



## Institute for Development Policy - INDEP

Independent Auditor's Report and financial statements  
for the year ended December 31, 2015

# Institute for Development Policy - INDEP

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## INDEPENDENT AUDITORS' REPORT

### To the management of Institute for Development Policy - INDEP

We have audited the accompanying financial statements of Institute for Development Policy - INDEP, which comprise the balance sheet as at December 31, 2015, and the statement of revenue and expenditure, statement of changes in net assets and cash flow statement for the year then ended, and other explanatory notes.

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

Our responsibility is to express an opinion on these 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 whether the financial statements are 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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Institute for Development Policy - INDEP as of December 31, 2015 and the results of its operation for the year then ended in conformity with accounting principals generally accepted in Kosovo.

The signature is written in blue ink and reads 'Audit & Consulting Associates'. Below the signature is a circular blue ink stamp. The stamp contains the text 'ACA Audit & Consulting Associates - s.p.a.' around the top inner edge and 'PRISHTINE' at the bottom. In the center of the stamp is the 'ACA' logo.

ACA – Audit & Consulting Associates  
Prishtina, Kosovo  
March, 2016

**Institute for Development Policy - INDEP**  
**Balance Sheet**  
For the year ended December 31, 2015

		December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	12,097	-
Total non-current assets		<u>12,097</u>	<u>-</u>
<b>Current assets</b>			
Accounts Receivable	4	-	4,808
Advance payment to partner organization for EU project		-	-
Advance payment	4b	-	900
Cash and bank balances	5	64,923	361,551
Total current assets		<u>64,923</u>	<u>367,259</u>
<b>TOTAL ASSETS</b>		<u><b>77,021</b></u>	<u><b>367,259</b></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	6	-	-
Deferred Revenue	7	64,923	367,259
Liability toward donator	3	12,097	-
Total current liabilities		<u>77,021</u>	<u>367,259</u>
<b>Reserves</b>			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
Total reserves		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><b>77,021</b></u>	<u><b>367,259</b></u>

The financial statements have been signed on March 30, 2016 by:

Burim Ejupi

Executive Director - INDEP

Zana Hoxha

Financial Officer

The accompanying notes from 1 to 18 form an integral part of these financial statement

**Institute for Development Policy - INDEP**  
**Statement of Revenue and Expenditures**  
**For the year ended December 31, 2015**

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	Notes	Year ended December 31, 2015 (in EUR)	Year ended December 31, 2014 (in EUR)
<b>Income</b>			
Grant Incomes	8	559,193	241,313
<b>Total income</b>		<b>559,193</b>	<b>241,313</b>
<b>Expenditure</b>			
Staff salaries and benefits	9	141,935	68,750
Advocacy	10	14,848	20,137
Research	11	48,728	52,923
Translation, editing		13,916	6,995
Printing		3,771	2,575
Communication (phone, internet)	12	3,954	5,432
Representation		7,561	6,393
Office supplies		3,000	4,449
Utilities		3,053	1,504
Equipment and furniture		4,014	3,769
Fellowship, Internship		1,072	3,439
Travel expenses		24,248	9,535
Accomodation		244	2,036
Legal review		15,993	11,030
Rent		5,521	5,934
Web site design, maintenance		3,615	2,710
EE Capacity Building for NGO's	13	1,500	1,500
Audit fee		320	1,000
Partner Organization expenses	14	27,380	25,958
Returned amount to donator	15	-	2,896
Subgrants	16	120,813	-
Visibility		2,682	-
Capacity building		2,945	-
Consultancy		59,876	-
Awareness Campaign		20,001	-
Events, workshops		4,633	-
Depreciation		3,024	-
Other expenses		20,176	1,421
Bank charges		371	927
<b>Total expenditure</b>		<b>559,193</b>	<b>241,313</b>
<b>Net (Deficit)/surplus for the year</b>		<b>-</b>	<b>-</b>

The accompanying notes from 1 to 18 form an integral part of these financial statements

