



Institute for Development Policy - INDEP

Independent Auditor's Report and financial statements
for the year ended December 31, 2019

Institute for Development Policy - INDEP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Institute for Development Policy - INDEP

Opinion

We have audited the accompanying financial statements of NGO Institute for Development Policy – INDEP which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements, except what is referred below, present fairly, in all material respects, the financial position of NGO INDEP as of December 31, 2019, results of its operation and the cash flow for the year then ended in conformity with International Financial Reporting Standards

Basis for Opinion

We have 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 Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have 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 and fair presentation of these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error. For the financial statements preparation, management is responsible for assessing the company's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Company or Interrupt the operation, or there is no other possible alternative than to do it. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 total, 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 the 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 Company'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 the 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 Company's ability to continue as a 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 our auditor's report. However, future events or conditions may cause the Company 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.



Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtina, Kosova
March, 2020



Institute for Development Policy - INDEP
Balance Sheet
For the year ended December 31, 2019

		December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
ASSETS	Notes		
Non-current assets			
Property and equipment	4	3,888	5,949
Total non-current assets		<u>3,888</u>	<u>5,949</u>
Current assets			
Accounts Receivable		-	-
Advance payment	5b	-	800
Cash and bank balances	5	229,381	123,438
Total current assets		<u>229,381</u>	<u>124,238</u>
TOTAL ASSETS		<u>233,269</u>	<u>130,187</u>
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable and accrued expenses	4	152	-
Deferred Revenue	7	229,229	124,238
Liability toward donator	3	3,888	5,949
Total current liabilities		<u>233,269</u>	<u>130,187</u>
Reserves			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
Total reserves		<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND RESERVES		<u>233,269</u>	<u>130,187</u>

The financial statements have been signed on March 29, 2019 by:

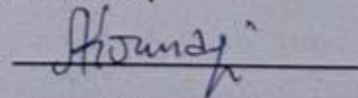
Burim Ejupi



Executive Director - INDEP



Amir Kozmaqi



Finance Officer - INDEP

The accompanying notes from 1 to 15 form an integral part of these financial statements

Institute for Development Policy - INDEP
Statement of Revenue and Expenditures
For the year ended December 31, 2019

	Notes	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Income			
Grant Incomes	8	280,278	255,123
Total income		<u>280,278</u>	<u>255,123</u>
Expenditure			
Staff salaries and benefits	9	115,735	75,494
Advocacy	10	4,108	14,485
Research	11	16,785	6,457
Consultancy/Experts		24,662	80,337
Translation, editing		11,524	5,480
Printing and Publications		14,206	7,817
Communication (phone, internet)	12	2,191	2,610
Office supplies		3,884	2,907
Utilities		1,029	694
Equipment and furniture		1,124	667
Fellowship, Internship		2,594	800
Travel expenses		11,663	10,446
Accommodation		1,221	7,557
Rent		5,653	6,400
Web site design, maintenance		720	480
Audit fee		550	2,950
Seminar/Conferences		15,529	13,844
Subgrants		11,900	-
Trainings		2,631	-
Advertising		13,111	1,416
Operational expenses		2,210	4,959
Events, workshops		11,006	4,269
Depreciation		4,052	3,349
Other expenses		1,161	910
Bank charges		1,029	796
Total expenditure		<u>280,278</u>	<u>255,123</u>
Net (Deficit)/surplus for the year		<u>-</u>	<u>-</u>

The accompanying notes from 1 to 15 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, 2019

	Retained surplus	Total Reserves
	(in EUR)	(in EUR)
Opening balance as at January 01, 2018	-	-
Net deficit/surplus for the year ended December 31, 2018	-	-
Balance as at December 31, 2018	-	-
Net deficit/surplus for the year ended December 31, 2019	-	-
Balance as at December 31, 2019	-	-

The accompanying notes from 1 to 15 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, 2019

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	4,052	3,349
Change in receivables	-	-
Change in advance payment	800	(800)
Change in payables	152	-
Change in other current liabilities	102,929	3,583
Net cash from operating activities	107,934	6,133
Cash flows from investing activities		
Acquisition of property and equipment	(1,991)	(3,249)
Net cash used in investing activities	(1,991)	(3,249)
Net increase in cash and cash equivalents	105,943	2,884
Cash and cash equivalents at 1 January	123,438	120,556
Cash and cash equivalents at 31 December	229,381	123,438

The accompanying notes from 1 to 15 form an integral part of these financial statements.

