



Institute for Development Policy - INDEP

Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Management of Institute for Development Policy

Opinion

We have audited the accompanying financial statements of INDEP, which comprise the statement of financial position as at December 31, 2020 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 referred to above present fairly, in all material respects, the financial position of INDEP as of December 31, 2020, results of its operation and the cash flow for the year then ended in conformity with actual laws.

Basis for Opinion

We 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 organization'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 Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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
Prishtine, Kosovo
April, 2021



Institute for Development Policy
Statement of Financial Position
For the year ended December 31, 2020

		December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
ASSETS	Notes		
Non-current assets			
Property and equipment	3	36,489	3,888
Total non-current assets		<u>36,489</u>	<u>3,888</u>
Current assets			
Accounts Receivable		9,317	-
Cash and bank balances	4	118,815	229,381
Total current assets		<u>128,132</u>	<u>229,381</u>
TOTAL ASSETS		<u><u>164,622</u></u>	<u><u>233,269</u></u>
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable	5	117	152
Deferred Revenue	6	128,015	229,229
Liability toward donator	3	36,489	3,888
Total current liabilities		<u>164,622</u>	<u>233,269</u>
Reserves			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
Total reserves		<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND RESERVES		<u><u>164,622</u></u>	<u><u>233,269</u></u>

The financial statements have been signed on 12 April 2021 by:

Burim Ejupi

Executive Director



The accompanying notes from 1 to 13 form an integral part of these financial statements

Institute for Development Policy
Statement of Profit or Loss
For the year ended December 31, 2020

		Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
Income			
Grant Incomes	7	328,662	280,278
Total income		328,662	280,278
Expenditure			
Staff salaries and benefits	8	119,072	115,735
Advocacy	9	1,321	4,108
Research	10	64,454	16,785
Consultancy/Experts		1,221	24,662
Translation, editing		5,124	11,524
Printing and Publications		11,159	14,206
Communication (phone, internet)	11	1,768	2,191
Office supplies		3,683	3,884
Utilities		3,201	1,029
Equipment and furniture		1,282	1,124
Fellowship, Internship		649	2,594
Travel expenses		4,717	11,663
Accommodation		-	1,221
Rent		5,640	5,653
Web site design, maintenance		5,987	720
Audit fee		1,100	550
Seminar/Conferences		5,950	15,529
Subgrants		-	11,900
Trainings		2,275	2,631
Advertising		64,095	13,111
Operational expenses		4,763	2,210
Events, workshops		1,858	11,006
Depreciation		5,999	4,052
Other expenses		12,572	1,161
Bank charges		771	1,029
Total expenditure		328,662	280,278
Net (Deficit)/surplus for the year		-	-

The accompanying notes from 1 to 13 form an integral part of these financial statements

Institute for Development Policy
Statement of Changes in Net Assets
For the year ended December 31, 2020

	Retained surplus	Total Reserves
	(in EUR)	(in EUR)
Opening balance as at January 01, 2019	-	-
Net deficit/surplus for the year ended December 31, 2019	<u>-</u>	<u>-</u>
Balance as at December 31, 2019	-	-
Net deficit/surplus for the year ended December 31, 2020	-	-
Balance as at December 31, 2020	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes from 1 to 13 form an integral part of these financial statements

Institute for Development Policy
Statement of Cash Flows
For the year ended December 31, 2020

	Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	5,999	4,052
Change in receivables	(9,317)	-
Change in advance payment	-	800
Change in payables	(35)	152
Change in other current liabilities	(68,612)	102,929
Net cash from operating activities	(71,965)	107,934
Cash flows from investing activities		
Acquisition of property and equipment	(38,601)	(1,991)
Net cash used in investing activities	(38,601)	(1,991)
Net increase in cash and cash equivalents	(110,566)	105,943
Cash and cash equivalents at 1 January	229,381	123,438
Cash and cash equivalents at 31 December	118,815	229,381

The accompanying notes from 1 to 13 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 programs, each of which includes their own domains of operation:

- Democratic Governance
- Sustainable Development
- Regional cooperation

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the Organization have been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

2.2 Currency of presentation

The functional currency of the Organization is the European Union currency unit Euro (“EUR”). The business financial statements are presented in Euro.

2.3 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment of the business are stated in the statement of financial position with the value of the purchased date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Equipments are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the declining balance method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the sale or disposal of an asset is defined as the difference between the proceeds of the sale and the carrying amount of an asset and is therefore recognized in profit or loss in the income statement.

