

Institute for Advanced Studies GAP

Financial Statements
for the year ended 31 December 2019

and
Independent Auditor's Report

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INDEPENDENT AUDITORS REPORT

To the Board of Directors and management of “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 31 December 2019, and the income statement, statement of changes in fund balance and cash flow statement for the years then ended, 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 Organization as at December 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with the basis of preparation as described in Note 2 and the requirements of Law No. 06/L-043 On Freedom of Association in Non-Governmental Organizations.

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 of the financial statements in accordance with the financial reporting requirements and for such controls as management determines 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's 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 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 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 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 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



Baker Tilly Kosovo
Prishtina Kosovo

Baker Tilly Kosovo L.L.C.
Prishtinë

05 March 2020


Institute for Advanced Studies GAP
Statement of Financial Position
As at 31 December 2019
(all amounts are in Euro unless otherwise stated)

	<i>Notes</i>	As at December 31, 2019	As at December 31, 2018
Assets			
Cash on hand and at banks	5	185,392	161,278
Total current assets		185,392	161,278
Office equipment	4	13,007	12,132
Total non - current assets		13,007	12,132
Total assets		198,399	173,410
Liabilities and equity			
Opening Balance		-	-
Net surplus		-	-
Total equity		-	-
Accrued and other payables	6	4,279	5,747
Deferred Revenue	7	194,119	167,663
Total current liabilities		198,399	173,410
Total liabilities and funds balance		198,399	173,410

These financial statements were authorized for issue by the Executive Board on March 2, 2020 and signed on their behalf by:



Nora Latifi Jashari
Executive Director



Nina Tafarshiku
Finance Manager

Institute for Advanced Studies GAP

Statement of surplus or deficit and other comprehensive income

For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

		For the year ended December 31, 2019	For the year ended December 31, 2018
	<i>Notes</i>		
Income from donations	8	268,882	262,113
		268,882	262,113
Program and administrative expenses	9	(268,882)	(262,113)
		(268,882)	(262,113)
Net surplus/(deficit) for the year		-	-

Institute for Advanced Studies GAP
Statement of Cash Flows
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

	For the year ended December 31, 2019	For the year ended December 31, 2018
Net profit for the year before income tax	-	-
<i>Adjustments for:</i>		
Depreciation	6,146	5,010
Changes in working capital		
Increase in trade and other payables	(1,468)	180
Increase in deferred revenues	26,456	61,890
	31,135	67,080
Income tax paid	-	-
Net cash flow used in operating activities	31,135	67,080
INVESTING ACTIVITIES		
Additions in fixed assets	(7,021)	(2,726)
Net cash used in investing activities	(7,021)	(2,726)
FINANCING ACTIVITIES		-
Net cash used in financing activities		-
Net increase in cash and cash equivalents during the year	24,114	64,354
Cash and cash equivalents, beginning of the year	161,278	96,924
Cash and cash equivalents, end of the year	185,392	161,278

Institute for Advanced Studies GAP
Notes to Financial Statements
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

1. Organization

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 developmental 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.

2. Basis for presentation

The financial statements have been prepared in accordance with the requirements of Law no. 06/L-043 on Freedom of Association in Non-Governmental Organizations for the purpose of reporting to the NGO Regulatory Office.

Revenues from grants are recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

In addition, deferred grant liability, accrued and other payables are recorded under the accrual basis of accounting. The significant accounting policies are described below.

Institute for Advanced Studies GAP
Notes to Financial Statements
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

3. Summary of significant accounting policies

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and unrestricted cash held with banks or term deposits with maturity of less than three months.

3.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents solely amount receivable from donors with regard to the payroll, operating, and other expenses incurred.

3.3 Foreign currency transactions

Transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on monetary items, are included in the profit and loss of the period in which they arise.

3.4 Employee benefits

The Organization makes no provision for and has no obligation for employee pensions over and above the contributions paid into the Kosovo Pension Savings Trust.

3.5 Contingencies and provisions

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. A provision is recognized if the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

3.6 Critical judgments and key sources of estimation uncertainty

In the process of applying the Organization's accounting policies, which are described above, management has made no judgments that have significant effects on the amounts recognized in the financial statements.

Institute for Advanced Studies GAP
Notes to Financial Statements
For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

4. Office Equipment

	Office equipment	Total
<i>Cost</i>		
Balance as of January 01, 2018	31,488	31,488
Additions	2,726	2,726
Write offs	-	-
Balance as of December 31, 2018	34,214	34,214
Additions	7,021	7,021
Write offs	-	-
Balance as of December 31, 2019	41,235	41,235
<i>Accumulated depreciation</i>		
Balance as of January 01, 2018	17,072	17,072
Charge for the period	5,010	5,010
Write offs	-	-
Balance as of December 31, 2018	22,082	22,082
Charge for the period	6,146	6,146
Write offs	-	-
Balance as of December 31, 2018	28,228	28,228
Net book value as of December 31, 2018	12,132	12,132
Net book value as of December 31, 2019	13,007	13,007

5. Cash and cash equivalents

The following amounts comprise the balance as of 31 December 2019 and 2018

	As at December 31, 2019	As at December 31, 2018
TEB Euro	185,116	160,728
TEB USD	77	77
PROCREDIT Bank	-	-
Cash on hand	199	474
Total	185,392	161,278

6. Accounts receivable

The following amounts comprise the balance as of 31 December 2019 and 2018:

	As at December 31, 2019	As at December 31, 2018
Accrued expenses	1,344	2,975
Withholding tax payable	2,826	2,663
Tax on rent	109	109
Total	4,279	5,747

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7. Deferred Revenues

Deferred revenues are revenues received but not yet recognized through income statement.

	As at December 31, 2019	As at December 31, 2018
Deferred revenues	194,119	167,663
Total	194,119	167,663

8. Income from Donations

	For the year ended December 31, 2019	For the year ended December 31, 2018
SIDA	98,350	92,649
Rockefeller Brothers Fund	36,122	28,940
National Endowment for Democracy	38,178	36,965
UNDP	25,685	25,407
KCSF	-	39,046
ATRC	-	-
OSIFE	47,532	16,171
MATRA	13,298	11,850
US Embassy	3,235	-
WEBER	-	2,414
Main/Other	6,482	8,673
Total	268,882	262,113

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For the year ended 31 December 2019
(all amounts are in Euro unless otherwise stated)

9. Program and administrative expenses

	For the year ended December 31, 2019	For the year ended December 31, 2018
Salaries and benefits	159,606	140,495
Income Taxes & Contributions	32,565	29,475
Rent & Rent Tax	14,505	14,505
Design costs	3,162	3,997
Professional fees	4,461	4,585
Advertising	1,040	3,179
Office & Website Maintenance	7,002	5,985
Roundtables	4,166	9,923
Research services	-	5,125
Travel expenses	12,748	12,505
Depreciation	6,146	5,010
Translation services	1,536	2,612
Printing costs	4,031	4,676
Utilities	1,582	1,201
Communication expenses	1,638	1,518
Office Supplies	1,737	1,166
Subscriptions	-	412
Bank charges	548	525
Project meeting services	625	1,171
Survey	5,250	-
Other	6,533	14,047
Total	268,882	262,113

10. Contingent liabilities and commitments

Operating lease commitments:

As at 31 December	2019	2018
Payable within one year	4,835	14,505
Payable more than one year and less than five years	-	4,835

11. Events after the reporting date

There are no events subsequent to the reporting date that require disclosure in the financial statements of the Organization.