



Institute for Advanced Studies GAP

**Financial statements as at and for the year ended  
31 December 2009**

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To the Board of Directors of Institute for Advanced Studies GAP

## Independent Auditor's Report

We have audited the financial statements and supplementary financial data for consolidation purposes of Institute for Advanced Studies GAP, expressed in EUR, for the period ended December 31, 2009. These financial statements and supplementary financial data are the responsibility of the project's management.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Accounting Standards. These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's responsibility*

Our responsibility is to express an opinion on the aforementioned financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reporting forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the reporting forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the proper accounting and reporting of the data on the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### *Opinion*

In our opinion, the financial information of the Organization present fairly, in all material respects, the financial position of Institute for Advanced Studies GAP as of December 31, 2009 and the results of operations in accordance with IAS and Kosovo Accounting Standards.

BU & Partners  
Lulzim Zeka,

Partner  
03 June 2009



**Institute for Advanced Studies GAP**  
**Balance sheet**

As at 31 December 2009

	Notes	2008 Euro	2009 Euro
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	22,252	27,467
Receivables	5	9,682	4,678
Prepayments	6	350	-
<b>Non-current assets</b>			
Fixed assets at Net Book Value	7	<u>11,761</u>	<u>10,693</u>
<b>TOTAL ASSETS</b>		<u><b>44,045</b></u>	<u><b>42,838</b></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current liabilities</b>			
Liabilities	8	4,520	2,882
Deferred Revenue	9	39,525	39,956
<b>Fund Balance</b>		<u><b>-</b></u>	<u><b>-</b></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u><b>44,045</b></u>	<u><b>42,838</b></u>

**Institute for Advanced Studies GAP**  
**Income statement**

**For the year ended 31 December 2009**

	Notes	2008 Euro	2009 Euro
<b>Contribution Income</b>			
Donor funding	10	<u>187,388</u>	<u>228,145</u>
		<b>187,388</b>	<b>228,145</b>
 <b>Expenses</b>			
Programs &			
Administrative	11	<u>187,388</u>	<u>228,145</u>
		<b>187,388</b>	<b>228,145</b>
 <b>Surplus(deficit) for the year</b>		<u><b>-</b></u>	<u><b>-</b></u>

These financial statements are approved by the management of the Institute of Advanced Studies GAP on 17 May 2010

Shpend Ahmeti  
Executive Director



Nora Latifi

Finance Director



## Statement of Cash Flow

For the year ended 31 December 2009

	2008 Euro	2009 Euro
Surplus (deficit) for the year	-	-
<b>Operating Activities:</b>		
Depreciation	2,940	3,408
Decrease/ (increase) in receivables	(9,682)	5,005
Decrease/ (increase) in prepayments	(350)	350
(Decrease)/increase in liabilities	4,520	(1,638)
(Decrease)/increase Def. Revenue	39,525	431
<b>Net cash inflow (outflow) from operating activities</b>	<b>36,953</b>	<b>7,556</b>
<b>Investing activities:</b>		
Payments for fixed assets	(14,701)	(2,341)
<b>Net Cash outflow from investing and financing activities</b>	<b>(14,701)</b>	<b>(2,341)</b>
<b>Increase (Decrease) in cash and cash equivalents for year</b>		
<b>Cash and cash equivalents at the beginning of year</b>	<b>-</b>	<b>22,252</b>
<b>Cash and cash equivalents at the end of year</b>	<b>22,252</b>	<b>27,467</b>



## **NOTE 1 – Organization and Principal Activities**

### ***1.1 Organization and principal activities***

The Institute for Advanced Studies GAP (hereafter, GAP) has been active in Kosovo since 2007.

The Institute for Advanced Studies GAP is a newly established Kosovo Think Tank. GAP's 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.

On August 17, 2007 GAP was officially registered, as a Non Governmental Organization under UNMIK Regulation 1999/22, Section 10, on the Registration and Operation of NGOs in Kosovo.

GAP employed 16 staff at 31 December 2009

## **NOTE 2 – Accounting Policies**

### ***2.1 General***

The accompanying financial statements and notes to the financial statements have been prepared in accordance with International Accounting Standards ("IAS").

### ***2.2 Basis of accounting***

GAP prepares its financial statements using the accrual basis of accounting.

The functional currency of GAP is Euro (€)

GAP is obliged to prepare financial statements for local purposes since it is a legal entity.

### ***2.3 Recognition of Contribution Income***

GAP recognized revenue to the extent of the funds being expended on an accrual basis for approved budgetary amounts. It recognizes grants at the moment when it receives them as deferred revenue.