(ii) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method of cost allocation or cost considered at their residual value over their useful lives as follows:

Buildings	20 years
Equipment and machinery	10 years
Other non-current assets	5 years

2.4 Trade receivables

Trade receivables are initially recognized at fair value and then carried at cost less provisions, if any. A provision is recognized when there is objective evidence that the Organization will not be able to collect all appropriate amounts under the original receivables terms. Examples of objective evidence may be the client's financial difficulties, the high probability that the client will go bankrupt, and the constant delays in payments.

2.5 Other receivables

Other accounts receivable include prepayments and other current assets. Prepayments are kept at cost less commission if any. A prepayment is classified as long-term when goods or services related to the prepayment are expected to be received after one year.

2.6 Cash and cash equivalents

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

2.7 Trade payables

The amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the business or not.

2.8 Taxes

The organization was established as a non-governmental organization, therefore it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

2.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents the amount receivable for products sold or services provided in the ordinary course of business, net of customer returns, deductions and sales taxes.

2.10 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

2.11 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

3. PROPERTY, PLANT AND EQUIPMENT

	Vehicle (in EUR)	Equipment (in EUR)	Total (in EUR)
Cost			
As of 1st January 2019	15,122	3,249	18,371
Additions	-	1,991	1,991
Disposals	-	-	-
As of 31st December 2019	15,122	5,240	20,362
Cost			
As of 1st January 2020	15,122	5,240	20,362
Additions	35,500	3,101	38,601
Disposals	(15,122)	-	(15,122)
As of 31st December 2020	35,500	8,341	43,841
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	15,122	1,352	16,474
Accumulated Depreciation			
As of 1st January 2020	15,122	1,352	16,474
Charge for the period	4,630	1,370	5,999
Disposals	(15,122)	-	(15,122)
As of 31st December 2020	4,630	2,722	7,351
Net book value			
As of 31st December 2020	30,870	5,619	36,489
As of 31st December 2019	-	3,888	3,888

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

4. CASH AND CASH EQUIVALENTS

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Cash in hand	72	238
Cash bank account - 181	80,502	120,687
Cash bank account - 104	23,988	9,093
Cash bank account - 163	97	484
Cash bank account - 113	2,895	1,103
Cash bank account - 133	7,491	-
Cash bank account - 142	-	86,276
Cash bank account - 151	3,312	2,988
Cash bank account - 160	413	8,512
Cash bank account - 172	45	-
Total Cash and Bank Balances	118,815	229,381

5. ACCOUNTS PAYABLE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Other	117	152
Total Accounts payable	117	152

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

6. DEFERRED REVENUE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
RBF - 2019/2020 Project	52,387	34,623
NED	1,011	9,801
GIZ_SDGs	23,988	-
KCSF	7,256	-
GIZ_MKD	2,895	-
KFOS	19,890	-
UNESCO	-	2,057
GIZ	14,268	86,246
AGORA	-	307
EU Contrat no. 2019/414-271	-	39,194
EC - BGF	-	4,816
EC - FIQ	1,084	9,187
ATRC	-	1,103
SDG BRUNCH	813	-
Toby Couture	-	1,662
Westminster Foundation for Democracy	-	752
Other Projects	4,423	39,480
Total Deferred Revenue	128,015	229,229

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

7. INCOMES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
RBF-2018/2019 Project	-	40,341
RBF-2019/2020 Project	92,574	52,849
NED	17,052	56,714
UNESCO	-	10,760
GIZ	103,068	147,047
AGORA	-	15,325
Swiss Embassy	-	5,450
ATRC	12,031	31,278
SDG BRUNCH	3,916	3,907
Toby Couture	-	4,991
Westminster Foundation for Democracy	-	3,900
Western Balkan Fund	-	1,400
KCSF-SIDA	-	6,145
EU Contrat no. 2019/414-271	-	39,194
GIZ_SDGs	60,056	-
KCSF	32,710	-
35-172-19 EU	53,059	-
GIZ_MKD	5,067	-
KFOS	20,740	-
16-160-18 EU	12,071	-
ECF	6,000	-
EC - EURED	-	3,025
EC - BGF	10,787	19,855
EC - FIQ	-	16,822
Other Projects	27,546	50,503
Total grant revenues	456,677	509,507
Deferred revenues	(128,015)	(229,229)
Total grant incomes	328,662	280,278

