

KOSOVO LAW INSTITUTE
INSTITUTI I KOSOVES PER DREJTESI
KOSOVSKI INSTITUT PRAVDE

KOSOVO LAW INSTITUTE - KLI

Independent Auditor's Report and financial statements
for the year ended December 31, 2023

KOSOVO LAW INSTITUTE - KLI

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INDEPENDENT AUDITORS' REPORT

To the Management of Kosovo Law Institute - KLI

Opinion

We have audited the accompanying financial statements of Kosovo Law Institute - KLI, which comprise the statement of financial position as at December 31, 2023, 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 Kosovo Law Institute - KLI as of December 31, 2023, results of its operation and the cash flow for the years then ended in conformity with International Financial Reporting Standards.

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 Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

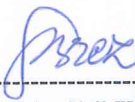
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.



"Quatra Audit" INT LLC
Fahri Breznica auditor
Prishtinë, Kosovë
March 04, 2024



KOSOVO LAW INSTITUTE - KLI
Balance Sheet
For the year ended December 31, 2023

	Notes	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
ASSETS			
Current assets			
Cash and bank balances	3	130,488	109,583
Accounts Receivable	4	17,468	5,744
Total current assets		147,956	115,327
Non-current assets			
Property and equipment		-	-
Total non-current assets		-	-
TOTAL ASSETS		147,956	115,327
LIABILITIES AND RESERVES			
Current liabilities			
Liabilities toward donator		-	-
Accounts payable	5	541	2,369
Deferred Revenue	6	147,415	112,957
Total current liabilities		147,956	115,327
Reserves			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
Total reserves		-	-
TOTAL LIABILITIES AND RESERVES		147,956	115,327

The financial statements have been signed on March 04, 2023 by:


Ehat Miftaraj
Executive Director


Xheladin Bytyqi
Financial officer



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

KOSOVO LAW INSTITUTE - KLI
Statement of Revenue and Expenditures
For the year ended December 31, 2023

	Notes	Year ended December 31, 2023 (in EUR)	Year ended December 31, 2022 (in EUR)
Income			
Grant Incomes	7	784,146	763,681
Refund		-	-
Total income		784,146	763,681
Expenditure			
Salaries - Management and Administration	8	86,491	410,363
Salaries - Staff on Projects Activity	8	401,496	94,948
Production expense	9	118,651	117,136
Other Operating Expenses	10	177,508	141,234
Total expenditure		784,146	763,681
Excess of incomes over expenses		-	-

The financial statements have been signed on March 04, 2023 by:


Ehat Miftaraj
Executive Director




Xheladin Bytyqi
Financial officer

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

KOSOVO LAW INSTITUTE - KLI
Statement of Changes in Net Assets
For the year ended December 31, 2023

	Retained surplus (in EUR)	Total Reserves (in EUR)
Balance as at December 31, 2020	-	-
Net deficit/surplus for the year ended December 31, 2021	-	-
Balance as at December 31, 2021	-	-
Net deficit/surplus for the year ended December 31, 2022	-	-
Balance as at December 31, 2022	-	-
Net deficit/surplus for the year ended December 31, 2023	-	-
Balance as at December 31, 2023	-	-

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

KOSOVO LAW INSTITUTE - KLI
Statement of Cash Flows
For the year ended December 31, 2023

	Year ended December 31, 2023 (in EUR)	Year ended December 31, 2022 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	-	-
Liabilities toward donator	-	(6,157)
Change in receivables	(11,724)	56,071
Change in payables	(1,828)	1,447
Change in other current liabilities	34,458	(14,873)
Net cash from operating activities	20,906	36,488
Cash flows from investing activities		
Acquisition of property and equipment	-	-
Net cash used in investing activities	-	-
Net increase in cash and cash equivalents	20,906	36,488
Cash and cash equivalents at 1 January	109,583	73,095
Cash and cash equivalents at 31 December	130,488	109,583

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

1. INTRODUCTION

Kosovo Law Institute (KLI) is non-governmental organization and non-profit of public policy, and specialized ideal in the justice sector which with the advancement of the law. Established on 4 February 2009, the institute functions as a professional association registered at the Ministry of Public Administration with the number 5112193-7 at the head of which stands the Assembly of Members. Activity of the KLI is led by the Executive Director, advised by the Advisory Board of the organization.

Mission of KLI is to strengthen the rule of law and improving access to justice for citizens.

Vision of KLI is consolidation of the society with democratic values that respects and promotes the principles of rule of law and good governance.

Goal of KLI is continuous advancement of law in Kosovo. We intend to reach this goal through our research, publishing and advocacy activities, which we organize in seven programs that enable us a comprehensive approach of intervention, from making of law to their implementation by the responsible institutions.

Its activity, institute develops through the programmatic structure. 1) Making of law; 2) Rule of Law; 3) Anticorruption; 4) Justice in elections; 5) Education; 6) Media and 7) Access to Justice and 8) Good governance.

