

INSTITUTE FOR ADVANCED STUDIES - GAP

FINANCIAL STATEMENTS

For the year ended 31 December 2025

and

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To: Management and Board of the INSTITUTE FOR ADVANCED STUDIES - GAP

Opinion

We have audited financial statements of "Institute for advanced studies – GAP" ("the organization") which comprises the Statement of Financial Position As at December 31, 2025, and the Statement of Income, Statement of Changes in Net Assets and Statement of Cash Flows for the year ended on that date, and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the "Institute for advanced studies – GAP" as at December 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and requirements of the Law No. 06 / L-043 on Freedom of Association in Non-Governmental Organizations, as described in the Note 2 of financial statements.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and for such controls as management determines it is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of 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 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 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 mistake 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 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 Organization's ability to continue as going concern. If we conclude that material uncertainty exists, we are required to draw attention to 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 the auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

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.

Lulzim Zeka
Statutory Auditor

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Baker Tilly Kosovo L.L.C
Prishtinë

Baker Tilly Kosovo
06 March 2026

INSTITUTE FOR ADVANCED STUDIES - GAP
POSITION OF FINANCIAL STATEMENT

As at 31 December 2025

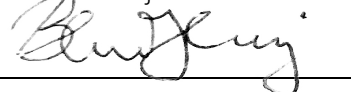
(all values expressed in Euro)

		As at 31 December 2025	As at 31 December 2024
	Notes		
Current assets			
Cash and cash equivalents	3	92,930	209,070
Receivable accounts	4	-	11,620
Total current assets		92,930	220,690
Office equipment	5	4,075	4,994
Total non-current assets		4,075	4,994
TOTAL ASSETS		97,005	225,684
Current liabilities			
Other liabilities	6	3,854	4,689
Deferred revenues	7	93,151	220,995
Total current liabilities		97,005	225,684
TOTAL FUND BALANCE AND LIABILITIES		97,005	225,684

These financial statements are approved and signed on March 02, 2025, on behalf of the management by:

Executive Director

Blendi Hasaj



Chief financial officer

Nita Tafarshiku



The accompanying notes from 1 to 11 of the financial statements are an integral part of them.

INSTITUTE FOR ADVANCED STUDIES - GAP**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2025

(all values expressed in Euro)

For the year ended		As at 31 December 2025	As at 31 December 2024
	Notes		
Income	8	297,761	444,607
Total Income		297,761	444,607
Expenditures			
Personnel expenses	9	(216,209)	(225,232)
Other operating expenses	10	(79,473)	(217,407)
Depreciation expenses	5	(2,079)	(1,967)
Total Expenditures		(297,761)	(444,607)
Surplus/(Deficit) for the year		-	-

The accompanying notes from 1 to 11 of the financial statements are an integral part of them.

INSTITUTE FOR ADVANCED STUDIES - GAP**STATEMENT OF CASH FLOW**

For the year ended 31 December 2025

(all values expressed in Euro)

For the year ended	As at 31 December 2025	As at 31 December 2024
Profit / (loss) for the year	-	-
Adjustments for non-monetary items		
Impairment expense	2,079	1,967
Changes in prepayments	11,620	11,408
Changes in trade and other payables	(835)	(1,388)
Changes in deferred income	(127,844)	(66,623)
Net cash generated from operating activities	(114,980)	(54,635)
Investing activities		
Purchase of property, plant, and equipment	(1,160)	(2,951)
Net cash generated from investing activities	(1,160)	(2,951)
Net increase / (decrease) in cash from activities	(116,140)	(57,586)
Cash and cash equivalents at the beginning of the year	209,070	266,655
Cash and cash equivalents at the end of the year	92,930	209,070

The accompanying notes from 1 to 11 of the financial statements are an integral part of them.

INSTITUTE FOR ADVANCED STUDIES - GAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(all values expressed in Euro)

1. General information

The Institute for Advanced Studies GAP (IASGAP) is a non-governmental organization registered under registration number 5111579-1. The organization was officially registered on 17 August 2007 and operates in the legal form of an Association.

The registered address of the organization is Rr. Sejdi Kryeziu 4/4, Prishtina, Prishtinë, Kosovo. Contact details include telephone number +383 38 224 145 and mobile number +383 44 130 582. The official email address is nita@institutigap.org.

The authorized representative of the organization is Mr. Blendi Hasaj, who serves as Executive Director.

The founders of the organization are Ms. Argjentina Grazhdani, Ms. Astrit Isufi, and Mr. Shpend Ahmeti.

Mission and Activities

The mission of the Institute is to raise issues on the public policy agenda by providing detailed research analyses of public policies. The organization offers evaluations, policy options, and recommendations on public policy issues, promotes public discussion on policy matters, and provides assistance in the implementation of public policies.

The organization operates in the field of "Society for Society," contributing to public interest and policy development.

2. Significant accounting policies

2.1. General Accounting Policies

Institute for advanced studies - GAP applies the accrual method of reporting on the receipt and expenditure of funds. Therefore, revenue is recorded when funds are earned, and expenses are recorded at the time they occur.

2.2. Basis of measurement

The financial statements have been prepared on the basis of historical cost in accordance with the requirements of law no. 06 / L-043 on Freedom of Association in Non-Governmental Organizations and International Accounting Standards in Kosovo.

2.3. Functional currencies and foreign currency transactions

The organization records and reports transactions in Euro. All amounts reported in the Statement of Financial Position and changes in net assets are reported in Euro.

Transactions in foreign currencies are recorded at the exchange rates in force at the date of the transaction. Cash and foreign currency liabilities are converted at the exchange rate ruling at the balance sheet date. Profit or loss because of the exchange is recognized in the Income Statement. For 2025, there are no transactions arising from exchange rate changes.

