

Kosovo Center for Security Studies - KCSS

Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Management of KCSS

Opinion

We have audited the accompanying financial statements of KCSS which comprise the statement of financial position as at December 31, 2022 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 KCSS as of December 31, 2022, results of its operation and the cash flow for the year then ended in conformity with actual laws.

Emphasis On The Paragraph

Without qualifying the report, we draw attention to the following paragraph as emphasis on the matter:

- As presented balance sheet and note 5 of the financial statements, deferred revenues are 145,305 EUR. During the course of audit, we could not obtain sufficient evidence regarding the breakdown and disclosure of this amount. Deferred revenues contain funds left over from previous projects and ongoing projects that have to be performed in 2023. However, we were not able to perform a proper breakdown for disclosure.

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.


Astrit Musa – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
07 April 2023



Kosovo Center for Security Studies - KCSS
Statement of Financial Position
For the year ended December 31, 2022

		As of December 31, 2022 (in EUR)	As of December 31, 2021 (in EUR)
ASSETS			
Current assets			
Cash and cash equivalents	3	151,480	193,613
Total current assets		<u>151,480</u>	<u>193,613</u>
Non-current assets			
Property, plant and equipment		<u>-</u>	<u>-</u>
Total non-current assets		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>151,480</u>	<u>193,613</u>
LIABILITIES AND CAPITAL			
Current liabilities			
Accounts payable and accrued expenses	4	6,176	-
Deferred Revenues	5	145,305	193,613
Total current liabilities		<u>151,480</u>	<u>193,613</u>
Shareholders Equity and Reserves			
Net Profit/ (Loss) for the period		<u>-</u>	<u>-</u>
Total Shareholders' Equity and Reserves		<u>-</u>	<u>-</u>
TOTAL SHAREHOLDERS EQUITY, RESERVES AND LIABILITIES		<u>151,480</u>	<u>193,613</u>

The financial statements have been signed on 07 April, 2023 by:

Mentor Vrajolli

Executive Director

The accompanying notes from 1 to 10 form an integral part of these financial statements

Kosovo Center for Security Studies - KCSS

Statement of Profit or Loss

For the year ended December 31, 2022

		Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Income			
Incomes	6	372,558	332,809
Total income		372,558	332,809
Expenditure			
Personnel expenses	7	200,909	199,674
Administrative expenses	8	169,976	132,280
Other expenses	9	1,673	855
Total expenditure		372,558	332,809
Net (Deficit)/surplus for the year		-	-

The accompanying notes from 1 to 10 form an integral part of these financial statements

Kosovo Center for Security Studies - KCSS

Statement of Changes in Net Assets

For the year ended December 31, 2022

	As of 31 December, 2022 (in EUR)
Opening balance as at January 1st, 2021	-
Net profit/ (Loss) for the year	-
Balance as at December 31, 2021	-
Net profit/ (Loss) for the year	-
Balance as at December 31, 2022	-

The accompanying notes from 1 to 10 form an integral part of these financial statements

Kosovo Center for Security Studies - KCSS

Statement of Cash Flows

For the year ended December 31, 2022

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	-	-
Adjustment for:	-	-
Depreciation	-	-
Other Adjustments (last years profit)	-	-
Changes in receivable	-	-
Change in deferred revenues	(48,308)	36,420
Change in payables	6,176	(4,341)
Change in other current liabilities	-	-
Net cash from operating activities	(42,133)	32,079
Cash flows from investing activities		
Acquisition of property and equipment	-	-
Net cash used in investing activities	-	-
	-	
Net increase in cash and cash equivalents	42,133	32,079
Cash flows from financial activities		
Cash and cash equivalents at 1 January	193,613	161,534
Cash and cash equivalents at 31 December	151,480	193,613

The accompanying notes from 1 to 10 form an integral part of these financial statements

Kosovo Center for Security Studies - KCSS

Notes to the Financial Statements

For the year ended December 31, 2022

1. INTRODUCTION

Kosovar Centre for Security Studies is an independent policy research centre founded in April 2008 and based in Prishtina - Kosovo. KCSS is dedicated to security sector development and reform in Kosovo and Western Balkans. It proactively promotes principle of good governance, integrity and resilience.

Founded in 2008, KCSS's main interest remains to be development of security sector in Kosovo and Western Balkans based on the good governance. In almost a decade, KCSS has been building and offering alternative expertise in security studies, by filling a void in a limited academic contribution in the field in Kosovo.

