

**Kosovo Center for Security Studies – KCSS**

Independent Auditor's Report and Individual Financial Statements  
for the year ended December 31, 2024

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF PROFIT OR LOSS	6
STATEMENT OF CHANGES IN FUNDS BALANCE	7
STATEMENT OF CASH FLOWS	8
NOTES TO THE FINANCIAL STATEMENTS	9



Str. Bekim Fehmiu  
Icon Tower, Floor 11, No.110  
Prishtinë  
T: +383 48 211 687  
E: [info@acaauditing.com](mailto:info@acaauditing.com)  
W: [acaauditing.com](http://acaauditing.com)

## INDEPENDENT AUDITOR'S REPORT

To the Management of Kosovo Center for Security Studies – KCSS

### Opinion

We have audited the accompanying financial statements of Kosovo Center for Security Studies – KCSS, which comprise the statement of financial position as at December 31, 2024 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 Center for Security Studies – KCSS as of December 31, 2024, results of its operation and the cash flow for the year then ended in conformity with actual laws.

### 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 statement's 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.

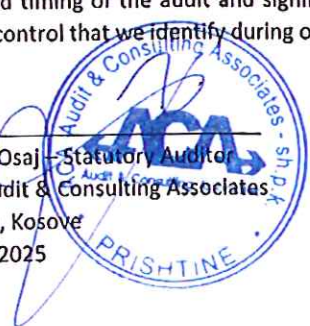
Misstatements can arise from fraud or error and are considered material if, individually or in total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Armend Osaj – Statutory Auditor  
ACA – Audit & Consulting Associates  
Prishtine, Kosovo  
May 26, 2025



**Kosovo Center for Security Studies – KCSS**  
**Statement of financial position**  
**As at 31 December 2024**

(All amounts are presented in EUR)

		As of December 31, 2024 (in EUR)	As of December 31, 2023 (in EUR)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	237,540	312,835
Prepayments		3,000	1,800
Total current assets		<u>240,540</u>	<u>314,635</u>
<b>Non-current assets</b>			
Property, plant and equipment		<u>-</u>	<u>-</u>
Total non-current assets		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><u>240,540</u></u>	<u><u>314,635</u></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses	4	3,520	5,162
Deferred Revenues	5	237,020	309,473
Total current liabilities		<u>240,540</u>	<u>314,635</u>
<b>Shareholders Equity and Reserves</b>			
Net Profit/ (Loss) for the period		<u>-</u>	<u>-</u>
<b>TOTAL SHAREHOLDERS EQUITY, RESERVES AND LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>TOTAL SHAREHOLDERS EQUITY, RESERVES AND LIABILITIES</b>		<u><u>240,540</u></u>	<u><u>314,635</u></u>

The financial statements prepared and approved were signed on May 26, 2025 by:

Mentor Vrajolli

  
 Executive Director



The accompanying notes from 1 to 11 form an integral part of these financial statements

**Kosovo Center for Security Studies – KCSS**  
**Statement of profit or loss**  
**For the year ended 31 December 2024**  
 (All amounts are presented in EUR)

	Notes	Year ended December 31, 2024 (in EUR)	Year ended December 31, 2023 (in EUR)
<b>Income</b>			
Income	6	408,716	520,739
<b>Total income</b>		<b>408,716</b>	<b>520,739</b>
<b>Expenditure</b>			
Personnel expenses	7	198,920	244,063
Administrative expenses	8	208,884	275,475
Other expenses	9	912	1,201
<b>Total expenditure</b>		<b>408,716</b>	<b>520,739</b>
<b>Net (Deficit)/surplus for the year</b>		<b>-</b>	<b>-</b>

The accompanying notes from 1 to 11 form an integral part of these financial statements

**Kosovo Center for Security Studies – KCSS**  
**Statement of changes in funds balance**  
**For the year ended 31 December 2024**

(All amounts are presented in EUR)

