

# Auditor's report and financial statements

For:  
**Riinvest Institute**

**Year: 2016**

**Riinvest Institute For Development Research**

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**Independent Auditor's Report and Financial Statements for the year ended 31 December, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors, Riinvest – Institute of Development Research

### Opinion

We have audited the financial statements of the Institute for Development Research - Riinvest, which comprise the statement of financial position for the period ended December 31, 2016, income statement, statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organization on December 31, 2016, financial performance and cash flows for the year ended on that date and are in accordance with International Financial Reporting Standards (IFRS).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in section *Responsibilities of the auditor to the financial statements audit* of this report.

We are independent from the organization in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board (the IESBA Code) together with the requirements that are relevant during the audit of financial statements in Kosovo, and we meet our other ethical responsibilities in accordance these requirements and IESBA Code.

We believe that our audit provides a reasonable basis for our opinion.

### Main Audit Issues

Main Audit issues are those issues that, in our professional judgment, have been most important during the audit of financial statements for the current period. These issues have been addressed in the context of the financial statements audit as a whole, and while forming our opinion about them, therefore we don't issue any special opinion regarding these issues.

### Going concern

The financial statements have been prepared on a going concern basis, management has no intention of liquidation or termination of its activity for the next 12 months.

The audit did not identify the existence of events or conditions which create doubts about the organization's ability to continue as a going concern.

### Further information is different from the Financial Statements

Other information, financial or non-financial varying from audited financial statements and the report of the auditors on those financial statements, included in the annual report of the entity and have material inconsistencies with the financial statements or with the informations provided by the auditor during the audit, where each of them can undermine the credibility of financial statements and auditor's report on those financial statements, have not been identified.

### The responsibilities of management and those charged with governance in relation to an audit of financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS and for such controls which management believes are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is responsible for evaluation of the organization's ability to continue under the hypothesis of continuity, revealing, if applicable, issues related to the going concern assumption and using the Accounting basis based on a going concern, unless management intends to liquidate or discontinue the company's activities, or there is no other alternative but to do so. Persons charged with governance are responsible for overseeing the financial reporting process of the organization.

#### **The responsibilities of the auditor to audit 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 give an auditor's report includes our opinion. Reasonable assurance is a high level of security, but it is no guarantee that the audit conducted according to ISA will always detect material misstatements in the event that they exist. Anomalies may arise from fraud or error and that are considered material if, individually or aggregated, they can affect reasonably decision to take users based on these financial statements.

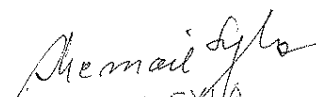
As part of the audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit.

Also, our responsibility is to:

- Identify and assess the risk of material financial statement misstatements, whether due to fraud or error; we design and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide us with a basis for our opinion. The risk of non-disclosure of material misstatement due to fraud is higher than that caused by mistakes, because fraud may involve collusion, forgery, deprotecting the side in order, misrepresentation or circumvention of controls. The risk of non-disclosure of material misstatement due to fraud is higher than that caused by mistakes, because fraud may involve collusion, forgery, deliberately setting aside, misrepresentation or circumvention of controls.
- Obtain knowledge on internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not in order to give an opinion on the effectiveness of internal controls of the organization.
- Appreciate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
- Make conclusion on the appropriateness of management's use of the going concern assumption and based on the audit evidence obtained, in case a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue existence. If we reach the conclusion that there is a material uncertainty, we are required to draw attention to our auditor's report on the relevant disclosure of financial statements or, if such disclosure is insufficient to modify our opinion. Our findings are based on audit evidence obtained to date of the auditor's report. However, the upcoming events and conditions may cause the organization to not continue its activities.
- Appreciate the overall presentation, structure and content of financial statements, including disclosures if the financial statements represent the respective transactions and events in order to achieve fair presentation.

