



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, 2025

KOSOVO LAW INSTITUTE - KLI

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INDEPENDENT AUDITOR'S REPORT

To the Management and Board of Directors of KLI

Opinion

We have audited the accompanying financial statements of NGO Kosovo Law Institute – KLI which comprise the statement of financial position as at 31 December 2025, and the statement of income and expenses, statement of changes in net assets, and statement of cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of NGO Kosovo Law Institute – KLI as at 31 December 2025, and its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework for non-governmental organizations in Kosovo, including the requirements of the NGO Office.

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 section of our report.

We are independent of the organization in accordance with ethical requirements relevant to the audit of financial statements in Kosovo and 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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework for NGOs in Kosovo, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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.

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 risks of material misstatement
- Design and perform audit procedures responsive to those risks
- Obtain sufficient and appropriate audit evidence
- Understand internal controls relevant to the audit
- Evaluate accounting policies and estimates
- Conclude on going concern
- Evaluate overall presentation of the financial statements

We communicate with those charged with governance regarding audit scope, timing, and significant findings.

Besa Sahitaj Berisha- Statutory Auditor

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March 28, 2026

KOSOVO LAW INSTITUTE - KLI

Balance Sheet

For the year ended December 31, 2025

	Notes	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
ASSETS			
Current assets			
Cash and bank balances	3	80,282	69,200
Accounts Receivable	4	13,282	51,452
Total current assets		93,563	120,652
Non-current assets			
Property and equipment		-	-
Total non-current assets		-	-
TOTAL ASSETS		93,563	120,652
LIABILITIES AND RESERVES			
Current liabilities			
Liabilities toward donator		-	-
Accounts payable	5	1,527	63
Deferred Revenue	6	92,036	120,588
Total current liabilities		93,563	120,652
Reserves			
Retained surplus		-	-
Net (deficit)/surplus for the year		-	-
Total reserves		-	-
TOTAL LIABILITIES AND RESERVES		93,563	120,652

The financial statements have been signed on March 28, 2026 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, 2025

	Notes	Year ended December 31, 2025 (in EUR)	Year ended December 31, 2024 (in EUR)
Income			
Grant Incomes	7	607,168	897,797
Refund		-	-
Total income		607,168	897,797
Expenditure			
Salaries - Management and Administration	8	67,191	85,528
Salaries - Staff on Projects Activity	8	266,853	414,941
Production expense	9	146,546	177,720
Other Operating Expenses	10	126,579	219,608
Total expenditure		607,168	897,797
Excess of incomes over expenses		-	-

The financial statements have been signed on March 28, 2026 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, 2025

	Retained surplus (in EUR)	Total Reserves (in EUR)
Balance as at December 31, 2022	-	-
Net deficit/surplus for the year ended December 31, 2023	-	-
Balance as at December 31, 2023	-	-
Net deficit/surplus for the year ended December 31, 2024	-	-
Balance as at December 31, 2024	-	-
Net deficit/surplus for the year ended December 31, 2025	-	-
Balance as at December 31, 2025	-	-

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, 2025

	Year ended December 31, 2025 (in EUR)	Year ended December 31, 2024 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	-	-
Liabilities toward donator	-	-
Change in receivables	38,170	(33,984)
Change in payables	1,464	(478)
Change in other current liabilities	(28,552)	(26,827)
Net cash from operating activities	11,082	(61,289)
Cash flows from investing activities		
Acquisition of property and equipment	-	-
Net cash used in investing activities	-	-
Net increase in cash and cash equivalents	11,082	(61,289)
Cash and cash equivalents at 1 January	69,200	130,488
Cash and cash equivalents at 31 December	80,282	69,200

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
-

KOSOVO LAW INSTITUTE - KLI

Notes to the Financial Statements (continued)

For the year ended December 31, 2025

- 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 Kosovo, and represent the entire picture of economic events that occurred in Kosovo Law Institute - KLI for the period 1st January 2024 till 31st December 2024.

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, 2025**

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, 2025 (in EUR)	December 31, 2024 (in EUR)
Cash at banks	80,282	69,200
Total Cash and Bank Balances	80,282	69,200

4. ACCOUNTS RECEIVABLES

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
INL CLARD	-	43,696
Organization funds	-	7,756
RTK	-	-
OSCE	1,920	-
EED	3,990	-
Womens Network	7,372	-
USAID	-	-
Total Account Receivables	13,282	51,452

5. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
PTK	36	-
HIB Petrol	74	-
Golden Taxi	1,175	-
Norwegian PX Kosovo Shpk	-	63
Cosmo EX IM shpk	140	-
IPKO - internet	102	-
Total accounts payable	1,527	63

Notes to the Financial Statements (continued)

For the year ended December 31, 2025

6. DEFERRED REVENUES

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
NED	6,182	12,512
INL CLARD	22,646	26,562
MATRA	-	24,542
UN2	24,338	-
UNMIK	-	23,851
Embassy of Germany	-	4,766
RBF	-	28,356
European Commission	25,371	-
Rising tide Foundation	13,500	-
Total Deferred Revenues	92,036	120,588

7. INCOME

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
Organization Funds	67,505	46,076
NED	51,600	50,489
INL - CLARD	-	159,898
UNDP	-	2,200
EED	69,990	-
UN2	139,866	-
UNMIK	89,096	208,627
European Commission	25,371	-
Rising Tide Foundation	13,500	-
USAID	-	58,476
INL US EMBASSY	23,054	220,799
OSCE	9,600	8,000
MATRA	9,769	13,317
RBF	43,690	45,714
Embassy of Germany	35,575	57,375
Deferred Income from previous year	120,588	147,415
Deferred Revenues	(92,036)	(120,588)
Total Grant Incomes	607,168	897,797

KOSOVO LAW INSTITUTE - KLI
Notes to the Financial Statements (continued)
For the year ended December 31, 2025

8. SALARIES AND BENEFITS

Salaries for staff that have been engaged on Management and Administration for 2025 are presented below:

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
Gross salaries	63,991	81,455
Pension Contribution	3,200	4,073
Total Salaries - Management and Administration	<u>67,191</u>	<u>85,528</u>

While the salaries for staffs that have been engaged on Projects Activity during 2025 are presented below:

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
Gross salaries	254,443	395,566
Pension Contribution	12,409	19,375
Total Salaries - Staff on Projects Activity	<u>266,853</u>	<u>414,941</u>

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, 2025 (in EUR)	December 31, 2024 (in EUR)
Production Expense	146,546	177,720
Total Production Expense	<u>146,546</u>	<u>177,720</u>

10. OTHER OPERATING EXPENSES

	December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
Web site expenses	-	-
Roundtables and Conferences	20,102	64,684
Consulting	1,400	500
Rent	19,548	13,849
Audit expenses	1,790	720
Local travel	13,889	20,024
Communication expenses	3,984	3,114
Utilities	3,296	4,927
Office equipment	1,304	4,749
NGO	53,773	99,127
Office Supplies and other	6,770	7,368
Bank Charge	722	546
Total Other Operating expenses	126,579	219,608

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.