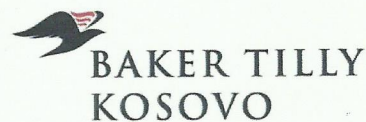


FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS REPORT

GROUP FOR LEGAL AND POLITICAL STUDIES  
For the period JANUARY 2013 – DECEMBER 2013



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## **Independent Auditors' Report**

27 February 2014

To: The management of Group for Legal and Political Studies

We have audited the accompanying financial statements of Group for Legal and Political Studies, in 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 Group for Legal and Political Studies 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 Group for Legal and Political Studies, 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  
Prishtina Kosovo



**BAKER TILLY  
KOSOVO  
Prishtinë**



## Group for Legal and Political Studies

**Income Statement**  
for the year ended 31 December 2013

<i>Amounts in EUR</i>				
		<i>Note</i>	<u>31-Dec-13</u>	<u>31-Dec-12</u>
<b>Income</b>				
	Income from Donations	6	125,791	104,200
	<b>Total Income</b>		<b>125,791</b>	<b>104,200</b>
<b>Expenses</b>				
	Payroll expenses	7	98,716	74,850
	Activities and Publications	8	4,608	10,914
	Contract services	9	8,862	5,600
	Rent		4,615	4,578
	Utilities	10	1,834	1,963
	Travel expenses	11	2,642	1,581
	Office expenses	12	4,514	4,714
	<b>Total Expenses</b>		<b>125,791</b>	<b>104,200</b>
	<b>Net Surplus</b>		<b>-</b>	<b>-</b>

## Group for Legal and Political Studies

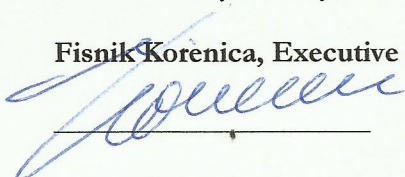
**Balance Sheet**  
as at 31 December 2013

*Amounts in EUR*

<b>Assets</b>	<i>Note</i>	<u>31-Dec-13</u>	<u>31-Dec-12</u>
<b>Current assets</b>			
Cash & cash equivalents	3	108,164	41,775
Receivables from donors	4	-	2,872
Other Receivables		209	-
<b>Total current assets</b>		<b>108,373</b>	<b>44,647</b>
<b>Noncurrent assets</b>			
Office Equipment		-	-
<b>Total noncurrent assets</b>		<b>-</b>	<b>-</b>
<b>Total Assets</b>		<b>108,373</b>	<b>44,647</b>
<b>Liabilities</b>			
<b>Short term liabilities</b>			
Accounts Payable	5	272	1,251
Payroll liabilities		2,853	1,080
Tax on rent payable		35	32
Deferred Revenues	6	105,213	42,285
<b>Total short term liabilities</b>		<b>108,373</b>	<b>44,647</b>
<b>Total Liabilities</b>		<b>108,373</b>	<b>44,647</b>
<b>Equity</b>			
Opening Balance		-	-
Net surplus/deficit		-	-
<b>Total Equity</b>		<b>-</b>	<b>-</b>
<b>Total Liabilities and Equity</b>		<b>108,373</b>	<b>44,647</b>

These financial statements have been approved and signed on behalf of the management on 10 February 2014 by

**Fisnik Korenica, Executive Director**



## Group for Legal and Political Studies

**Cash Flow Statement**  
for the year ended 31 December 2013

*Amounts in EUR*

	2013 EUR	2012 EUR
<b>Cash flow from operating activities</b>		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	-	-
(Increase)/Decrease in receivables	2,872	14,188
(Increase)/Decrease in other advances		
(Increase)/Decrease in prepayments	(209)	-
Increase/(Decrease) in payables	797	1,337
Increase/(Decrease) in other liabilities	62,928	(11,975)
<b>Net cash flow from operating activities</b>	<b>66,389</b>	<b>3,549</b>
<b>Cash flow from investing activities</b>		
Additions in fixed assets	-	-
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease)</b>	<b>66,389</b>	<b>3,549</b>
Cash and cash equivalents at the beginning of the year	41,775	38,226
<b>Cash and cash equivalent at the end of the year</b>	<b>108,164</b>	<b>41,775</b>



## **Group for Legal and Political Studies**

### **Notes to financial statements**

For the year ended 31 December 2013

#### **1. Introduction**

Group for Legal and Political Studies 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, with head office in Prishtina.