We have communicated with those charged with governance, inter alia regarding the planned scope, audit time and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Xhemail Sylja  
Statutory Audit  
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10000 Prishtina  
Republic of Kosovo  
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March 30, 2017

  
XHEMAIL SYLJA  
Auditor Ligjor  
Statutory Auditor  
044/156 921, Prishtinë

Institute of Development Research - Riinvest			
NRB: 52001323			
FIN:600029400			
Location: Pristina			
Statement of Financial Position			
31.12.2016			
Nomination	Bookmark	2016 €	2015 €
<b>ASSETS</b>			
Short-term asset			
Cash and cash equivalent	1	472,754.95	143,177.52
Short-term financial investments			
Trade accounts receivable and other	2	40,186.12	2,066.79
Stocks			
Other short-term assets		512,941.07	145,244.31
<b>Total short-term assets</b>			
<b>Long-term assets</b>			
Investments in Associates			
Investments in subsidiaries			
Long-term financial investments			
Property, plant and equipment	3	6,432.60	11,017.99
Property investment			
The following investments			
Intangible assets			
Deferred tax assets			
Other long-term assets		6,432.60	11,017.99
<b>Total long-term assets</b>			
		<b>519,373.67</b>	<b>156,262.30</b>
<b>Total assets</b>			
<b>LIABILITIES AND EQUITY</b>			
<b>OBLIGATIONS</b>			
<b>Short term obligations</b>			
Overdraft bank			
Trade payables and other	4	4,752.55	5,087.15
Credits and loans, short-term portion			
Interest payable			
Tax payable on profit			
Short-term provisions			
Liabilities to financial leasing, short-term portion			
Other Short-term liabilities	5	514,621.12	151,175.15
<b>Short-term Total liabilities</b>		<b>519,373.67</b>	<b>156,262.30</b>
<b>Long-term liabilities</b>			
Loans, long-term portion			
Long-term provisions			
Liabilities to financial leasing, long-term portion			
Deferred tax liabilities			
Other long-term liabilities			
<b>Total long-term liabilities</b>			
		<b>519,373.67</b>	<b>156,262.30</b>
<b>Total liabilities</b>			
<b>EQUITY</b>			
Share capital			
Retained earnings			
Taxable profit for the year		0.00	0.00
Other reserves			
		<b>0.00</b>	<b>0.00</b>
<b>Total equity</b>		<b>519,373.67</b>	<b>156,262.30</b>
<b>Total equity and liabilities</b>			

Executive Director



Financial Manager



Institute of Development Research - Riinvest			
NRB: 52001323			
FIN: 600029400			
Location: Pristina			
Statement of income and retained earnings			
for the year ended December 31, 2016			
Description	Bookmark	2016	2015
		€	€
Revenues	6	708,077.68	489,053.31
Cost of sales			
<b>Gain / (Loss) Crude</b>		<b>708,077.68</b>	<b>489,053.31</b>
Other income			
Distribution costs	7	373,723.56	215,114.88
Administrative expenses	8	329,768.73	269,290.35
Other expenses	9	4,585.39	4,648.08
<b>Operating Profit / (Loss)</b>		<b>0.00</b>	<b>0.00</b>
Financial expenses		0.00	
Financial income			
<b>Profit / (loss) before tax</b>		<b>0.00</b>	<b>0.00</b>
Tax on profit (Expenses)			
<b>Profit / (loss) / for the year</b>		<b>0.00</b>	<b>0.00</b>
Profit / (loss) / held in early			
Profit / (loss) / for the year		0.00	0.00
Dividends			
<b>Profit / (loss) / held at the end of the year</b>		<b>0.00</b>	<b>0.00</b>

Institute for Development Research - Riinvest				
NRB: 52001323				
FIN: 600029400				
Statement of Changes in Equity				
for the year ended December 31, 2016				
	Share capital	Retained earnings	Other reserves	Total
	€	€	€	€
Balance at 1 January 2015			0	-
				-
Profit / (loss) / for the year		0.00		0.00
Differences from currency translations			-	-
Dividends	-		-	-
Deposits of additional capita	-		-	-
Sharing resources	-	0	0	
Balance at December 31, 2015	0	0.00	-	0.00
Profit / (loss) / for the year	-	0.00	0.00	0.00
Differences from currency translations	-		0	0
Dividends	-	-	-	-
Deposits of additional capital	-		-	-
Sharing resources	-		0	-
Balance at December 31, 2016	0	0.00	0.00	0.00