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, 2019 - continued

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

2.1 Standards and Interpretations effective in the current period

Below are presented the amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee which are effective for the current period:

Standard	Description	Effective date
IFRS 1	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IAS 28	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IFRS 15	Revenue from Contracts with Customers	Beginning on or after January 2018
IFRS 9	Financial Instruments	Beginning on or after January 2018
IAS 40	Transfers of Investment Property (Amendments to IAS 40)	Beginning on or after January 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	Beginning on or after January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Beginning on or after January 2018
IFRS 16	Leases	Beginning on or after January 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Beginning on or after January 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Beginning on or after January 2019
IAS 12, IAS 23, IFRS 3 and IFRS 11	Annual Improvements to IFRS 2015-2017 Cycle	Beginning on or after January 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Beginning on or after January 2019

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

2.2 Standards and interpretations in issue not yet effective

In these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

Standard	Description	Effective date
CF	Conceptual Framework for Financial Reporting	Beginning on or after January 2020
IFRS 3	Definition of a Business (Amendments to IFRS 3)	Beginning on or after January 2020
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Beginning on or after January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	Beginning on or after January 2020
IFRS 17	Insurance Contracts	Beginning on or after January 2021
Practice Statement 2	Making Materiality Judgements	No effective date as non-mandatory guidance

The organization has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the entity in the period of initial application.

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

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 the period from 01 January 2019 till 31 December 2019.

Financial Statements are prepared on cash basis, based on which revenues and expenses are recognized at the time when either received or paid. During the year 2018 the organization uses Quick Books for keeping its financial records and for financial statements preparation.

3.2 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 nine 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.

3.3.1 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, 2019 - continued

4. 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	Equipment	Total
	(in EUR)	(in EUR)	(in EUR)
Cost			
As of 1st January 2018	15,122	-	15,122
Additions	-	3,249	3,249
Disposals	-	-	-
As of 31st December 2018	<u>15,122</u>	<u>3,249</u>	<u>18,371</u>
Cost			
As of 1st January 2019	15,122	3,249	18,371
Additions	-	1,991	1,991
Disposals	-	-	-
As of 31st December 2019	<u>15,122</u>	<u>5,240</u>	<u>20,362</u>
Accumulated Depreciation			
As of 1st January 2018	9,072	-	9,072
Charge for the period	3,024	325	3,349
As of 31st December 2018	<u>12,097</u>	<u>325</u>	<u>12,422</u>
Accumulated Depreciation			
As of 1st January 2019	12,097	325	12,422
Charge for the period	3,025	1,027	4,052
As of 31st December 2019	<u>15,122</u>	<u>1,352</u>	<u>16,474</u>
Net book value			
As of 31st December 2019	<u>-</u>	<u>3,888</u>	<u>3,888</u>
As of 31st December 2018	<u>3,025</u>	<u>2,924</u>	<u>5,949</u>

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

5. CASH AND BANK BALANCES

Cash and cash equivalents as of December 31, 2019 are composed as follows:

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
Cash in hand	238	56
Cash bank account - 181	120,687	88,133
Cash bank account - 104	9,093	21,993
Cash bank account - 163	484	-
Cash bank account - 113	1,103	-
Cash bank account - 142	86,276	7,877
Cash bank account - 151	2,988	3,819
Cash bank account - 160	8,512	1,509
Cash bank account - 172	-	50
Total Cash and Bank Balances	<u>229,381</u>	<u>123,438</u>

Organization has nine open bank accounts in Pro Credit Bank. Cash inflows for the EU projects, NED project, GIZ project and RBF project are received through subaccounts.