**Institute for Development Policy - INDEP**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2015**

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Opening balance as at December 31, 2013	-	-
Net deficit/surplus for the year ended December 31, 2014	<u>-</u>	<u>-</u>
<b>Balance as at December 31, 2014</b>	-	-
Net deficit/surplus for the year ended December 31, 2015	-	-
<b>Balance as at December 31, 2015</b>	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes from 1 to 18 form an integral part of these financial statements

**Institute for Development Policy - INDEP**  
**Statement of Changes in Cash Flows – Indirect Method**  
**For the year ended December 31, 2015**

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	Year ended December 31, 2015 (in EUR)	Year ended December 31, 2014 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	3,024	-
Change in receivables	4,808	10,388
Change in advance payment	900	34,454
Change in payables	-	(1,300)
Change in other current liabilities	(290,239)	249,796
<b>Net cash from operating activities</b>	<b>(281,507)</b>	<b>293,338</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(15,122)	-
<b>Net cash used in investing activities</b>	<b>(15,122)</b>	-
<b>Net increase in cash and cash equivalents</b>	<b>(296,628)</b>	<b>293,338</b>
Cash and cash equivalents at 1 January	361,550	68,213
<b>Cash and cash equivalents at 31 December</b>	<b>64,923</b>	<b>361,551</b>

The accompanying notes from 1 to 18 form an integral part of these financial statements.

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**1. INTRODUCTION**

The Institute for Development Policy (INDEP) is a think tank and an advocacy centre that provides independent research-based policy solutions. Established in 2011 as an association of policy analysts, researchers and civil society activists, INDEP looks at regional policies, aiming to guide countries of South-East Europe on their path to Euro-Atlantic integration. In Kosovo, where it is based, the institute has a special focus on strengthening democratic governance and plays the role of public policy watchdog.

**Principles:**

The work of INDEP is guided by the fundamental principles of transparency and accountability. The institute promotes active citizenship and participation in governance, as well as checks and balances between democratically elected institutions

**Vision:** A democratic society, able and willing to run a functional state, integrated in the region and international community.

**Mission:** To strengthen and guide sustainable socio-political and economic development based on the principles of democracy and democratic values.

INDEP organizes its work in three different programmes, each of which includes their own domains of operation:

- Democratic Governance
- Sustainable Development
- Regional cooperation



**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation**

Attached Financial Statements are prepared for reporting purposes in accordance with applicable laws of Kosovo, and represent the entire picture of economic events that occurred in INDEP during 2015.

**2.2 Currency of presentation**

Reporting of occurred transactions of Institute for Development Policy - INDEP for this period is done in EUROS ("EUR"), thus Financial Statements are prepared in EUROS as well, which is the official currency used in Kosovo since January 2002. INDEP has five bank accounts, in Pro Credit Bank which operate in EUR currency.

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at banks and in operating accounts at banks with an original maturity of three months or less.

**2.3.1 Property and equipment**

Property and equipment are stated at cost, or fair value for purchased or donated assets, less accumulated depreciation and provision for impairment where required. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the difference is charged to the statement of revenue and expenditure. The estimated recoverable amount is the higher of an asset's net selling price and its value-in-use.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The cost or fair value of purchased or donated property and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to their present location and condition necessary for their intended use.

Depreciation is provided on a straight-line basis calculated to write off the recorded cost or fair value of property and equipment over their estimated useful lives.

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**3. PROPERTY AND EQUIPMENT**

INDEP has purchased vehicle with EC-EURED funds. Because INDEP has no total ownership over vehicle, organization recognize only the part of yearly depreciation as it's property the rest of the value is remained as Liability toward Donor – Owner.

	Vehicle (in EUR)	Equipment (in EUR)	Total (in EUR)
<b>Cost</b>			
As of 1st January 2015	-	-	-
Additions	15,122	-	15,122
Disposals	-	-	-
<b>As of 31st December 2015</b>	<b>15,122</b>	<b>-</b>	<b>15,122</b>
<b>Accumulated Depreciation</b>			
As of 1st January 2015	-	-	-
Charge for the period	3,024	-	3,024
<b>As of 31st December 2015</b>	<b>3,024</b>	<b>-</b>	<b>3,024</b>
<b>Net book value</b>			
<b>As of 31st December 2015</b>	<b>12,097</b>	<b>-</b>	<b>12,097</b>
<b>As of 31st December 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>

**4. ACCOUNTS RECEIVABLE**

Accounts Receivable represents monetary amounts that organization is expected to receive in the incoming period. During the period of 2015 there were no receivables expected.

