

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS REPORT

GROUP FOR LEGAL AND POLITICAL STUDIES
For the period JANUARY 2015 – DECEMBER 2015



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

27 March 2016

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 2015 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 2015 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



Group for Legal and Political Studies

Statements of comprehensive income
for the year ended 31 December 2015

Amounts in EUR

	Notes	31-Dec-15	31-Dec-14
Income			
Income from Donations	5	234,520	191,125
Total Income		234,520	191,125
Expenses			
Payroll expenses	6	174,949	132,511
Activities and Publications	7	15,668	4,417
Contract services	8	6,118	15,793
Rent		4,615	4,615
Utilities	9	2,173	2,366
Travel expenses	10	2,204	2,436
Office expenses	11	6,645	5,316
Grant share		22,148	23,671
Total Expenses		234,520	191,125
Net Surplus		0	0

Group for Legal and Political Studies

Statement of financial position
as at 31 December 2015

Amounts in EUR

Assets	Notes	31-Dec-15	31-Dec-14
Current assets			
Cash & cash equivalents	3	73,875	84,132
Receivables from donors		12,342	10,337
Advances		-	30
Total current assets		86,217	94,498
Non-current assets			
Office Equipment		-	-
Total non-current assets		-	-
Total Assets		86,217	94,498
Liabilities			
Short term liabilities			
Accounts Payable	4	5,420	228
Payroll liabilities		8,052	6,826
Tax on rent payable		35	35
Deferred Revenues	5	72,710	87,410
Total short term liabilities		86,217	94,498
Total Liabilities		86,217	94,498

These financial statements have been approved and signed on behalf of the management
on 01 March 2016 by


Fisnik Korenica, Executive Director

Group for Legal and Political Studies

Cash Flow Statement
for the year ended 31 December 2015

<i>Amounts in EUR</i>	2015	2014
	<u>EUR</u>	<u>EUR</u>
Cash flow from operating activities		
Net surplus/(deficit) for the year		-
<i>Changes in operating assets and liabilities</i>		
Depreciation		-
(Increase)/Decrease in receivables	(2,005)	(10,337)
(Increase)/Decrease in other advances	30	(30)
(Increase)/Decrease in prepayments	-	209
Increase/(Decrease) in payroll liabilities	1,227	3,973
Increase/(Decrease) in other liabilities	(9,508)	(17,847)
Net cash flow from operating activities	(10,256)	(24,032)
Cash flow from investing activities		
Additions in fixed assets	-	-
Net cash flow from investing activities	-	-
Net increase/(decrease)	(10,256)	(24,032)
Cash and cash equivalents at the beginning of the year	84,132	108,164
Cash and cash equivalent at the end of the year	<u>73,875</u>	<u>84,132</u>

Group for Legal and Political Studies

Notes to financial statements For the year ended 31 December 2015

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 of the Republic of Kosovo, with their 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. The 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 2015 were:

- Kosovo Foundation for Open Society
- European Union – Office in Kosovo
- Foundation Open Society Institute: Think Tank Fund & Think Tank Young Professional Development Program
- National Endowment for Democracy
- UK-Foreign Commonwealth Office: British Embassy Pristina
- Swiss Agency for Development and Cooperation & Universite de Fribourg: Regional Research Promotion Programme for Western Balkans
- US Embassy in Kosovo: Grant -15-GR-024

Group for Legal and Political Studies

Notes to financial statements

For the year ended 31 December 2015

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, project expenses and payables to partner organizations to whom GLPS stands as the grantor have been disposed on the financial statements as accounts payable.

2.5 Deferred Income

Deferred Income is the 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 2015

(All amounts are in Euro)

3. Cash & Cash equivalents

As at 31 December	2015	2014
TEB Bank account	-	84,062
ProCredit Bank	73,649	-
Petty cash	227	70
Total	73,875	84,132

4. Accounts Payable

At 31 December	2015	2014
GAP	2,608	-
Other	2,813	-
Workshop expenses	-	83
Utilities payable	-	145
Total	5,420	228

Group for Legal and Political Studies

Notes to financial statements

For the year ended 31 December 2015

(All amounts are in Euro)