Institute for Development Research - Riinvest		
NRB: 52001323		
FIN: 600029400		
Cash Flow Statement		
for the year ended December 31, 2016		
	Bookmark	2016
		€
<b>Cash flows from operating activities</b>		
Profit / (loss) / for the year		0.00
Adjustments for non cash items of expenditure and revenue		
Depreciation of property, plant and equipment		4,585.39
Impairment of property, plant and equipment		-
Amortization of intangible assets		-
Impairment losses on intangible assets		-
Change the value of investment property		-
Financial income		-
Financial expenses		-
(Profit) / loss on sale of property, plant and equipment		-
The tax expense		-
		<b>4,585.39</b>
Changes in operating assets and liabilities		
(Increase) / decrease in trade receivables and other		- 38,119.33
(Increase) / decrease in stocks		-
(Increase) / decrease in other assets		-
Increase / (decrease) in trade payables and other		-
Increase / (decrease) in other liabilities		363,111.37
		<b>324,992.04</b>
Income tax paid		-
Interest paid		-
<b>Net cash flows from operating activities</b>		<b>329,577.43</b>
<b>Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment		-
The receipts for sales of property, plant and equipment		-
Payments for purchases of intangible assets		-
The receipts for the sale of intangible assets		-
Interest received		-
Dividends collected		-
		-
<b>Net cash flows from investing activities</b>		
<b>Cash flows from financing activities</b>		
Deposits of additional capital		-
Dividends paid		-
Collections from loans and borrowings		
Repayment of loans and borrowings		
Financial leasing payments		
<b>Net cash flows from financing activities</b>		
Increase / (decrease) Net cash and cash equivalents		<b>329,577.43</b>
Cash and cash equivalents at beginning of year		143,177.52
Cash and cash equivalents at end of year		<b>472,754.95</b>

In terms of the scope of work identified in the letter of agreement signed with Riinvest Institute for Development, we carried out an audit of the financial statements for period January - December'16.

### **Background**

Riinvest Institute for Development Research ("Riinvest") no. registration at the Ministry of Public Administration 52001323, with Tax Administration of Kosova fiscal number 600029400 is a private research and consulting institution (think tank), established in the territory of Kosova in 1995. It's mission is to promote the modern economic development of Kosova, based on an entrepreneurial philosophy. It's activities include:

- Economic Studies and Analyses;
- Public Administration and Legal Studies;
- SME Development;
- Local economy development;
- Education
- Publish and Advocacy

Riinvest has the following objectives:

- To contribute to an improvement in the environment for economic policy reform and the building of a macroeconomic and structural policy framework for sustainable economic development through research and advocacy activities;
- To support private sector development through promoting entrepreneurship culture and SME development;
- To enhance Riinvest's institutional development through building research and capacities and staff development toward a sustainable organization, and
- To promote business community engagement in the policy process through the support and cooperation with Alliance of Kosovar Business

To achieve these objectives, Riinvest developed a wide of activities including:

- Research
- Advocacy
- Technical assistance for Riinvest institutional development and for increasing its capacities
- Technical Assistance for business association/Alliance of Kosovar Business development; and
- Education

## 1. Basis of preparation and accounting policies

These financial statements are prepared in accordance with International Financial Reporting Standard for Small and Medium Enterprises (IFRS for SMEs) issued by the International Accounting Standards. They are presented in Euro currency.

### *Investments in Associates*

Investments in associates are accounted under the cost method minus any accumulated impairment loss (impairment).

Dividend income (There were no dividends from income)

### *Revenue Recognition*

Revenues from donations are recognized when services are performed.

Revenues from licensing patents for the production of **(No license)**.

### *Tax on profit*

Profit tax: No tax on profit because the organization is non-profitable.