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
British Embassy 2013/2014	-	4,412
NGO Lens	-	396
US Embassy	-	-
Overhead (FIQ/OSCE/UNDP)	-	-
<b>Total Receivables</b>	<b>-</b>	<b>4,808</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**4a. ADVANCE PAYMENTS**

During the 2015 there was no advance payments done from INDEP.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
Advance payment to partner organization for EU project	-	-
Rent 2 month prepayment	-	900
<b>Total Advance Payments</b>	<b>-</b>	<b>900</b>

**5. CASH AND BANK BALANCES**

Cash and cash equivalents as of December 31, 2015 are composed as follows:

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
Cash in hand	109	12
Cash bank account - main account	45,139	75,488
Cash bank account - NED project	8,795	7,583
Cash bank account - EC-TEMPUS project	43	6,104
Cash bank account - EC-EURED project	10,838	254,730
Cash bank account - British Embassy project	-	17,636
<b>Total Cash and Bank Balances</b>	<b>64,923</b>	<b>361,551</b>

Organization has five open bank accounts in Pro Credit Bank. Cash inflows from the British Embassy project, NED project, EC-TEMPUS project and EC-EURED project are received through subaccounts.

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

As of December 31, 2015 INDEP has no payable accounts open toward vendors or employees.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
Accounts payable	-	-
Accrued expenses	-	-
<b>Total Accounts payable and accrued expenses</b>	<b>-</b>	<b>-</b>

**7. DEFERRED REVENUES**

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
RBF - 2013/2015 Project	-	19,543
RBF - 2015/2017 Project	27,374	-
British Embassy 2013/2014	132	1
British Embassy 2014/2015	2	133
Embassy of the Kingdom of the Netherlands	95	9,975
NED	4,389	7,582
UNDP	(0)	6,454
OSI	21,036	-
EC - CSF	-	53,523
EC - EURED	8,170	255,252
EC - TEMPUS	83	6,133
Kosovo 2.0/FPU	-	2,107
(KDI, FES, FPU, BTD)	3,642	6,557
<b>Total Deferred Revenue</b>	<b>64,923</b>	<b>367,259</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**8. INCOME**

Organization has received revenues from various donors.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
RBF - 2013/2015 Project	19,546	76,973
RBF - 2015/2017 Project	48,938	-
RBF - Global Fund	-	2,730
British Embassy 2013/2014	14,288	15,035
British Embassy 2014/2015	57,344	39,026
Embassy of the Kingdom of the Netherlands	10,580	9,975
NED	47,932	24,835
OSI	45,383	-
EMinS	-	4,762
US Embassy	-	5,496
UNDP	10,329	10,290
Kosovo 2.0/FPU	5,000	5,182
EC - CSF	53,544	127,849
EC - EURED	274,749	260,813
EC - TEMPUS	17,007	10,857
(KDI, FPU, FES, BTD)	19,165	13,960
(FIQ/OSCE/UNDP)	-	788
Membership	310	-
<b>Total grant revenues</b>	<b>624,116</b>	<b>608,572</b>
Deferred revenues	(64,923)	(367,259)
<b>Total grant incomes</b>	<b>559,193</b>	<b>241,313</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**9. SALARIES AND BENEFITS**

Salaries and Benefits per donor for year 2015 are composed as follows:

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
RBF - 2013/2015 Project	5,848	20,552
RBF - 2015/2017 Project	6,620	-
British Embassy 2013/2014	-	3,358
British Embassy 2014/2015	11,826	3,387
British Embassy 2015/2016	4,990	-
Embassy of the Kingdom of the Netherlands	4,568	-
NED	8,757	8,414
EMinS	-	2,275
UNDP	1,048	449
OSI	12,867	-
EC - CSF	15,543	26,637
EC - EURED	69,867	2,024
EC - TEMPUS	-	887
(KDI, FPU, FES, BTD)	-	-
<b>Total salaries and benefits</b>	<b>141,935</b>	<b>68,750</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**10. ADVOCACY COSTS**

