

Independent Auditor's Report and Financial Statements for 2013

To the Assembly Members of NGO "Kosovo Law
Institute-KLI"

Pristina, June 2014

Independent Auditor's Report and Financial Statements to the NGO "Kosovo Law
Institute-KLI" for the period that ends on December 31, 2013.

TABLE OF CONTENT

Table of	
Table of content	2
The data on audited company	3
The data on auditing company	4
independent auditor's report	5
Statement of financial incomes and outcomes	6
Disclosures and accounting Policies.....	7

THE DATA ON AUDITED COMPANY

KOSOVO LAW INSTITUTE

"Kosovo Law Institute" is Non-governmental and Non-profit Organisation managed by

Executive Director:

Genc Nimoni

NF: 600423975

Registration number as an NGO: 5112193-7

Office address:

Street: "Rexhep Luci". Entrance: 13 no. 10

10000 Pristina,

The Republic of Kosovo

Mob: +377 45566 085

E-mail: info@kli-ks.org

Webpage: www.kli-ks.org

About the NGO:

Kosovo Law Institute (KLI), is non-governmental organisation and non-profit of public policy, and specialised in the justice sector, founded on February 2009.

Founders of the Organization:

Kli was founded by:

1. Adelina Sokoli – Pallaska;
2. Kujtim Kërveshi, dhe
3. Behlul Zeka.

KLI Assembly:

1. Behlul Zeka;
2. Kujtim Kërveshi;
3. Betim Musliu;
4. Xheladin Bytyqi;
5. Adem Krasniqi;
6. Erëleta Popaj;
7. Ekrem Fazliu;
8. Kujtim Pllana dhe
9. Qëndresa Ismajli

The Mission of the Organization

KLI's mission is to strengthen the rule of law in Kosovo and to improve the access of citizens in justice. KLI is headed by Assembly Members, Advisory Board and the Executive Director. KLI aims to fulfill its mission through independent researches, analysis, and communication of these researches to policymakers, government officials, international diplomats, civil society activists, and the academic community.

THE DATA ON AUDITING COMPANY

REX-KONTO LLC

REX-Konto LLC was founded to offer audit, accounting and consulting services. The company has two partners Remzi Llugiqi and Xhevat Seferi.

The vision and mission of REX-Konto LLC, is to offer services to clients and to develop accounting and auditing in Kosovo.

The Audit Team

Fitim Haliti – Auditor

Xhevat Seferi

Address:

Str. Eduard Lir p.n.

10000 Pristina

Phone Number : 00377 44 93 43 43

E-mail:

xhevat.seferi@gmail.com ;



INDEPENDENT AUDITOR'S REPORT

About KLI Management

We have audited the financial statements of KLI, which contain: Statement of financial incomes and outcomes of 12.31.2013 and relevant additional notes (explanatory).

Management's Responsibility on Financial Statements

The management of KLI is responsible for the preparation and fair presentation of these financial statements, in accordance with the International Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control which is important for the preparation and fair presentation of these financial statements which have no material mistakes as a result of fraud or error; selecting and applying appropriate accounting policies and accounting assessment which is reasonable for the circumstances.

Auditor's Responsibilities

Our responsibility is to express an opinion on these financial statements, bases on our audit. We have conducted our audit in accordance with the International Standards on Auditing. These standards require from us to be in accordance with ethical requirements, to plan and to perform the audit in order to have reasonable assurance that the financial statements have no material errors.

Auditing includes conducting of procedures to assure audit evidence for the amounts and information presented in the financial statements. The selected procedures depend on the auditor's judgement, including the assessment of the risk on material mistakes in the financial statements, caused by fraud or error. In assessing risk, the auditor considers the internal control as relevant for the preparation and fair presentation of financial statements, in order to model appropriate audit procedures for the circumstances, but not for the purpose of expressing and opinion on the effectiveness of entity's internal control.

Auditing includes assessment of used accounting policies and reasonable assessments of accounting, made by the Management, as well as general assessment of financial statements presentation.

We believe that the obtained evidences, are sufficient and appropriate to offer a basis for our audit opinion.

Audit Opinion

In our opinion, the financial statements mentioned above, in all material aspects, the financial position of KLI as well as the results of its activities and cash flows for the year ended on December 31, 2013 in accordance with international accounting principles generally accepted.

Date:

The Auditor:

Shavit



Financial Statements for the fiscal period that ends on 31.12.2013

Kosovo Law Institute**Financial Statement**

Financial Statement of Kosovo Law Institute-KLI, are: Financial reports statement of incomes and outcomes, and Disclosures and General accounting Policies.