Access and principles

Ensuring that domestic law is done through a transparent and inclusive process and is implemented through an efficient system responsibility and accountability of justice institutions, KLI builds the basis of its actions towards the institutional goal. Through specific programs for justice in elections and anti-corruption, these activities are synthesized in a comprehensive approach toward advancing justice in Kosovo, an approach that we complete through our educational and awareness activities.

KLI constantly publishes reports that arise from our investigative and monitoring work, the nature of which extends throughout the spectrum of justice, from the appointment and reappointment of judges and prosecutors, to justice reforms, and to accountability within this system.

Principles that lead our activity are **accuracy, transparency and accountability.**

Activities

The Kosovo Law Institute in its activity undertakes these activities:

Legal research, including, inter alia, public policy research related to the rule of law, qualitative and comparative analysis of laws and public policies, comparative analysis between Kosovo, the region and Europe.

Journalistic research, including the identification of flaws, bad practices, disrespect of rules and procedures as well as other investigations of particular cases that are of interest to the public.

Analysis and legal expertise, including legal and technical support for the institutions of rule of law.

Advocacy, including direct advocacy to the institutions, advocacy through the media, mobilization of the legal and civil society sector on matters of particular interest.

Reporting, including television and online reporting, for the progress and functioning of the rule of law system, informing citizens about this system, functioning and reforming it, with a particular focus on improving access to justice.

Systematic monitoring of the work of the rule of law institutions, including police, prosecution, courts and the Bar Association, as well as issuing periodic and special reports that arise from the monitoring process.

Continuous technical and substantive support of the institutions of the Republic of Kosovo, through active participation in working groups for the initiation and amendment of legislation, as well as other professional groups, starting from the phase of concept documents to the revision of laws in the Assembly.

Representing the community of lawyers and civil society in legislative process and playing the role of the liaison bridge between the system of rule of law and society.

Continuous promotion of the principles of separation of powers, promotion of human rights and freedom with a special focus on rights along the proceedings in the justice system.

Promoting the role of the judiciary with a particular focus on informing the role of prosecutors and judges as well as institutions of judicial power as KJC and KPC.

Encouraging the functioning of rule of law institutions, including inducement for transparency, functional system of accountability and holding them responsible, as well as cooperation between institutions of rule of law.

Assessment of implementation of the policies and laws, including laws, strategies, action plans and other policy documents regarding the rule of law.

Organizing debates, whether internal debates between institutions and stakeholders, public debates or TV debates for important matters in the area of rule of law, fight against corruption and the functioning of judicial power.

KLI products

Kosovo Law Institute, besides ad-hoc and occasional products, produces the following products:

- Periodic reports of court monitoring
 - Periodic reports of prosecutions monitoring
 - Periodic reports of police monitoring
 - Detailed reports of the proceeding of corruption cases
 - Detailed reports of the proceeding of cases of characteristic criminal offenses
 - Detailed reports of the proceeding of civil cases
 - Detailed reports of the proceeding of administrative cases
 - Research and analysis of public policies regarding the rule of law, specifically the justice system and the fight against corruption.
 - Quick public reactions on certain matters
 - Analysis of laws and their compliance with EU and UN standards
 - Construction of a platform of information sources, statistics and other data, arising as a result of the work of the KLI (and not only) which are published on a special internet page and serves as a primary source for researchers and journalists.
 - Daily journalistic reports on court hearings.
 - Daily news about the rule of law system
-

Notes to the Financial Statements (continued)

For the year ended December 31, 2023

- News analysis on weekly basis
- Research reports, journalistic, regarding the rule of law
- TV shows specializing in the field of rule of law.

KLI staff has great experience in various capacities in the justice sector in Kosovo, including the development of research and legal analysis, reporting and journalistic research, raising awareness, and involvement in advocacy activities. This includes close work with local and international authorities in Kosovo to ensure independence, impartiality, and increasing public confidence in the justice system.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Financial Statements are prepared for reporting purposes in accordance with applicable laws of Kosova, and represent the entire picture of economic events that occurred in Kosovo Law Institute - KLI for the period 1st January 2023 till 31st December 2023.

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

2.2 Currency of presentation

The reporting currency of Kosovo Law Institute - KLI is the European Union currency unit Euro ("EUR").

2.3 Significant accounting policies

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

2.3.1 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 banks and in operating accounts at banks with an original maturity of three months or less.

2.3.2 Revenue recognition

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses is treated as deferred revenue.

2.3.3 Expenses recognition

Expenses incurred for generation incomes are recognized in that period with the historical costs.

2.3.4 Taxation

The Kosovo Law Institute - KLI was established as a non-profit organization with beneficiary status under applicable laws and regulations in Kosovo, therefore is exempted from Corporate Taxation on excess of income from donations over expenses.

KOSOVO LAW INSTITUTE - KLI
Notes to the Financial Statements (continued)
For the year ended December 31, 2023

3. CASH AND BANK BALANCES

Kosovo Law Institute – KLI operates in EUR currency with nine (9) bank accounts opened in Banka per Biznes – BpB and one (1) bank account that operates in USD which is used only for receiving USD cash inflow from donators.