5. Deferred income/ Income

Donor	Deferred revenues in 2014	Transferred in 2015	Expenses in 2015	Deferred Revenues for the next period
GLPS - Other	58.53	263.11	165.52	156.12
KFOS: Grant E011/13	258.11	-	258.11	-
KFOS: Grant E010/14	0.25	-	0.25	-
KFOS: Grant E29/14	15,072.33	-	13,787.45	1,284.88
KFOS: Grant E020/15	-	38,367.00	10,068.43	28,298.57
KFOS: Grant E029/15	-	21,150.00	-	21,150.00
Foundation Open Society Institute: Grant No: OR2015-24615, YDPDP 3	-	6,325.52	1,938.51	4,387.01
Foundation Open Society Institute: Grant No: OR2015-20141, TTF 3-rd year	-	41,927.37	27,071.81	14,855.56
European Union: Grant 2013/333-927	58,484.88	11,625.19	70,110.07	-
European Union: Grant 2013/333-942 (through Birn)	7,076.50	15,078.09	22,154.59	-
European Union (through The Forum for Cultural Development)	-	800.00	800.00	-
NED:2014-1129	6,145.40	19,642.04	25,578.72	208.72
Regional Research Promotion Programme: Courts as Policy Makers?	314.30	9,337.21	8,297.34	1,354.17
UK-Foreign Commonwealth Office: Revitalisation of Trepca	-	11,987.44	11,987.44	-
UK-Foreign Commonwealth Office: Fight against Illicit Wealth of Senior Officials	-	26,275.52	26,275.52	-
CERGE-EI Foundation	-	4,786.98	4,663.93	123.05
ZIP INSTITUTE	-	2,955.50	2,063.61	891.89
US Embassy:	-	12,297.01	12,297.01	-
Total	87,410.30	222,817.98	237,518.31	72,709.97

Group for Legal and Political Studies

Notes to financial statements

For the year ended 31 December 2015

(All amounts are in Euro)

6. Payroll expenses

For the year ended 31 December	2015	2014
Project managers	28,263	19,333
Project coordinators	667	-
Project assistants	7,924	9,609
Chief Financial Officer	11,293	8,304
Financial Officer	3,429	1,298
Consultants	611	-
Project experts	19,329	20,700
Proof reading service	624	-
Research fellows	73,744	56,554
Surveyors	-	1,381
Media/Communications Expert	13,878	7,097
Office cleaner	1,714	1,643
Intern	5,949	1,335
Evaluators	952	-
Pens. Cont. Employer 5%	6,573	5,258
Total Payroll Expenses	174,949	132,511

7. Activities and Publications

For the year ended 31 December	2015	2014
Conferences	674	1,932
Publications	2,055	574
Refreshment & Meals	2,175	1,551
Advocacy	-	100
Workshop	7,057	260
Round table	1,627	-
Design	990	-
Materials	159	-
Panel Discussion	930	-
Total Operations Costs	15,668	4,417

Group for Legal and Political Studies

Notes to financial statements
For the year ended 31 December 2015
(All amounts are in Euro)

8. Contract Services

For the year ended 31 December	2015	2014
External Consultant	-	9,044
Editing	-	718
Translation expenses	3,320	4,668
Audit Expenses	2,398	-
Software License	-	13
Survey	400	1,350
Total Services	6,118	15,793

9. Utilities

For the year ended 31 December	2015	2014
Central heating	305	145
Waste collection	59	60
Water expenses	125	121
Electricity	214	343
Telephone expenses	1,031	1,163
Internet expenses	317	297
Office maintenance	123	236
Total Utilities	2173	2,366

10. Travel expenses

For the year ended 31 December	2015	2014
Travel - Kosovo	644	662
Travel - Outside Kosovo	1,357	1,430
Accommodation Expenses	202	344
Total Travel	2,204	2,436

Group for Legal and Political Studies

Notes to financial statements

For the year ended 31 December 2015

(All amounts are in Euro)

11. Office expenses

For the year ended 31 December	2015	2014
Equipment - furniture	2,737	1,502
Office Supplies	1,676	1,124
Office Items	469	392
Computer Service	82	61
Web Services	-	1,900
Bank Charge - Fee	333	337
Other Types of Expenses	132	
Book purchase	1,217	-
Total Office expenses	4,964	5,316