

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT
INSTITUTE FOR ADVANCED STUDIES GAP

For the year ended 31 December 2014

Prishtine
March 2015



BAKER TILLY KOSOVO

Bedri Pejani No.3
10 000 Prishtina, Kosovo

T: + 381 (0)38 226 942
F: + 381 (0)38 226 946

info@bakertillykosovo.com
www.bakertillykosovo.com

Independent Auditors' Report

31 March 2015

To: The Board of Directors of Institute for Advanced Studies GAP

We have audited the accompanying financial statements of Institute for Advanced Studies GAP in Prishtine, Kosovo ('organization'), for the year ended 31 December 2014 and a summary of significant accounting policies and other explanatory information. Financial statements have been prepared by management of Institute for Advanced Studies GAP based on the financial reporting requirements of the donor and relevant laws in Kosovo.

Management's Responsibility for the financial report

Management is responsible for the preparation of financial statements in accordance with the financial reporting requirements, and for such internal control as management determines is necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on 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 about whether the financial report is 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 considers internal control relevant to the entity's preparation of the financial report 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.

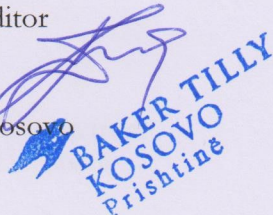
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of Institute for Advanced Studies GAP, for the year ended 31 December 2014 are prepared, in all material respects, in accordance with the financial reporting requirement of donor and relevant laws in Kosovo.

Lulzim Zeka
Statutory Auditor

Baker Tilly Kosovo



Institute for Advanced Studies GAP

Income Statement For the year ended 31 December 2014

	Note	2014	2013
Income			
Income from Donations	5	178,820	199,051
Total Income		178,820	199,051
Expenses			
Expenses			
Program and administrative expenses	6	178,820	199,051
Total Expenses		178,820	199,051
Net Surplus		-	-

Institute for Advanced Studies GAP

Balance Sheet

For the year ended 31 December 2014

Assets	Note	<u>2014</u>	<u>2013</u>
Current assets			
Cash & cash equivalents	4	79,965	42,676
Receivables		-	-
Total current assets		79,965	42,676
Noncurrent assets			
Office Equipment	3	5,501	1,911
Total noncurrent assets		5,501	1,911
Total Assets		85,466	44,587
Liabilities			
Short term liabilities			
Accounts payable		2,534	2,258
Deferred Revenues	5	82,932	42,329
Other liabilities		-	-
Total short term liabilities		85,466	44,587
Total Liabilities		85,466	44,587
Equity			
Opening Balance		-	-
Net surplus/deficit		-	-
Total Equity		-	-
Total Liabilities and Equity		85,466	44,587

These financial statements have been approved and signed on behalf of the management on 20 March 2015 by

Agron Demi, Executive Director

Institute for Advanced Studies GAP
Cash Flow Statement
For the year ended 31 December 2014

	2014	2013
	EUR	EUR
Cash flow from operating activities		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	2,652	16,015
(Increase)/Decrease in receivables	-	-
(Increase)/Decrease in other advances	-	-
Increase/(Decrease) in payables	276	(290)
Increase/(Decrease) in deferred revenues	40,603	(31,741)
Net cash flow from operating activities	43,531	(16,016)
Cash flow from investing activities		
Additions in fixed assets	(6,242)	(4,679)
Net cash flow from investing activities	(6,242)	(4,679)
Net increase/(decrease)	37,289	(20,695)
Cash and cash equivalents at the beginning of the year	42,676	63,371
Cash and cash equivalent at the end of the year	79,965	42,676

INSTITUTE FOR ADVANCED STUDIES GAP NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. Introduction

Institute for Advanced Studies GAP is registered as a non-governmental and non-profit Organization under the Law No. 03/L-134 on Freedom of Associations in Non-Governmental Organizations, on 17 August 2007 with head office in Prishtina.

The Institute for Advanced Studies GAP is a Kosovo Think Tank whose main purpose is to attract professionals by creating a professional research and development environment commonly found in similar institutions in Western countries.

This will include providing Kosovars with an opportunity to research develop and implement projects that would strengthen Kosovo society. A priority of the Institute is to mobilize professionals to address the country's pressing economic, political and social challenges. GAP's main objectives are to bridge the gap between government and people, and to bridge the gap between problems and solutions.