STATEMENT OF FINANCIAL INCOMES AND OUTCOMES

For the period from January 1 to December 31 –2013

Statement of financial performance 2013		
I. Initial Phase 01.01.2013	Notes	925.69
1 Cash in the box office		0.00
2 Cash at bank		925.69
II. Financial Incomes		32,400.17
1 British Embassy Prishtina		9,090.97
2 Forum for Civi Initiatives FIQ		2,500.00
3 Kosovo Foundation for Open Society KFOS		9,750.00
4 Friedrich-Ebert-Stiftung FES		4,960.00
5 UNDP		1,619.20
6 EC-SV		900.00
7 Individual contributions		3,460.00
8 Organization for Democracy, Anticorruption and Dignity - Çohu		120.00
III. Gross Financial Incomes (I-II)		33,325.86
Operating and Business expenses		
1 Salaries and wages of employees		20,068.46
2 Rental expenses		2,200.00
3 Other expenses of activities	1	5,343.91
IV Expenses of activities in total		27,612.37
V. The final phase on 31.12.2013 (III - IV)		5,713.49

AUTHORIZED BY:

Genc Nimoni

Executive Director



Compiled by:

Xheladin Bytyqi

Head of Finance



DISCLOSURES AND ACCOUNTING POLICIES

BACKGROUND AND OPERATIONAL INFORMATION OF KLI

KLI develops its activity since June 2009 and is registered as a Non-governmental under the Ministry of Public Administration.

The organization's headquarters is in Pristina.

The main activity of KLI is: increasing the level of transparency, respecting human rights, participation of stakeholders in the legislative processes as an international and European known practice.

KLI has the foundation Statute, and internal guidelines under which performs daily activities and internal controls.

KLI staff has experience in various capacities in the justice sector in Kosovo, including the development of researches, journal reports, raising awareness and involvement in advocacy activities. This includes the closely work with the Kosovo authorities to ensure independence, impartiality and increase of public confidence on justice system.

KLI conducts researches, organizes events (roundtables/conferences) and is continuously involved in advocacy in these areas:

- Judicial Reform
- Rule of Law
- Legislative initiatives
- Enforcement of laws
- Compatibility of national legislation with EU and UN standards
- Legal Education

BASIS OF PREPARATION AND ACCOUNTING GENERAL POLICIES

ACCOUNTING POLICIES

The financial statements are prepared in accordance with International Accounting Standards approved by the Board on Financial Reporting Standards. Reports have been prepared under the historical cost.

These financial statements have been prepared according the accrual accounting oriented by NAS modified with accounting on Cash basis for the recognition of material long-term assets, amortization related with the non-profitable activity of KLI, which are known as expenses made related with certain projects.

Statements are prepared by respecting the entirety material, in accordance with the conditions and management terms of grants donated by donors, as well as in understanding with the instructions and advices of contractual terms with each donor separately.

The organisation compiles the summary of expenditures according to the budget lines of project approved for each project by preparing a statement of expenses

Financial Statements for the fiscal period that ends on 31.12.2013

incurred (Financial Report) in implementation of the reporting periods signed in grant contract.

In general, these rules and procedures considering the specification of the first paragraph of the accounting policies are oriented by the National Standards and International Accounting Standards.

EXPLANATORY NOTES

REPORTING CURRENCY

The currency of books and records was in Euro ("EUR"). In accordance with the legislation of the European Economic and Monetary Union and Guidelines issued by the Central Bank of the Republic of Kosovo ("CBK"), Euro was adopted in Kosovo as legal currency on January 1, 2002.

PRINCIPLE OF CONTINUITY

In 2013, the organization has achieved a positive performance during its activity and has managed to profit other fundings for the following year. In our opinion, the Organization is able to continue further its operations.

DEPRECIATION AND / OR AMORTIZATION

Currently KLI does not possess assets for more than a year, so there are no reports for this position.

PETTY CASH AND ITS EQUIVALENTS

Petty cash and its equivalents consist of cash in the box office and cash in the bank. The status of cash on December 31, 2013 was 5,713.49€.

INCOMES

KLI's incomes are from its services and from donations and contributions. They are recognized based on the principle of the current revenue recognition. Revenues are recognized upon billing. KLI Incomes for 2013 have reached a value of 33,325.86€.

OUTCOMES

KLI expenses are for wages and salaries: 20,068.46€, from the rental payment: 2.200€ and operational expenses 5,343.91€. They are recognized based on the current principle for recognition of expenses, which are recognized upon billing.

Note 1. Operating expenses

Operating expenses according to type in 2013		
No	Description	Value
1	Expenses of transport	351.59
2	Expenses of communications	250.00
3	Expenses of internet	164.65
4	Expenses of electricity	211.69
5	Expenses of water	162.88
6	Expenses of bank	134.70
7	Expenses of Office	144.68
8	Expenses of conferences	3306.85
9	Other expenses	616.87
Total		5,343.91