#### **1.1 Background**

Group for Legal and Political Studies is an independent, non-partisan and non-profit public policy organization based in Prishtina, Kosovo. Organization's mission is to conduct credible policy research in the fields of politics, law and economics and to push forward policy solutions that address the failures and/or tackle the problems in the said policy fields. Through advocating the policy solutions derived from the policy research, organization aims to support four fundamental policy developments:

- a. to support the democratization of the polity with regard to institutional and substantive policy reform;
- b. to strengthen the rule-of-law capacity and performance via informed policy solutions and practical advocating strategies;
- c. to enhance the economic growth and development by promoting market strategies that increase the rate of growth and stability, and
- d. to help improve regional cooperation and Kosovo's presence at the international level.

Group for Legal and Political Studies' main donors for the year 2013 were:

- US Embassy in Kosovo
- Kosovo Foundation for Open Society
- Norwegian Embassy in Kosovo
- Royal Netherlands Embassy in Kosovo
- Swiss Development Cooperation DSP
- European Union
- Rockefeller Brothers Fund
- Foundation Open Society Institute: Think Tank Fund & Think Tank Young Professional Development Program
- German Council on Foreign Relations
- National Endowment for Democracy

**Group for Legal and Political Studies**

**Notes to financial statements**

For the year ended 31 December 2013

**2. Summary of significant accounting policies**

**2.1 Basis for presentation**

For the purposes of financial recording, Group for Legal and Political Studies uses accrual method of accounting for reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, revenues and expenses are recognized when earned and occurred.

**2.2 Functional currency**

Group for Legal and Political Studies incurs transactions in Euros. All amounts reported in the financial report have been translated to EURO using published exchange rates in effect at date of transfers received.

**2.3 Receivables**

The receivable accounts of the organization are grant receivables from donors.

**2.4 Accounts Payables**

Utilities and project expenses payable have been disposed on the financial statements as accounts payable.

**2.5 Deferred Income**

Deferred Income is that income/donation for which the cash has been collected by the organization, but have yet to be earned. Consequently this liability occurs when Group for Legal and Political Studies receives payment in advance for a project to be implemented in future.

**2.6 Income taxes**

The organization is a non-governmental organization (NGO) whose received donations in the reporting year have been implemented for non-profit purposes. According to law Nr.03/L162 on Corporate Income Tax, NGOs' whose total income was used for their nonprofit purposes are tax exempted.



## Group for Legal and Political Studies

**Notes to financial statements**  
For the year ended 31 December 2013

**3. Cash***Amounts in EUR*

	2013	2012
TEB Bank accounts	108,163	41,770
Petty cash	1	5
<b>Total</b>	<b>108,164</b>	<b>41,775</b>

**4. Accounts receivable***Amounts in EUR*

	2013	2012
Grant receivable from RNE	-	2,872
<b>Total</b>	<b>-</b>	<b>2,872</b>

**5. Accounts payable***Amounts in EUR*

	2013	2012
Workshop expenses	83	1,050
Utilities payable	189	201
<b>Total</b>	<b>272</b>	<b>1,251</b>