Advocacy Costs by donor for the year ended 2015 are composed as follows:

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
RBF - 2013/2015 Project	-	3,215
RBF - 2015/2017 Project	963	-
British Embassy 2013/2014	-	3,840
British Embassy 2014/2015	-	2,032
British Embassy 2015/2016	10,045	-
Embassy of the Kingdom of the Netherlands	2,488	-
OSI	-	-
EC - CSF	-	10,000
NED	-	-
UNDP	1,352	1,050
US Embassy (KDI, FPU, FES, BTD)	-	-
<b>Total Advocacy Costs</b>	<b>14,848</b>	<b>20,137</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**11. RESEARCH COSTS**

Research Costs per donor for the year 2015 are composed as shown below.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
RBF - 2013/2015 Project	9,224	18,482
RBF - 2015/2017 Project	10,324	-
British Embassy 2012/2013	-	-
British Embassy 2013/2014	-	3,748
British Embassy 2014/2015	126	18,652
British Embassy 2015/2016	21,550	-
Kosovo 2.0/FPU	-	1,743
OSI	5,889	-
Netherlands Embassy	1,100	-
EC - CSF	-	4,224
Saferworld	-	-
US Embassy	-	574
(KDI, FPU, FES, BTD)	516	5,500
<b>Total Research Costs</b>	<b>48,728</b>	<b>52,923</b>



**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**12. COMMUNICATION COSTS**

Communication costs are expenses about telephone land line, mobile phone of employers involved in projects and internet expenses which are covered from donors in 2015 as are shown below.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
RBF - 2013/2015 Project	209	1,074
RBF - 2015/2017 Project	361	
British Embassy 2013/2014	-	2,596
British Embassy 2014/2015	367	999
British Embassy 2015/2016	1,736	
US Embassy	-	80
UNDP	400	
NED	488	350
EC - CSF	70	333
Embassy of the Kingdom of the Netherlands	323	-
<b>Total Communication Costs</b>	<b>3,954</b>	<b>5,432</b>

**13. CAPACITY BUILDING FOR NGO'S**

As part of project "Support for Low Emission Development in Kosovo" supported by UNDP for Electricity Efficiency capacity building were elected 3 local NGO-s. Remained installment for those NGO-s were transferred during 2015.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
NGO Drena - Drenas Municipality	500	500
NGO IZHL - Fushe Kosove Municipality	500	500
NGO IAZHL - Obiliq Municipality	500	500
<b>Total EE Capacity Building for NGO's</b>	<b>1,500</b>	<b>1,500</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**14. PARTNER ORGANIZATION EXPENSES**

INDEP with NGO Lens as Partner Organization in the Civil Society Facility for Kosovo - CSF project named as Kosovo e-Participation Platform - KBeP, supported by European Commission are beneficiaries. INDEP in this project is lead partner whereas NGO Lens is as subcontractor. During 2014 and 2015 expenses made by NGO Lens for the above mentioned project are shown below.

	<b>December 31, 2015 (in EUR)</b>	<b>December 31, 2014 (in EUR)</b>
Project Officer	5,600	10,400
IT Expert for designing the platform	-	6,000
Local transportation	289	734
Rent	2,100	3,000
Office supplies	186	104
Phone	30	30
Internet	180	180
Electricity	84	250
Water	10	10
Graphical Design the web platform	-	1,250
Maintenance and upgrade of the Web Platform	6,400	4,000
A/V Production off the module	12,500	-
<b>Total Partner Organization expenses</b>	<b><u>27,380</u></b>	<b><u>25,958</u></b>

**15. RETURNED AMOUNT TO DONOR**

During 2015 there were no amount returned to donor.

**16. SUBGRANTS**

INDEP has given sub grants to 50 local businesses as part of project funded by EC-EURED funds and to sub grants to NGO Newperspectiva from NED funds in total 120,830 euro.