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

For the year ended 31 December 2014

2. Statement of Significant Accounting Policies

A) General Accounting Principle

For the purposes of financial recording, Institute for Advanced Studies GAP uses the combined accrual and cash method of accounting for reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, Institute for Advanced Studies GAP records most of its transactions on a cash basis of accounting.

The financial statements have been prepared in accordance with the Kosovo Accounting Standards under historical cost convention as modified by the revaluation of financial assets and liabilities.

B) Summary of Accounting Policies

Reporting Currency

The Institute for Advanced Studies GAP accounting records are maintained in EURO and all financial statements are prepared and presented in EURO

Deferred Revenues

Deferred Revenues are that revenues/donation for which the cash has been collected by the organization, but have not been yet spent. Consequently this liability occurs when Institute for Advanced Studies GAP payment in advance for a project to be implemented in future.

Fixed assets

The Institute for Advanced Studies GAP policy is to capitalize assets and then depreciated over useful life.

Taxation

Institute for Advanced Studies GAP is a NGO whose received donations in the reporting year have been implemented into humanitarian purposes. According to law nr.03/L162 on Corporate Income Tax, international NGO's whose total income was used for their public benefit purposes are tax exempted.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances.

INSTITUTE FOR ADVANCED STUDIES GAP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

3. Noncurrent assets

3.1 Office equipment

GAP uses straight line depreciation, where the cost of a fixed asset is spread in equal amounts over its estimated useful life. The rates of depreciation are as below:

	Rates
Office equipment	20%

	Office equipment	Total
	EUR	EUR
Cost		
Balance at 01/01/2014	24,814	24,814
Additions	6,242	6,242
Write offs	(17,795)	(17,795)
Balance at 31/12/2014	13,262	13,262
Depreciation		
Accumulated Depreciation Balance at 01/01/2014	(22,903)	(22,903)
Depreciation for the period	(2,652)	(2,652)
Write offs	17,795	17,795
Balance at 31/12/2014	(7,760)	(7,760)
Net Book Value at 31/12/2014	5,501	5,501

INSTITUTE FOR ADVANCED STUDIES GAP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2014

4. Cash and cash equivalents

	2014	2013
Cash held with PCB	79,706	41,435
Petty cash	259	1,241
Total	79,965	42,676

5. Income from donations

Donors	2014	2013
	Euro	Euro
European Commission - Group for Legal and Political Studies	23,700	-
Gesellschaft für Internationale Zusammenarbeit (GIZ)	7,420	-
National Endowment for Democracy (NED)	32,984	34,899
Open Society Institute (OSI)	39,275	38,793
Rockefeller Brothers Fund (RBF)	36,383	56,916
Open Society Foundations (OSF)	10,000	-
UNDP	19,642	4,910
BIRN	3,960	11,840
British Embassy	38,467	6,366
Friedrich Ebert Stiftung (FES)	-	4,447
The International Research and Exchange Board (IREX)	2,693	2,271
Other	4,900	6,868
Deferred Revenue 2012	-	74,070
Deferred Revenue 2013	42,329	(42,329)
Deferred Revenue 2014	(82,932)	-
Total	178,820	199,051

GAP has received Euro 82,932 as a part of the donor cash income that has not been spent in 2014. These funds have been recognized as deferred donor revenue and deducted from the donor cash income.

INSTITUTE FOR ADVANCED STUDIES GAP
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

6. Expenses

	2014	2013
	Euro	Euro
Salaries and benefits	103,838	102,882
Professional fees	6,684	9,290
Income Taxes & Contributions	21,609	19,996
Office supplies	1,676	1,678
Office maintenance	50	953
Printing costs	2,026	1,746
Design costs	3,330	2,902
Subscriptions	911	980
Utilities	1,044	2,147
Communication Expenses	8,033	6,274
Rent & Rent tax	14,505	13,209
Travel expenses	4,280	6,380
Bank charges	276	376
Per Diems	500	915
Project meeting expenses	219	397
Roundtables	2,048	683
Translation services	2,784	2,024
Depreciation	2,652	4,963
Amortization	-	11,052
Auditing expense	1,650	1,300
Advertising	303	7,482
Other	402	1,422
Total	178,820	199,051