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
Rent payable	-	-
Other	152	-
Total Accounts payable	<u>152</u>	<u>-</u>

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

7. DEFERRED REVENUES

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
RBF - 2018/2019 Project	-	40,341
RBF - 2019/2020 Project	34,623	-
NED	9,801	22,227
UNESCO	2,057	1,182
GIZ	86,246	7,877
AGORA	307	971
EU Contrat no. 2019/414-271	39,194	-
EC - BGF	4,816	5,761
EC - FIQ	9,187	2,590
KCSF-DSP	-	8,627
KCSF-SIDA	-	(7,482)
WEBER	-	(1,020)
ATRC	1,103	-
Toby Couture	1,662	-
Westminster Foundation for Democracy	752	-
INDEP (OH)	39,480	43,166
Total Deferred Revenue	<u>229,229</u>	<u>124,238</u>

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

8. INCOME

Organization has received revenues from various donors.

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
RBF-2017/2018 Project	-	25,099
RBF-2018/2019 Project	40,341	50,716
RBF-2019/2020 Project	52,849	-
NED	56,714	49,049
UNESCO	10,760	11,332
GIZ	147,047	11,382
AGORA	15,325	9,581
Swiss Embassy	5,450	-
ATRC	31,278	-
SDG BRUNCH	3,907	-
Toby Couture	4,991	-
Weber	-	2,117
Westminster Foundation for Democracy	3,900	-
Western Balkan Fund	1,400	-
KCSF-DSP	-	71,293
KCSF-SIDA	6,145	12,320
EU Contrat no. 2019/414-271	39,194	-
EC -IPA - CSF	-	36,716
EC - EURED	3,025	3,024
EC - BGF	19,855	31,820
EC - FIQ	16,822	12,511
INDEP (OH)	50,503	52,401
Total grant revenues	509,507	379,361
Deferred revenues	(229,229)	(124,238)
Total grant incomes	280,278	255,123

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

9. SALARIES AND BENEFITS

Salaries and Benefits per donor for year 2019 are composed as follows:

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
RBF - 2017/2018 Project	-	6,397
RBF - 2018/2019 Project	25,728	7,713
RBF - 2019/2020 Project	11,293	-
NED	20,878	15,953
UNESCO	-	1,248
Westminster Foundation for Democracy	1,864	-
Swiss Embassy	501	-
ATRC	18,625	-
GIZ	21,828	3,447
AGORA	3,175	1,920
EC -IPA-CSF	-	1,803
EC - BGF	5,500	5,502
EC - FIQ	5,401	4,950
KCSF-DPS	-	14,618
KCSF-SIDA	-	10,780
INDEP (OH)	942	-
WEBER	-	1,162
Total salaries and benefits	<u>115,735</u>	<u>75,494</u>

10. ADVOCACY COSTS

Advocacy Costs by donor for the year ended 2019 are composed as follows:

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
RBF - 2017/2018 Project	-	5,985
RBF - 2019/2020 Project	550	-
ATRC	1,965	-
UNESCO	200	-
SDG BRUNCH	493	-
EC - FIQ	-	4,500
NED	400	4,000
INDEP (OH)	500	-
Total Advocacy Costs	<u>4,108</u>	<u>14,485</u>

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019 - continued

11. RESEARCH COSTS

Research Costs per donor for the year 2019 are composed as shown below.

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
RBF - 2017/2018 Project	-	6,457
RBF - 2018/2019 Project	4,833	-
RBF - 2019/2020 Project	2,552	-
ATRC	1,314	-
GIZ	1,000	-
NED	550	-
Swiss Embassy	3,499	-
Toby Couture	2,040	-
INDEP (OH)	998	-
Total Research Costs	<u>16,785</u>	<u>6,457</u>

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 2019 as are shown below.

