

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS REPORT

GROUP FOR LEGAL AND POLITICAL STUDIES
For the period JANUARY 2014 – DECEMBER 2014



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Independent Auditors' Report

30 March 2015

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 2014 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 2014 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

Income Statement
for the year ended 31 December 2014

Amounts in EUR

	<i>Notes</i>	<u>31-Dec-14</u>	<u>31-Dec-13</u>
Income			
Income from Donations	5	191,125	125,791
Total Income		<u>191,125</u>	<u>125,791</u>
Expenses			
Payroll expenses	6	132,511	98,716
Activities and Publications	7	4,417	4,608
Contract services	8	15,793	8,862
Rent		4,615	4,615
Utilities	9	2,366	1,834
Travel expenses	10	2,436	2,642
Office expenses	11	5,316	4,514
Grant share		23,671	-
Total Expenses		<u>191,125</u>	<u>125,791</u>
Net Surplus		<u>0</u>	<u>0</u>

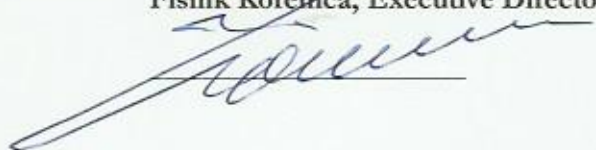
Group for Legal and Political Studies

Balance Sheet
as at 31 December 2014

<i>Amounts in EUR</i>			
Assets	Notes	31-Dec-14	31-Dec-13
Current assets			
Cash & cash equivalents	3	84,132	108,164
Receivables from donors		10,337	209
Advances		30	
Total current assets		94,498	108,373
Noncurrent assets			
Office Equipment		-	-
Total noncurrent assets		-	-
Total Assets		94,498	108,373
Liabilities			
Short term liabilities			
Accounts Payable	4	228	272
Payroll liabilities		6,826	2,853
Tax on rent payable		35	35
Deferred Revenues	5	87,410	105,213
Total short term liabilities		94,498	108,373
Total Liabilities		94,498	108,373
Equity			
Opening Balance		-	-
Net surplus/deficit		-	-
Total Equity		-	-
Total Liabilities and Equity		94,498	108,373

These financial statements have been approved and signed on behalf of the management on 18 March 2015 by

Fisnik Korenica, Executive Director




Group for Legal and Political Studies

Cash Flow Statement
for the year ended 31 December 2014

<i>Amounts in EUR</i>	2014	2013
	EUR	EUR
Cash flow from operating activities		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	-	-
(Increase)/Decrease in receivables	(10,337)	2,872
(Increase)/Decrease in other advances	(30)	
(Increase)/Decrease in prepayments	209	(209)
Increase/(Decrease) in payroll liabilities	3,973	797
Increase/(Decrease) in other liabilities	(17,847)	62,928
Net cash flow from operating activities	(24,032)	66,389
Cash flow from investing activities		
Additions in fixed assets	-	-
Net cash flow from investing activities	-	-
Net increase/(decrease)	(24,032)	66,389
Cash and cash equivalents at the beginning of the year	108,164	41,775
Cash and cash equivalent at the end of the year	84,132	108,164

Group for Legal and Political Studies

Notes to financial statements

For the year ended 31 December 2014

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 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. 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 2014 were:

- Kosovo Foundation for Open Society
- Norwegian Embassy in Kosovo
- European Union – Office in Kosovo
- Rockefeller Brothers Fund
- 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

Group for Legal and Political Studies

Notes to financial statements
For the year ended 31 December 2014

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 2014**3. Cash***Amounts in EUR*

	2014	2013
TEB Bank account	84,062	108,163
NLB Bank account	-	-
Petty cash	70	1
Total	84,132	108,164

