS IN ASSOCIATES

Company	31 December 2022		31 December 2021	
	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 2022	31 December 2021
Total assets	575,255	427,463
Total liabilities	(371,754)	(282,574)
Net assets	203,501	144,889
The Association's share in net assets	65,873	46,901

12. RECEIVABLES FROM DONORS

	31 December 2022	31 December 2021
European Commission Western Balkan Media	84,922	181,627
U.S. Department of State	23,321	-
Die ERSTE österreichische Spar-casse Privatstiftung	7,025	-
The Federal Ministry for Economic Cooperation and Development (BMZ) Germany	1,928	-
Network of European Foundations	-	39,815
Investigative Journalism for Europe	-	9,715
Regional Youth Cooperation Office	-	3,584
Hedayah	-	1,610
NVO Fondacija Centar za Istraživačko novinarstvo	-	498
	117,196	236,849

13. RECEIVABLES FORM PARTNERS

	31 December 2022	31 December 2021
Tomson Media GmbH, Germany	182,136	-
BIRN BiH	10,249	-
Centar za istraživačko novinarstvo Crne Gore (CIN-CG)	2,934	-
	195,319	-

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14. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash at bank accounts – foreign currencies	1,690,816	1,403,787
Cash at bank accounts – KM	928,498	609,231
Petty cash	453	1,036
	<u>2,619,767</u>	<u>2,014,054</u>

15. DEFERRED INCOME

	31 December 2022	31 December 2021
British Council – BRIT	558,166	162,505
Swedish International Development Cooperation Agency (SIDA)	459,270	566,730
International Press Institute_ EU	214,769	-
Die ERSTE Österreichische Spar-casse Privatstiftung	202,659	37,694
Austrian Development Agency	112,712	-
The United Nations Democracy fund	107,213	-
N-ost - Netzwerk für Osteuropa - Berichterstattung -Berlin	101,551	-
The State of the Netherlands, Ministry of Foreign Affairs	82,424	136,725
The State of the Netherlands, Ministry of Foreign Affairs - Security Policy Department	54,989	212,129
Internews Network	54,476	12,405
European Union – Creative Europa EF 2022 - 2024	35,553	-
Justice for Journalist Foundation - London	28,445	-
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	23,925	-
Die ERSTE österreichische Spar-casse Privatstiftung Rep Dem 2020	8,973	50,029
The Federal Ministry for Economic Cooperation and Development (BMZ)	6,631	10,045
European Commission – Western Balkan Media Days	-	393,448
Die ERSTE österreichische Spar-casse Privatstiftung Rep Dem 2021	-	152,074
German Marshall Fund, Balkan Trust for Democracy	-	104,321
EBU – The International Federation of Journalist	-	85,252
	<u>2,051,756</u>	<u>1,923,357</u>

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16. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
<i>Trade payables:</i>		
Trade payables – related parties	110,534	26,735
Trade payables – other	915	9,280
	<u>111,449</u>	<u>36,015</u>
<i>Other payables:</i>		
Liabilities to service contracts with individuals	43,958	28,490
Liabilities for taxes and contributions	7,839	3,574
	<u>51,797</u>	<u>32,064</u>
	<u>163,246</u>	<u>68,079</u>

17. RELATED PARTY TRANSACTIONS

Transactions in the ordinary course of business

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

	Income / Sales		Expenses / Purchases	
	2022	2021	2022	2021
BIRN d.o.o. Beograd	270,113	331,191	53,038	44,006
BIRN Bosnia	142,174	318,437	17,400	-
BIRN Kosovo	211,768	329,326	6,578	3,290
BIRN Srbija	148,101	323,278	-	-
BIRN Makedonija	64,641	161,512	-	-
BIRN Albania	48,626	46,079	-	-
	<u>885,423</u>	<u>1,509,823</u>	<u>77,016</u>	<u>47,296</u>

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

	Receivables		Liabilities	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
BIRN d.o.o. Beograd	-	-	917	1,457
BIRN Bosnia	-	-	10,249	-
BIRN Srbija	-	-	-	7,823
	<u>-</u>	<u>-</u>	<u>11,166</u>	<u>9,280</u>

Directors' remuneration

The remuneration of Director during the year was as follows:

	2022	2021
Temporary employment contract	107,641	107,434
	<u>107,641</u>	<u>107,434</u>

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18. 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 2022	31 December 2021
Financial assets		
Receivables (including cash and cash equivalents)	2,947,082	2,261,703
	2,947,082	2,261,703
Financial liabilities		
Amortised cost	163,252	69,201
	163,252	69,201

Financial risk management objectives

Department of Finance and Accounting, together with the external accounting agency 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.

Foreign currency risk

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 2022	31 December 2021	31 December 2022	31 December 2021
EUR	1,629,896	1,403,784	-	-
USD	60,917	3	-	-
GBR	5	2	-	-
CHF	-	-	-	-

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18. FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk

The Association is mainly exposed to EUR, USD, GBR and CHF. 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.

The following table details the Association's sensitivity to a 10% increase and decrease in KM against USD, GBR and CHF. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding USD, GBR and CHF denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where KM strengthens 10% against USD, GBR and CHF. For a 10% weakening of KM against USD, GBR and CHF, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative.

	Impact USD		Impact GBR		Impact CHF	
	2022	2021	2022	2021	2022	2021
Gain / Loss	6,092	1	1	-	-	-

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.

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.

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18. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

The Association manages liquidity risk by maintaining adequate reserves 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 %	From 1 month BAM	2-6 months BAM	7-12 months BAM	1-5 years BAM	Total BAM
31 December 2022						
Non-interest bearing	-	2,619,767	312,515	-	14,800	2,947,082
		2,619,767	312,515	-	14,800	2,947,082
31 December 2021						
Non-interest bearing	-	2,014,054	236,849	-	10,800	2,261,703
		2,014,054	236,849	-	10,800	2,261,703

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.

Maturity for non-derivative financial liabilities

	Weighted average effective interest rate %	From 1 month BAM	2-6 months BAM	7-12 months BAM	1-5 years BAM	Total BAM
31 December 2022						
Non-interest bearing	-	163,252	-	-	-	163,252
		163,252	-	-	-	163,252
31 December 2021						
Non-interest bearing	-	69,201	-	-	-	69,201
		69,201	-	-	-	69,201

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.

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19. EVENTS AFTER BALANCE SHEET DATE

On November 4, 2022, the Assembly of the Association dismissed the previous executive director, Mrs. Marija Ristić, and named Mrs. Milka Domanović to the same position, effective from 1 December 2022.

On January 26, 2023, the Ministry of Justice of Bosnia and Herzegovina issued a Decision on the change in the Register of Associations regarding the above appointment.

20. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Management and authorised for issue on 3 May 2023.



Milka Domanović
Director