2.4. Income Tax

The organization is a non-governmental organization (NGO), whose donations received in the reporting year were used for humanitarian purposes. According to law no. 06 / L-105 on Corporate Income Tax, NGOs whose total income is used for their public benefit purposes are exempt from taxes.

INSTITUTE FOR ADVANCED STUDIES - GAP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

(all values expressed in Euro)

2. Significant accounting policies (continuance)

2.5. Property, plant and equipment

Fixed asset items are presented at cost less accumulated depreciation and impairment losses. (Impairment is recognized in the income statement on a straight-line basis over the estimated useful lives of the assets. Impairment methods, useful life, and residual value (if not significant) are revalued at the reporting date. The organization charges the depreciation expense for the full year at the acquisition date.

The life expectancy for the current and comparative period is as follows:

As at 31 December 2025	2025	
Facilities and Buildings	20 years	5%
Furniture and equipment	5 years	20%
Vehicles	5 years	20%

2.6. Cash and cash equivalents

Cash and cash equivalents include petty cash and cash at the bank.

2.7. Revenues

Revenue is recognized to the extent that it is probable that economic benefits will flow to the organization and revenue can be measured reliably. Revenue is not recognized until the risks and rewards of ownership of the goods have been transferred to the purchaser and the amount of revenue.

2.8. Expenses

The organization recognizes expenses at the time of occurrence. Expenditures are recorded on an accrual basis. The organization's expenses consist of personnel expenses, operating and administrative expenses, program, and other general expenses.

2.9. Payable accounts

Pension contributions, payroll taxes, and other accrued liabilities are disclosed in the financial statements as accounts payable.

2.10. Deferred Revenues

Deferred revenues are those revenues / donations whose cash has been received by the organization but has not yet been earned. Consequently, this obligation occurs when the organization accepts advance payments for a project which will be implemented in the future.

2.11. Revenue deficit over expenditures

The negative balance (deficit) is a result of donations and implemented project expenses until end of the year.

2.12. Employee benefits

The Organization makes contributions for the benefit of employees to the Kosovo Pension Saving Trust (KPST). The contributions are expensed as incurred.

INSTITUTE FOR ADVANCED STUDIES - GAP**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

*(all values expressed in Euro)***3. Cash and cash equivalents**

As at 31 December	2025	2024
Cash on bank	92,843	208,938
Cash on hand	86	132
Total	92,930	209,070

4. Receivable accounts

As at 31 December	2025	2024
Receivables from DEMOS	-	2,157
Receivables from GLPS (British Embassy Project)	-	9,463
Total	-	11,620

5. Office equipment

<i>Cost</i>	Office equipments	Total
As at 31 December 2023	16,634	16,634
Additions	2,951	2,951
Disposal	-	-
As at 31 December 2024	19,584	19,584
Additions	1,160	1,160
Disposal	-	-
As at 31 December 2025	20,745	20,745
<i>Acumulated depreciation</i>		
As at 31 December 2023	(12,623)	(12,623)
Depreciation expense	(1,967)	(1,967)
Impairment adjustment for disposal	-	-
As at 31 December 2024	(14,591)	(14,591)
Depreciation expense	(2,079)	(2,079)
Impairment adjustment for disposal	-	-
As at 31 December 2025	(16,670)	(16,670)
<i>Net book value</i>		
As at 31 December 2024	4,994	4,994
As at 31 December 2025	4,075	4,075

INSTITUTE FOR ADVANCED STUDIES - GAP**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

*(all values expressed in Euro)***6. Other liabilities**

As at 31 December	2025	2024
Accounts payable to suppliers	1,070	1,388
Payable pension contribution	1,506	1,816
Withholding tax on personal income	1,170	1,377
Rental tax (WR)	109	109
Total	3,854	4,689

7. Deferred revenues

As at 31 December	2025	2024
Deferred revenues	93,151	220,995
Total	93,151	220,995

8. Organization income

For the year ended 31 December	2025	2024
Rockefeller Brothers Fund	61,585	26,221
Kosova Foundation for Open Society (KFOS)	48,265	106,600
Kosovar Civil Society Foundation (KCSF)	39,200	-
British Embassy	12,538	64,900
Community Development FUND (CDF)	11,207	66,683
Demos	8,843	45,587
SMART	1,211	3,186
Swedish International Development Cooperation Agency (Sida)	-	106,351
United Nations Development Programme (UNDP)	-	15,698
Other Incomes	114,912	9,381
Total incomes for the year	297,761	444,607

9. Personnel expenses

For the year ended 31 December	2025	2024
Salaries expenses	216,209	225,232
Total	216,209	225,232

INSTITUTE FOR ADVANCED STUDIES - GAP**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2025

*(all values expressed in Euro)***10. Operating and activity expenses**

For the year ended 31 December	2025	2024
Rent expenses	14,505	14,505
Planning and design expenses	8,070	10,670
Research services expenses	7,350	11,440
Office and website maintenance	5,694	6,726
Media/Advertising	3,350	9,677
Printing expenses	2,502	2,490
Professional expenses	2,200	91,829
Travel expenses	2,104	12,205
Office equipment expenses	2,017	2,588
Utilities expenses	1,615	1,624
Translation services	1,471	7,019
Communication expenses	1,159	2,044
Project meeting services	967	1,983
Bank charges	506	896
Newspaper expenses	120	513
Other expenses	25,843	41,198
Total	79,473	217,407

11. Subsequent events

There are no events subsequent to the date of the Statement of Financial Position that require adjustments or disclosures in the Financial Statements.