4. Accounts Payable*Amounts in EUR*

	2014	2013
Workshop expenses	83	83
Utilities payable	145	189
Total	228	272

Group for Legal and Political Studies

Notes to financial statements

For the year ended 31 December 2014

5. Deferred income/ Income

Donor	Deferred revenues in 2013	Transferred in 2014	Expenses in 2014	Deferred revenues for the next period
GLPS - Other	248.81	754.54	944.82	58.53
KFOS: Grant E29/14	0.00	15,100.00	27.67	15,072.33
KFOS: Grant E010/14	0	5,180.00	5,179.75	0.25
KFOS : Grant E011/13	1,524.57	0.00	1,266.46	258.11
Foundation Open Society Institute: Grant OR2013-11209, YPDP 2	4,103.37	0.00	4,103.37	0.00
Royal Norwegian Embassy in Kosovo: Grant KOS-13/0076	17,404.37	0.00	17,404.37	0.00
Rockefeller Brothers Fund: Institutional Support: Grants 12-139 & 13-100	8,609.78	0.00	8,609.78	0.00
European Union: Grant 2013/333-927	70,925.18	62,322.79	74,763.09	58,484.88
NED/GAP	2,396.76	2,376.35	4,773.10	0.00
Regional Research Promotion Programme: Grant Contract signed on 01/08/14	0.00	8,093.03	7,778.73	314.30
UK-Foreign Commonwealth Office: contract signed on 08/04/14	0.00	27,206.99	27,206.99	0.00
European Union: Grant 2013/333-942	0.00	10,080.00	3,003.50	7,076.50
Foundation Open Society Institute (FOSI):TIF – 2nd Year	0.00	32,506.13	32,506.08	0.00
NED: Grant no. 2014-1129	0.00	9,702.54	3,557.14	6,145.40
Total	105,212.84	173,322	191,125	87,410

Group for Legal and Political Studies

Notes to financial statements
For the year ended 31 December 2014

6. Payroll expenses

<i>Amounts in EUR</i>	2014	2013
Project Managers	19,333	19,785
Project Coordinators	-	-
Project Assistants	9,609	686
Chief Financial Officer	8,304	5,786
Financial Officer	1,298	3,429
Consultants		2,571
Project experts	20,700	1,714
Proof reading service		325
Analysts		380
Research fellows	56,554	58,566
Translators		1,319
Surveyors	1,381	286
Media/Communications Expert	7,097	-
Designer and editor		-
Office cleaner	1,643	353
Pens. Cont. Employer 5%	5,258	3,517
Research Intern	1,335	
Total Payroll Expenses	132,511	98,716

7. Activities and Publications

<i>Amounts in EUR</i>	2014	2013
Conferences	1,932	2,000
Publications	574	1,501
Refreshment & Meals	1,551	1,107
Advocacy	100	-
Workshop	260	-
Total Operations Costs	4,417	4,608

Group for Legal and Political Studies

Notes to financial statements
For the year ended 31 December 2014**8. Contract services**

<i>Amounts in EUR</i>	2014	2013
External Consultant	9,044	4,300
Editing	718	550
Translation expenses	4,668	2,912
Audit Expenses	-	1,100
Software License	13	-
Survey	1,350	-
Total Contract Services	15,793	8,862

9. Utilities

<i>Amounts in EUR</i>	2014	2013
Central heating	145	136
Waste collection	60.00	55
Water expenses	121.38	138
Electricity	343.45	318
Telephone expenses	1,163	897
Internet expenses	297	12
Office maintenance	236	278
Cleaning	-	-
Total Utilities	2,366	1,834

10. Travel expenses

<i>Amounts in EUR</i>	2014	2012
Travel - Kosovo	662	913
Travel - Outside Kosovo	1,430	1,729
Accommodation Expenses	344	-
Total Travel expenses	2,436	2,642

Group for Legal and Political Studies**Notes to financial statements**
For the year ended 31 December 2014**11. Office expenses***Amounts in EUR*

	2014	2013
Equipment - furniture	1,502	944
Office Supplies	1,124	1,015
Office Items	392	405
Computer Service	61	-
Web Services	1,900	1,500
Bank Charge - Fee	337	403
Taxes & penalties	-	248
Total Office expenses	5,316	4,514