	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
RBF - 2017/2018 Project	-	948
RBF - 2018/2019 Project	379	-
RBF - 2019/2020 Project	16	-
NED	477	543
EC - FIQ	620	-
WEBER	-	24
UNESCO	100	339
KCSF - DPS	-	326
KCSF - SIDA	-	430
INDEP (OH)	600	-
Total Communication Costs	<u>2,191</u>	<u>2,610</u>

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019

13. EXPENSES BY DONOR - PERIOD: January 01, 2019 - December 31, 2019

Categories	GIZ 18	GIZ 19	NED 2018	NED 2019	Rockefeller Brothers Fund 2018 Project	Rockefeller Brothers Fund 2019 Project	US AID - ATIC	EC - EURED	EC-FIQ	EC-RGF	UNESCO	SOC BRUNCH	Swiss Embassy	Toby Couture	Westminster Foundation for Democracy	Western Balkan Fund	AGORA	INDEP (OH)	Total expenses
Salaries	38,409.65	3,424.65	5,099.92	15,817.88	25,727.77	11,292.75	18,624.90		5,401.35	5,499.60			500.85		1,863.75		3,175.00	942.49	115,794.56
Advocacy costs			400.00			550.00	1,965.00				200.00	493.00						500.00	4,106.00
Research costs	1,000.00			550.20	4,833.15	2,551.50	1,313.55						3,498.60	2,040.00				997.50	16,784.50
Consultants/Experts	4,930.00						1,838.55		499.80		6,022.74					199.50	9,171.76	2,000.00	24,662.35
Translation, editing	6,895.83		722.01		760.65		130.00			420.00	499.95	360.00	680.60	300.00			815.38		11,524.42
Printing & Publications	7,665.60		2,410.14	217.12	871.96		371.70			124.62	187.76	1,100.00	592.88	26.00			383.50	344.56	14,205.64
Equipment purchased				302.45	379.47	16.07					100.00							100.00	1,124.00
Communication costs (phone, internet)			174.35						619.53									599.52	2,191.39
Office supplies and maintenance			378.99	367.00	1,118.00	760.75	510.03		243.71		37.80							467.30	3,883.58
Utilities			214.73		115.00	68.43			630.72										1,028.88
Local travel transportation			4,415.51	391.09	1,192.81	874.50	500.00							862.10		200.00		1,396.89	6,132.90
Travel abroad	601.60		548.75		900.06	425.77								140.00			294.00	2,625.22	5,530.40
Seminar/Conferences	330.86		1,918.70			159.00	3,406.30			8,400.00			270.00	472.80	427.00			124.00	15,528.66
Accommodation					487.62	97.64								186.00				199.64	1,220.90
Fellowship, internship					1,596.00	997.50													2,593.50
Rent			150.00	320.00	250.00						450.00								1,370.00
Advertising	11,900.00		300.00	330.00	380.00				101.59		99.75								13,111.94
Web site design, maintenance			720.00																720.00
Subgrants			11,900.00																11,900.00
Trainings			1,746.30																1,746.30
Audit					550.00														550.00
Depreciation																			
Meetings & workshops	5,230.46		119.10		993.40	329.00	1,510.70		240.00	324.00								465.16	4,052.36
Operational expenses	103.04	30.40		240.00	32.57						31.70	955.40				1,000.00		17.20	2,210.31
Other expenses			120.00									200.00							1,161.36
Bank charges	109.97	154.78	31.75	49.03	15.14	82.43	4.00				11.20	3.20		2.66	2.30		35.60	521.72	1,029.38
Total expenses	57,191.01	3,609.83	28,326.25	18,584.77	40,340.60	18,225.34	30,174.73	3,025.20	7,635.11	15,088.38	8,703.50	4,028.60	5,452.73	3,329.56	3,147.85	1,399.50	15,018.74	17,054.73	280,278.43

Institute for Development Policy - INDEP
Notes to the Financial Statements
For the year ended December 31, 2019

14. 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.

15. 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.