The KCSS aims to enhance the effectiveness by supporting the SSR programs through its research, events, training, advocacy and direct policy advice. Advancing new ideas and social science methods are also core values of the centre. Each year, KCSS publishes numerous reports, policy analysis and policy briefs. It also, runs more than 200 public events including conferences, round-tables, and debates, lectures – in Kosovo, also in collaboration with regional and international partners. A wide-range of activities includes research, capacity-building, awareness and advocacy.

Kosovo Center for Security Studies - KCSS

Notes to the Financial Statements

For the year ended December 31, 2022

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 Foreign currency exchange

Foreign currency transactions are exchanged into the functional currency using the exchange rates existing at the dates of the transactions. Foreign currency gains and losses arising from the adjustment of transactions such as the re-measurements of monetary items at the end of the year exchange rates are presented as profit or loss.

2.4 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.

2.5 Expenses

Expenses incurred are recognized in the relevant period on a cash basis.

2.6 Revenue recognition

Incomes from grants are recognized as income on the period when received. At the end of the year the excess number of incomes over expenses is treated as balance carried forward to the next period.

2.7 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.

Kosovo Center for Security Studies - KCSS

Notes to the Financial Statements

For the year ended December 31, 2022

3. CASH AND CASH EQUIVALENTS

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Raiffeisen Bank - 1501090000677812	95,249	155,806
Raiffeisen Bank - 1501090003447938	5,249	25,011
Raiffeisen Bank - 1501090002630713	15,314	12,768
Raiffeisen Bank - 1501090003634954	35,567	5
Raiffeisen Bank - 1501090002840524	70	-
Petty cash	31	23
Total cash and cash Equivalents	151,480	193,613

4. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Taxes and pension contribution	4883	-
Trade Payables	1,293	-
Total Accounts payable and accrued expenses	6,176	-

5. DEFERRED REVENUE

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Deferred revenue	145,305	193,613
Total deferred revenue	145,305	193,613

Kosovo Center for Security Studies - KCSS

Notes to the Financial Statements

For the year ended December 31, 2022

6. INCOMES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Incomes from donors	372,558	332,809
Total incomes	372,558	332,809

7. PERSONNEL EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Gross salary expenses	191,466	190,192
Pension contribution expenses	9,443	9,482
Total Personnel expenses	200,909	199,674

Kosovo Center for Security Studies - KCSS

Notes to the Financial Statements

8. ADMINISTRATIVE EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Different expenses	526	69,808
Translation expenses	15,922	12,940
Printing and design expenses	14,441	7,954
Rent expenses	7,200	7,912
Accommodation expenses	5,886	5,191
Halls expenses	3,434	4,995
Drinks and food expenses	12,427	4,448
Fuel expenses	5,318	3,446
Office supply expenses	2,215	2,582
Local travel expenses	7,115	2,462
Computer equipment expenses	2,923	2,055
Telephone expenses	1,299	1,580
Accounting expenses	1,200	1,394
Car rental expenses	3,000	1,200
Audit expenses	1,750	1,075
Heating expenses	780	850
Parking expenses	450	582
Vehicle maintenance expenses	2,013	542
Electricity expenses	230	463
Internet expenses	482	186
Vehicle insurance expenses		180
Water expenses	108	157
Waste expenses	109	118
Travel Insurance expenses	72	107
Postage expenses	-	24
Property tax expenses	712	15
Maintenance expenses	60	14
Car cleaning expenses	-	-
Visa expenses	181	-
Notary	-	-
Costs for hosting - web	3,645	-
Office inventory expenses	316	-
Transport expenses	1,730	-
Expenses for video production	300	-
Expenditures for projects - grants	70,845	-
Project officer expenses	889	-
Expenses for social networks	2,399	-
Total	169,976	132,280

Kosovo Center for Security Studies - KCSS

Notes to the Financial Statements

For the year ended December 31, 2022

9. OTHER EXPENSES

	December 31, 2022 (in EUR)	December 31, 2021 (in EUR)
Bank charges	1,673	855
Total other expenses	1,673	855

Kosovo Center for Security Studies - KCSS
Notes to the Financial Statements
For the year ended December 31, 2022

10. SUBSEQUENT EVENTS

There are no significant events after the reporting date that may require adjustment or disclosure in the financial statements.