

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

INSTITUTE FOR ADVANCED STUDIES GAP

2 March 2014

For the year ended 31 December 2013

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 2013 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. These 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 statements. 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.

Prishtine
March 2014



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Independent Auditors' Report

27 March 2014

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 2013 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.

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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 2013 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



	2013	2012
Income	199,031	147,215
Total Income	199,031	147,215
Expenses		
Program and administrative expenses	199,031	147,215
Total Expenses	199,031	147,215
Total Surplus		

Institute for Advanced Studies GAP

Income Statement
For the year ended 31 December 2013

	Note	2013	2012
Income			
Income from Donations	5	199,051	147,215
Total Income		199,051	147,215
Expenses			
Expenses			
Program and administrative expenses	6	199,051	147,215
Total Expenses		199,051	147,215

Net Surplus

- -

These financial statements have been prepared and signed on behalf of the management on 17 March 2014 by:

Agnes Deoni, Executive Director



MEMORANDUM
GAP
INSTITUTE FOR ADVANCED STUDIES

Institute for Advanced Studies GAP

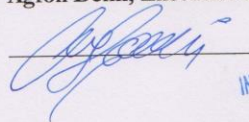
Balance Sheet

For the year ended 31 December 2013

Assets	Note	2013	2012
Current assets			
Cash & cash equivalents	4	42,676	63,371
Receivables		-	-
Total current assets		42,676	63,371
Noncurrent assets			
Office Equipment	3	1,911	2,195
Intangible assets	3	-	11,052
Total noncurrent assets		1,911	13,247
Total Assets		44,587	76,618
Liabilities			
Short term liabilities			
Accounts payable		2,258	2,548
Deferred Revenues	5	42,329	74,070
Other liabilities		-	-
Total short term liabilities		44,587	76,618
Total Liabilities		44,587	76,618
Equity			
Opening Balance		-	-
Net surplus/deficit		-	-
Total Equity		-	-
Total Liabilities and Equity		44,587	76,618

These financial statements have been approved and signed on behalf of the management on 17 March 2014 by

Agron Demi, Executive Director



INSTITUTI PËR STUDIME TË AVANUAR
GAP
INSTITUTE FOR ADVANCED STUDIES

Institute for Advanced Studies GAP
Cash Flow Statement
For the year ended 31 December 2013

	2013	2012
	EUR	EUR
Cash flow from operating activities		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	16,015	16,936
(Increase)/Decrease in receivables	-	-
(Increase)/Decrease in other advances	-	-
Increase/(Decrease) in payables	(290)	1,050
Increase/(Decrease) in deferred revenues	(31,741)	32,297
Net cash flow from operating activities	(16,016)	50,283
Cash flow from investing activities		
Additions in fixed assets	(4,679)	(335)
Net cash flow from investing activities	(4,679)	(335)
Net increase/(decrease)	(20,695)	49,948
Cash and cash equivalents at the beginning of the year	63,371	13,423
Cash and cash equivalent at the end of the year	42,676	63,371

INSTITUTE FOR ADVANCED STUDIES GAP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

2. Summary of Significant Accounting Policies

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.

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

Unrestricted Reserves

Unrestricted Reserves are the revenues/donations for which the cash has been collected by the organization, but have not been expended. Consequently the liability arises when Institute for Advanced Studies GAP performs its activities for a period to be expensed in future.

Fixed Assets

The Institute for Advanced Studies GAP policy is to estimate value except for assets which is capitalized and then depreciated over useful life. All other office equipment and furniture are expensed in the balance sheet.

Taxation

Institute for Advanced Studies GAP is a NGO whose primary & relevant in the reporting year have not implemented any tax-exemption purposes. According to law 4102 on Corporate Income Tax, international NGOs 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 2013

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 expense assets except for vehicle which is capitalized and then depreciated over useful life. All other office equipment and furniture are expensed in the income statement.

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 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 2013

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
Computers	20%
Office equipment	20%

	Office equipment	Total
	EUR	EUR
Cost		
Balance at 01/01/2013	20,135	20,135
Additions	4,679	4,679
Balance at 31/12/2013	20,814	20,814
Depreciation		
Accumulated Depreciation Balance at 01/01/2013	(17,940)	(17,940)
Depreciation for the period	(4,963)	(4,963)
Balance at 31/12/2013	(22,903)	(22,903)
Net Book Value at 31/12/2013	1,911	1,911

INSTITUTE FOR ADVANCED STUDIES GAP
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

3.2 Intangible assets

GAP uses straight line amortization of intangible assets, where the cost of an asset is spread in equal amounts over its estimated useful life. The rates of amortization are as below:

	Rates	
Software	50%	
	Software	Total
	EUR	EUR
Cost		
Balance at 01/01/2013	22,104	22,104
Additions	-	-
Balance at 31/12/2013	22,104	22,104
Amortization		
Balance at 01/01/2013	(11,052)	(11,052)
Amortization for the period	(11,052)	(11,052)
Balance at 31/12/2013	(22,104)	(22,104)
Net Book Value at 31/12/2013	-	-

4. Cash and cash equivalents

	2013	2012
Cash held with PCB	41,435	62,734
Petty cash	1,241	637
Total	42,676	63,371

INSTITUTE FOR ADVANCED STUDIES GAP
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 December 2013

5. Income from donations

Donors	2013	2012
	Euro	Euro
Friedrich Ebert Stiftung (FES)	4,447	-
National Endowment for Democracy (NED)	34,899	39,817
Open Society Institute (OSI)	38,793	20,541
Rockefeller Brothers Fund (RBF)	56,916	79,084
The Balkan Trust for Democracy (BTD)	-	19,162
The International Research and Exchange Board (IREX)	2,271	2,248
UNDP	4,910	-
BIRN	11,840	-
British Embassy	6,366	32,758
Other	6,862	8,379
Deferred Revenue 2011	-	19,669
Deferred Revenue 2012	74,070	(74,070)
Deferred Revenue 2013	(42,329)	-
Return of funds to NED	-	(373)
Total	199,051	147,215

GAP has received Euro 42,329 as a part of the donor cash income that has not been spent in 2013. 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 2013

6. Expenses

	2013	2012
	Euro	Euro
Salaries and benefits	102,882	77,684
Professional fees	9,290	4,555
Income Taxes & Contributions	19,996	15,393
Office supplies	1,678	1,473
Office maintenance	953	1,076
Printing costs	1,746	1,884
Design costs	2,902	-
Subscriptions	980	1,105
Utilities	2,147	1,848
Communication Expenses	6,274	1,515
Rent & Rent tax	13,209	9,670
Travel expenses	6,380	7,338
Bank charges	376	514
Per Diems	915	-
Project meeting expenses	397	742
Roundtables	683	-
Translation services	2,024	1,265
Depreciation	4,963	5,884
Amortization	11,052	11,052
Auditing expense	1,300	1,300
Advertising	7,482	-
Other	1,422	-
Total	199,051	147,215