Statements of surplus/shortages	Accumulated Surplus/Deficit	Total
On January 1, 2023	-	-
Surplus (shortage) for the year	-	-
Balance on December 31, 2023	-	-
On January 1, 2024	-	-
Surplus (shortage) for the year	-	-
Balance on December 31, 2024	-	-

The accompanying notes from 1 to 11 form an integral part of these financial statements

**Kosovo Center for Security Studies – KCSS**  
**Statement of cash flow**  
**For the year ended 31 December 2024**

(All amounts are presented in EUR)

	Year ended December 31, 2024 (in EUR)	Year ended December 31, 2023 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	-	-
Other Adjustments (last year profit)	-	-
Changes in receivable	-	-
Changes in other current assets	(1,200)	(1,800)
Change in deferred revenues	(72,453)	164,168
Change in payables	(1,642)	(1,014)
Change in other current liabilities	-	-
<b>Net cash from operating activities</b>	<u>(75,295)</u>	<u>161,355</u>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	-	-
<b>Net cash used in investing activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<b>(75,295)</b>	<b>161,355</b>
<b>Cash flows from financial activities</b>		
Cash and cash equivalents at 1 January	312,835	151,480
<b>Cash and cash equivalents at 31 December</b>	<u><u>237,540</u></u>	<u><u>312,835</u></u>

The accompanying notes from 1 to 11 form an integral part of these financial statements

## **Kosovo Center for Security Studies – KCSS**

### **Notes to the Financial Statements as at and for the year ended 31 December 2024**

---

(All amounts are presented in EUR)

#### **1. GENERAL INFORMATION**

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 as at and for the year ended 31 December 2024**

---

(All amounts are presented in EUR)

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**2.1. Basis of preparation**

**2.1.1. Statement of compliance**

The financial statements have been prepared on an accrual basis accounting for revenues and expenses. The basis of measurement is described in more detail in the accounting policies presented below.

**2.1.2. Basis of measurement**

The financial statements for the organization are prepared on a historical cost basis. Historical cost is generally based on the fair value of the value given in exchange for the goods and services.

**2.1.3. Functional and presentation currency**

The functional currency of the organization as well as the presentation of the financial statements is the Euro ("EUR"), which is the main currency in the Republic of Kosovo since January 1, 2002.

**2.1.4. The Use of estimate and judgements**

The preparation of Financial Statements in conformity with actual laws requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**2.1.5. Going concern**

The Statement of financial position and Statement of Comprehensive Income have been prepared on a going concern basis, which assumes the organization will be able to realize its assets and discharge its liabilities in the normal course activity.

**2.2. Significant accounting policies**

**2.2.1 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, bank deposits and other highly liquid short-term investments with original maturities of three months or less..

**2.2.2 Account payables and accruals**

Amounts payable are measured at cost, which is the fair value of the amount to be paid in the future for the goods and services received. Accounts payable are obligations based on normal credit terms and do not bear interest.

**2.2.3 Income**

Revenues are recognized as income on the accrual basis. At the end of the year, the excess amount of income over expenses is treated as a balance carried over to the next period.

**Kosovo Center for Security Studies – KCSS**  
**Notes to the Financial Statements as at and for the year ended 31 December 2024**

---

(All amounts are presented in EUR)

**2.2.4 Grantet**

Government grants are recognized in profit or loss on a systematic basis throughout the period in which the Organization recognizes as expenses the corresponding costs for which the grants are intended for compensation. Specifically, Government grants, for which the primary condition is that the Organization must acquire, construct or recognize non-current assets as deferred income in the statement of financial position and be transferred to profit or loss on a systematic basis and rational throughout the useful life of the relevant asset.

Grants are recognized only when there is reasonable assurance that:

- The organization will fulfill all the conditions attached to them; AND
- Grants will be accepted

Operating grants are recognized as income over the period necessary to relate them to the costs, for which they are intended to be compensated, on a systematic basis. Grants marked for the acquisition of assets are deferred and recognized as income over the period of use of the respective asset.