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

**INDEP**

Expenses by donors : 01 January 2015 - 31 December 2015

Categories	Royal Netherlands Embassy	UNDP	Rockefeller Brothers Fund 2015-2017 Project	Rockefeller Brothers Fund 2013-2015 project	NED	OSI	British Embassy 2014 - 2015	British Embassy 2015 - 2016	EC - EURED	EC - CSF	EC - Tempus	Overhead (KDI, FES, FPU, BTD)	Total expenses
Salaries	4,567.78	1,047.94	6,620.25	5,847.80	8,757.00	12,867.11	11,826.00	4,990.42	69,867.30	15,543.39			141,934.99
Advocacy costs	2,488.22	1,351.50	963.00					10,044.95					14,847.67
Research costs	1,100.00		10,323.95	9,224.34		5,888.90	125.70	21,549.60				515.65	48,728.14
Translation, editing	-	1,577.50			8,856.00				1,329.67	2,152.50			13,915.67
Printing		1,650.00	217.80	260.00					1,643.50				3,771.30
Representation	1,220.00		78.96	373.95	3,029.54		218.27	837.90				1,802.20	7,560.82
Equipment purchased				42.00	540.00	1,400.00	608.82					1,423.66	4,014.48
Communication costs (phone, internet)	323.00	400.00	361.41	209.01	488.10		366.75	1,736.00		70.00			3,954.27
Office supplies and maintenance	125.00	110.43	459.70	201.10	411.37		259.43		511.40	916.65		5.00	3,000.08
Utilities	221.00	62.00	17.80	158.58	188.84				2,404.88				3,053.10
Local travel, transportation	420.00	212.77	219.94			386.66	293.94	591.85	1,157.48	756.54		540.00	4,579.18
Travel abroad	-	-		1,181.37							16,441.37	2,045.75	19,668.49
Legal review	-	-						15,981.68					15,993.28
Accommodation	-	-										244.17	244.17
Fellowship, Internship	-	-	764.25	307.80									1,072.05
Rent	-	350.00	170.90	900.00	580.00		450.00	1,600.00	-	1,470.00			5,520.90
Consultancy		875.55							59,000.00				59,875.55
Awareness Campaign									20,000.75				20,000.75
Web site design, maintenance	-					3,452.40						162.40	3,614.80
Subgrants					20,591.00				100,222.00				120,813.00
Visibility									2,682.00				2,682.00
Capacity building	-	1,500.00							2,654.89			290.00	4,444.89
Audit	-											320.00	320.00
Depreciation of vehicle	-								3,024.30				3,024.30
Events, workshops	-	1,191.51	316.86	361.75		351.65			2,000.00			411.20	4,632.97
Partner organization expenses										27,379.69			27,379.69
Other expenses	-		905.40	478.29						5,255.57	482.47	13,054.03	20,175.76
Bank charges	20.00		143.41		101.99		6.75	10.09	81.00			7.50	370.74
<b>Total expenses</b>	<b>10,485.00</b>	<b>10,329.20</b>	<b>21,563.63</b>	<b>19,545.99</b>	<b>43,543.84</b>	<b>24,346.72</b>	<b>14,155.66</b>	<b>57,342.49</b>	<b>266,579.17</b>	<b>53,544.34</b>	<b>16,923.84</b>	<b>20,833.16</b>	<b>559,193.04</b>

**Institute for Development Policy - INDEP**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2015**

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**17. RELATED PARTY DISCLOSURE**

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

**18. RISK MANAGEMENT**

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. INDEP is exposed to credit risk in respect of membership fees receivable from its members.

***Interest rate risk***

INDEP currently is not exposed to the interest rate risk.

***Foreign exchange risk***

INDEP is exposed to foreign exchange risk as transactions are undertaken both in local and foreign currency. Management monitors and sets limits on the level of such exposure by currency and in total. INDEP does not speculate in or engage in the trading of derivative financial instruments.

***Liquidity risk***

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. INDEP is committed monitor its liquidity on a periodic basis in order to manage its obligations as and when they shall become due.

***Fair value of financial instruments***

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.