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

8. STAFF SALARIES AND BENEFITS

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
RBF - 2018/2019 Project	-	25,728
RBF - 2019/2020 Project	18,076	11,293
NED	5,192	20,878
Westminster Foundation for Democracy	-	1,864
Swiss Embassy	-	501
ATRC	4,952	18,625
GIZ	20,769	21,828
GIZ_SDGs	14,500	-
KCF	12,093	-
35-172-19 EU	25,200	-
GIZ_MKD	1,999	-
EC-BGF	6,498	-
16-160-18 EU	5,405	-
ECF	3,539	-
KFOS	851	-
AGORA	-	3,175
EC - BGF	-	5,500
EC - FIQ	-	5,401
Other Projects	-	942
Total salaries and benefits	119,072	115,735

9. ADVOCACY EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
RBF - 2019/2020 Project	1,321	550
ATRC	-	1,965
UNESCO	-	200
SDG BRUNCH	-	493
NED	-	400
Other Projects	-	500
Total Advocacy Costs	1,321	4,108

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

10. RESEARCH EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
RBF - 2018/2019 Project	8,686	4,833
RBF - 2019/2020 Project	-	2,552
ATRC	-	1,314
GIZ	30,180	1,000
GIZ_SDGs	5,629	-
KCF	400	-
EFC	1,558	-
35-172-19 EU	13,705	-
NED	3,667	550
Swiss Embassy	-	3,499
Toby Couture	-	2,040
Other Projects	630	998
Total Research Costs	64,454	16,785

11. COMMUNICATION EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
RBF - 2018/2019 Project	-	379
RBF - 2019/2020 Project	392	16
GIZ_SDGs	30	-
KCF	342	-
16-160-18 EU	911	-
NED	51	477
EC - FIQ	-	620
UNESCO	-	100
Other Projects	42	600
Total Communication Costs	1,768	2,191

Institute for Development Policy
Notes to the Financial Statements
For the year ended December 31, 2020

12. EXPENSES BY DONOR: 01 January – 31 December 2021

INDEP																
Expenses by donors : 01 January 2020 - 31 December 2020																
Categories	GIZ 18	GIZ 19	GIZ_SDGs	NED 2019	KCSF	Rockefeller Brothers Fund 2019 Project	US AID - ATRC	35-172-19 EU	GIZ_MKD	EC-BGF	KFOS	SDG BRUNCH	EC - FIQ	ECF	Other Projects	Total expenses
Salaries		20,769	14,500	5,192	12,093	18,076	4,952	25,200	1,999	6,498	851		5,405	3,539		119,072
Advocacy costs						1,321										1,321
Research costs		30,180	5,629	3,667	400	8,686		13,705						1,558	630	64,454
Consultants/Experts							321							900		1,221
Translation, editing		2,069	622			100				665		360	1,201		107	5,124
Printing & Publications		2,419	121	1,749		20	3,822	1,238		240		1,010	90		450	11,159
Equipment purchased			175			93		449	171						393	1,282
Communication costs (phone, internet)			30	51	342	392							911		42	1,768
Office supplies and maintenance				213		467	389						2,270		344	3,683
Utilities				57	213	2,057							874			3,201
Local travel, transportation		359	337	907	257	2,777										4,637
Travel abroad															80	80
Seminar/Conferences		575	600	918	722		2,209	470		456						5,950
Accommodation																-
Fellowship, Internship						649										649
Rent				320	1,100	2,280		1,440							500	5,640
Advertising		32,100	10,950	2,665	6,250	5		9,600		1,400		500			625	64,095
Web site design, maintenance			200	130	4,000	1,207						450				5,987
Subgrants																-
Trainings			2,275													2,275
Audit						600		500								1,100
Depreciation										324			240		5,435	5,999
Meetings & workshops			517		65	946	331									1,858
Operational expenses						338		450				779			3,197	4,763
Other expenses		182		150		60				1,200					10,980	12,572
Bank charges	15	131	111	24	11	115	7	7	1	5		4			340	771
Total expenses	15	88,785	36,068	16,042	25,454	40,187	12,031	53,059	2,171	10,787	851	3,103	10,990	5,997	23,123	328,662

13. SUBSEQUENT EVENTS

COVID-19

The period of several months of closure of the organization or reduction of activities may have an effect on the operations of the organization in the future.

At the time of preparation of the audit report, the organization has continued operations and has been able to meet its obligations, therefore the report is prepared using the basis of continuity.