**2.2.5 Expenses**

The incurred expenses are recognized in the corresponding period on an accrual basis.

**Kosovo Center for Security Studies – KCSS**  
**Notes to the Financial Statements as at and for the year ended 31 December 2024**

(All amounts are presented in EUR)

**3. CASH AND CASH EQUIVALENTS**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Cash at bank	237,529	312,824
Cash on hand	11	11
<b>Total Cash and Cash Equivalents</b>	<u><u>237,540</u></u>	<u><u>312,835</u></u>

**4. ACCOUNTS PAYABLE AND ACCURED EXPENSES**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Taxes and pension contribution	3,084	4,286
Trade Payables	437	875
<b>Total Accounts payable and accrued expenses</b>	<u><u>3,520</u></u>	<u><u>5,162</u></u>

**5. DEFERRED REVENUE**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Deferred revenue	237,020	309,473
<b>Total deferred revenue</b>	<u><u>237,020</u></u>	<u><u>309,473</u></u>

**6. INCOME FROM DONORS**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Incomes from donors	408,716	520,739
<b>Total</b>	<u><u>408,716</u></u>	<u><u>520,739</u></u>

**Kosovo Center for Security Studies – KCSS**  
**Notes to the Financial Statements as at and for the year ended 31 December 2024**

(All amounts are presented in EUR)

**7. PERSONNEL EXPENSES**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Gross salary	189,448	221,685
Pension contribution	9,472	22,378
<b>Total Personnel expenses</b>	<b>198,920</b>	<b>244,063</b>

**8. ADMINISTRATIVE EXPENSES**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Expenditures for projects - grants	43,071	106,131
Accommodation expenses	26,163	35,203
Translation expenses	14,947	31,302
Drinks and food expenses	13,791	26,028
Printing and design expenses	9,197	12,086
Halls expenses	2,982	11,427
Local travel expenses	6,065	9,889
Computer equipment expenses	2,157	7,747
Rent expenses	7,912	7,200
Fuel expenses	3,539	5,731
Office supply expenses	2,970	5,549
Travel Insurance expenses	5,877	3,656
Expenses for social networks	1,833	1,970
Transport expenses	850	1,830
Vehicle maintenance expenses	2,603	1,394
Telephone expenses	1,652	1,228
Accounting expenses	1,200	1,200
Visa expenses	45	1,154
Car rental expenses	40	1,043
Office inventory expenses	-	952
Property tax expenses	-	712
Heating expenses	601	594
Parking expenses	-	450
Vehicle insurance expenses	-	303
Electricity expenses	347	301
Maintenance expenses	72	220
Waste expenses	92	91
Water expenses	91	83
Different expenses	521	-
Postage expenses	55	-
Promotion material	750	-
Computer Programming expense	33,300	-
Speaker at Webinar	2,650	-
Vehicle purchase	12,584	-
Video production	8,000	-
Expert Fee	1,050	-
Project Officer expense	1,877	-
<b>Total administrative expenses</b>	<b>208,884</b>	<b>275,475</b>

**Kosovo Center for Security Studies – KCSS**  
**Notes to the Financial Statements as at and for the year ended 31 December 2024**

(All amounts are presented in EUR)

**9. EXPENSES**

	December 31, 2024 (in EUR)	December 31, 2023 (in EUR)
Bank charges	912	1,201
<b>Total other expenses</b>	<b>912</b>	<b>1,201</b>

**10. CONTINGENCIES AND COMMITMENTS**

**10.1. Legal issues**

For the year ended December 31, 2024, the organization does not have any contingent liabilities that require disclosure in its financial statements.

**11. EVENTS AFTER THE REPORTING PERIOD**

There are no events after the reporting date that would require either adjustments or additional disclosures in the financial statements.