## Group for Legal and Political Studies

## Notes to financial statements

For the year ended 31 December 2013

## 6. Deferred income/ Income

*Amounts in EUR*

Donor	Deferred revenues in 2012	Transferred in 2013	Expenses in 2013	Deferred revenues for the next period
DSP - SCO-K KCSF:DSP	3,030	(1,939)	1,091	-
GLPS	488	252	492	249
KFOS: Grant E28/12	6,092	-	6,092	-
KFOS : Grant E011/13	-	15,880	14,355	1,525
Foundation Open Society Institute: Grant OR2012-23242, Core Institutional Funding	-	34,416	34,416	-
Foundation Open Society Institute: Grant OR2012-01451, YPDP 1	4,163	41	4,204	-
Foundation Open Society Institute: Grant OR2013-11209, YPDP 2	-	4,838	735	4,103
Royal Norwegian Embassy: Grant KOS-13/0076	-	19,478	2,074	17,404
Rockefeller Brothers Fund: Institutional Support: Grants 12-139 & 13-100	18,396	30,742	40,528	8,610
Royal Netherlands Embassy: Grant Project no: KAP/KOS-014/12	6,604	(180)	6,424	-
European Union: Grant 2013/333-927	-	73,817	2,892	70,925
US Embassy: S-KV-420-12-GR-076	3,027	4,646	7,672	-
German Council on Foreign Relations: Training NED/GAP: Promoting Transparency and Accountability	485	768	1,253	-
NED/GAP: Consultancy	-	4,860	2,463	2,397
Kosovo Assembly	-	700	700	-
	-	400	400	-
<b>Total</b>	<b>42,285</b>	<b>188,719</b>	<b>125,791</b>	<b>105,213</b>



## Group for Legal and Political Studies

**Notes to financial statements**  
For the year ended 31 December 2013

**7. Payroll expenses**

<i>Amounts in EUR</i>	<b>2013</b>	<b>2012</b>
Project managers	19,785	26,824
Project Coordinator	-	5,601
Project Assistant	686	7,402
Chief Financial Officer	5,786	-
Financial Officer	3,429	3,682
Consultants	2,571	5,519
Project experts	1,714	-
Proof reading services	325	500
Analysts	380	1,000
Research fellows	58,566	19,707
Translators	1,319	1,280
Surveyors	286	-
Media relations officer	-	3,154
Designer and editor	-	182
Office cleaner	353	-
Pens. Cont. Employer 5%	3,517	-
<b>Total Payroll Costs</b>	<b>98,716</b>	<b>74,850</b>

**8. Activities and Publications**

<i>Amounts in EUR</i>	<b>2013</b>	<b>2012</b>
Conferences	2,000	1,388
Publications	1,501	1,490
Refreshment & Meals	1,107	1,635
Per Diem	-	935
Design	-	345
Workshop	-	1,050
Meetings	-	360
Debates	-	1,755
Materials	-	1,956
<b>Total Activities and Publications</b>	<b>4,608</b>	<b>10,914</b>

## Group for Legal and Political Studies

## Notes to financial statements

For the year ended 31 December 2013

## 9. Contract services

*Amounts in EUR*

	2013	2012
External consultants	4,300	-
Editing	550	524
Translation expenses	2,912	2,706
Audit expenses	1,100	1,650
Software License	-	720
<b>Total Services</b>	<b>8,862</b>	<b>5,600</b>

## 10. Utilities

	2013	2012
Central heating	136	66
Waste collection	55	-
Water expenses	138	303
Electricity	318	178
Telephone expenses	897	1,120
Internet expenses	12	180
Office maintenance	278	15
Cleaning	-	102
<b>Total Utilities</b>	<b>1,834</b>	<b>1,963</b>

## 11. Travel expenses

<i>Amounts in EUR</i>	2013	2012
Travel - Kosovo	913	787
Travel - Outside Kosovo	1,729	794
<b>Total travel expenses</b>	<b>2,642</b>	<b>1,581</b>



**Group for Legal and Political Studies**

**Notes to financial statements**

For the year ended 31 December 2013

**12. Office expenses**

	<b>2013</b>	<b>2012</b>
Office equipment - furniture	944	1,971
Office supplies	1,015	1,125
Office items	405	1,154
Web services	1,500	200
Bank charges - fees	403	264
Taxes & penalties	248	-
<b>Total office expenses</b>	<b>4,514</b>	<b>4,714</b>