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Cash at banks	130,488	109,583
Total Cash and Bank Balances	<u>130,488</u>	<u>109,583</u>

4. ACCOUNTS RECEIVABLES

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
RTK	12,700	-
USAID	4,768	-
Danish Refugee Council	-	5,744
Total Account Receivables	<u>17,468</u>	<u>5,744</u>

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Other services	-	59
PTK	33	-
Global Consulting & Development Associates Sh.p.k.	130	-
Elektrometali	-	225
BPB	-	16
Aztech	-	159
KESCO	-	175
HIB Petrol	302	155
Golden Taxi	-	1,505
IPKO - internet	76	76
Total accounts payable	<u>541</u>	<u>2,369</u>

KOSOVO LAW INSTITUTE - KLI
Notes to the Financial Statements (continued)
For the year ended December 31, 2023

6. DEFERRED REVENUES

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Kosovo Radio Television - RTK	25,426	22,851
NED	5,119	1,036
Rrjeti i Grave	-	1,882
INL CLARD	10,735	1,032
KCSF	-	2,715
MATRA	51,994	-
UNDP	8,397	-
UNMIK	14,989	13,556
UN Women	-	2,062
RBF	22,176	26,717
INL USA	-	16,372
Youth Initiative	-	1,329
Council of Europe	8,580	23,405
Total Deferred Revenues	147,415	112,957

7. INCOME

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Kosovo Radio television - RTK	32,700	30,550
NED	40,901	34,055
INL - CLARD	45,129	27,408
Council of Europe	3,960	49,000
UNDP	8,800	-
UNMIK	108,252	112,065
EULEX	17,000	10,200
USAID	9,399	-
INL US EMBASSY	426,026	360,716
QSDQ	-	868
Youth Initiative	2,146	1,329
OSCE	7,800	4,800
KCSF	-	2,715
MATRA	74,604	-
RBF	41,888	43,333
DRC	-	39,569
UN Women	-	28,200
Kosovo Center for Gender Studies	-	4,000
Deferred Income from previous year	112,957	127,831
Deferred Revenues	(147,415)	(112,957)
Total Grant Incomes	784,146	763,681

KOSOVO LAW INSTITUTE - KLI
Notes to the Financial Statements (continued)
For the year ended December 31, 2023

8. SALARIES AND BENEFITS

Salaries for staff that have been engaged on Management and Administration for 2023 are presented below:

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Gross salaries	82,372	90,427
Pension Contribution	4,119	4,521
Total Salaries - Management and Administration	86,491	94,948

While the salaries for staffs that have been engaged on Projects Activity during 2023 are presented below:

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Gross salaries	382,377	390,822
Pension Contribution	19,119	19,541
Total Salaries - Staff on Projects Activity	401,496	410,363

9. PRODUCTION EXPENSE

NGO Kosovo Institute of Justice - KLI prepares television products, namely weekly TV shows, which are broadcast on television. For this reason, the organization has contracted the external production company "Era Communciations", which performs all production services for the needs of the organization, which includes the services of other visual products such as promo, documentary, design, etc.

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Production Expense	118,651	117,136
Total Production Expense	118,651	117,136

KOSOVO LAW INSTITUTE - KLI
Notes to the Financial Statements (continued)
For the year ended December 31, 2023

10. OTHER OPERATING EXPENSES

	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
Web site expenses	1,793	3,222
Roundtables and Conferences	13,098	8,397
Rent	11,148	14,851
Audit expenses	3,326	2,130
Local travel	23,469	20,457
Communication expenses	8,966	4,105
Utilities	4,945	3,103
Office equipment	8,197	5,601
NGO	90,057	68,082
Office Supplies and other	11,189	9,599
Bank Charge	1,320	1,687
Total Other Operating expenses	177,508	141,234

Explanatory Notes on RTK Revenues, for the "Oath for Justice" project.

Description	Amount EUR
Total liability of RTK until 01.01.2023	32,700.00
Invoiced during 2023	-
Paid during 2023	32,700.00
Surplus	-
Total liability of RTK until 31.12.2023	-
Paid during 2023	32,700.00
Unspent until 31.12.2022	22,851.38
Total funds from RTK payments	55,551.38
Expenditure during 2023	30,125.00
Unspent until 31.12.2023	25,426.38

Based on the table above, it turns out that KLI didn't billed out RTK during 2023, RTK has paid 32,700.00 EUR and has paid off its debt.
RTK payments are recognized as revenues for the KLI.

12. 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.

13. 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. Kosovo Law Institute - KLI is exposed to credit risk in respect of Grant receivable from its Donors.

Interest rate risk

The Kosovo Law Institute - KLI currently is not exposed to the interest rate risk.

Foreign exchange risk

The Kosovo Law Institute - KLI is exposed to foreign exchange risk as transactions are undertaken both in local and foreign currency. Management monitors, sets limits and constantly communicates with donors such as British Embassy and US Embassy, on the level of such exposure by currency and in total.

Liquidity risk

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