Funds expended during 2009 on an accruals basis generated contribution income from several Donor Contributions.

### ***2.4 Expense Recognition***

Expenses are recognized on an accrual basis. When a contract is signed or grant awarded during the year or where an invoice relating to the period is received and the payment is not made before year-end, the expense is recognized in the Balance Sheet as an accrual.

Administrative expenses are recognized in the period to which they relate.

### ***2.5 Cash on hand and in banks***

Cash and cash equivalents comprises cash balances and short-term highly liquid investments with maturities of three months or less when purchased and are subject to an insignificant risk of changes in value.

### ***2.6 Accounts receivable and payable.***

Receivables and payables are recorded at their nominal value in Euro.

### ***2.7 Fixed Assets***

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%
Other Equipment	20%



### NOTE 3 - Taxation Issue

GAP is a non-profit making organization and accordingly is not liable for income taxes.

### NOTE 4 - Cash

Cash and cash equivalents	2008 Euro	2009 Euro
Cash held with PCB	22,197	27,272
Petty cash	55	195
Cash and cash equivalents	<u>22,252</u>	<u>27,477</u>

### NOTE 5 - Receivables

	2008 Euro	2009 Euro
Receivables from Donors	9,682	4,678
CPM (Functional Review)	-	2,678
IREX	-	2,000
Total	<u>9,682</u>	<u>4,678</u>

## NOTE 6- Prepayments

	2008 Euro	2009 Euro
Prepayments	350	-
<b>Total</b>	<b>350</b>	<b>-</b>

## NOTE 7 - Fixed Assets

	Total EUR
<b>Cost</b>	
Balance at 01/01/2009	14,701
Additions	2,341
<b>Balance at 31/12/2009</b>	<b>17,042</b>
<b>Depreciation</b>	
Balance at 01/01/2009	2,940
Depreciation for the period	3,408
<b>Balance at 31/12/2009</b>	<b>6,349</b>
<b>Net Book Value at 31/12/2008</b>	<b>11,761</b>
<b>Net Book Value at 31/12/2009</b>	<b>10,693</b>

## NOTE 8 - Liabilities

	2008 Euro	2009 Euro
Liabilities	4,520	2,882
<b>Total</b>	<b>4,520</b>	<b>2,882</b>

## NOTE 9 - Deferred Revenue

GAP has received Euro 39,956 as a part of the donor cash income that has not been spent in 2009.

These funds have been recognized as deferred donor revenue and deducted from the donor cash income.

## NOTE 10 - Donor Income

Donors	2008 Euro	2009 Euro
• Advocacy and Training Resource Center (ATRC)	7,824	--
• East West Management Institute (EWMI)	19,439	--
• The International Research and Exchange Board (IREX)	7,555	3,896
• Rockefeller Brothers Fund (RBF)	62,061	43,500
• UK Department for International Development (DFID)	65,611	18,199
• Tribal Helm Corporation Ltd.	8,780	--
• Corporate & Public Management Consulting Group Ltd.	35,183	83,194
• The Balkan Trust for Democracy (BTD)	14,985	--
• Index Kosova	4,400	1,900
• Open Society Institute (OSI)	--	36,686
• Swiss Labor Assistance (SLA) - Syri Vizionit (SIV)	--	1,100
• Friedrich Ebert Stiftung (FES)	--	3,460
• USAID	--	8,270
• National Endowment for Democracy (NED)	--	28,372
• Balkan Investigative Reporting Network (BIRN)	461	--
• DFID ( In Kind Contribution)	614	--
• Deferred Revenue 2008	(39,525)	39,525
• Deferred Revenue 2009	--	(39,956)
<b>Total</b>	<b>187,388</b>	<b>228,145</b>

## NOTE 11 - GAP Expenses

GAP expenses for the years ended 31 December 2009 are composed as follows:

	2008 Euro	2009 Euro
Salaries and benefits	89,763	103,263
Professional fees	33,143	61,077
Income Taxes & Contributions	36,613	33,102
Office supplies	1,490	1,854
Office maintenance	249	92
Printing costs	79	1,045
Subscriptions	1,071	1,291
Utilities	1,078	1,051
Communication Expenses	2,570	2,438
Rent & Rent tax	11,250	10,641
Representation cost	1,928	1,474
Travel expenses	1,385	2,573
Bank charges	435	363
Depreciation	2,940	3,408
Other	3,394	4,470
<b>Total</b>	<b>187,388</b>	<b>228,145</b>