Deferred tax is recognized by the difference between the carrying value of assets and liabilities in the financial statements and their respective tax bases (known as temporary differences). Deferred tax liabilities are recognized for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognized for all temporary differences that are expected to reduce taxable profit in the future and any tax losses or unused tax credits. Deferred tax assets are measured at the highest amount which, based on the assessed current or future taxable profit, is more likely to be recovered than not **(No deferred tax)**

The carrying amount of deferred tax assets are reviewed at each reporting date and adjusted to reflect the current assessment of taxable profits in the future. Any adjustments is recognized in profit or loss.

### *Property, plant and equipment*

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss (impairment).

Depreciation is charged so as to divide the asset cost less its residual value over the life of the envisaged use, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Buildings	5 percent
Installations	20 percent
Appliances, furniture, computers	20 percent

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of these assets is revised prospectively to reflect the new expectations.

*Intangible assets*

Intangible assets: The subject in question did not have intangible assets.

*Damage (impairment) of assets*

At each reporting date, property, plant and equipment, other intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered any damage, loss or any impairment. If there is an indication for the possible decline of the recoverable amount of any affected asset (or group of similar assets) is estimated and compared with its carrying amount. If the estimated amount recoverable is lower, the carrying amount is reduced to the amount estimated to be received and the amount of damage (impairment loss) is recognized immediately in the income statement.

Similarly, at each reporting date, value stocks are estimated to decrease by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to sell. If an item of inventory (or group of similar) is defective items, its carrying value is reduced to selling price minus sales costs, and loss on impairment is recognized immediately in the income statement, according to management statement has not decrease or increase in assets as a commodity like us.

If damage (loss impairment) then returns, carrying amount of the asset (or similar substance group) is increased to its revised estimate of its recoverable amount (sale price minus costs to sell, in the case of stocks) but not in excess of the amount that would be determined if there was no known loss from impairment of assets (group of similar assets) in prior years. A reversal of an impairment loss is recognized immediately in the income statement.

*Leases*

Leases are classified as finance leases whenever transferred all the risks and rewards of ownership of property leased ABC

Leases are classified as finance leases whenever all the risks and benefits of the leased property ownership are transferred to Riinvest Institute for Development Research ("Riinvest"). All other leases are classified as operating leases.

Rights to assets held as financial lease are recognized as assets of the Riinvest Institute for Development Research ("Riinvest") in fair value of the leased property (or, if the value is lower, the present value of minimum payments leasing) at the beginning of the lease. The obligation that corresponds to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between the financial part and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Financial expenses are deducted while calculating profit or loss. Assets held by financial leasing are included under the item property, plant and equipment, which are depreciated and assessed for impairment (impairment loss) in the same way as other assets owned.

Payable operative leases is charged in the income statement on a straight-line basis over the term of the lease contract.

*Stocks*

The subject in question does not possess stocks in the financial reporting date

*Trade accounts receivable and other*

Most services are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortized cost using the effective interest method. The trade receivables denominated in foreign currencies are expressed in Euro currency using the exchange rate at the reporting date.

At the end of each reporting period, the carrying amounts of trade receivables and other are examined to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss (impairment) is recognized immediately in the income statement.

*Trade payables and other*

Trade payables are obligations on the basis of normal credit terms and do not bear interest. Trade payables denominated in foreign currencies are expressed in Euro currency using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

*Bank loans and overdrafts*

Interest expenses are recorded based on the effective interest method and are included in the financial-entity expenses in question had no bank loans.

*Provisions for warranty obligations*

**1. Cash and Cash equivalents**

Cash and cash equivalents comprise cash balance on hand and cash deposited with banks in Kosova. Paraja dhe ekuivalentet e parase perbejne balansin e parase ne dore dhe depozitat e parase ne bankat ne Kosove. Company operates with current local banks both in EUR and USD currency in Raiffeisen Bank, PCB, NLB, Economic Bank.

Client attends account balance in Bank through bank statement and reconcile with accounting records. During audit presented closing bank balances by client, we could not find material misstatement.

Control of cash balance is made through cashier's report. In the year end, commission selected by financial department prepares respective report. At the end of the year, a commission appointed by the finance department prepares the respective report. Payments made from crates are placed in alignment. At the end of the year, a commission appointed by the finance department prepares the respective report. Payments made from crates are placed in chronological order and funds are also well administered. We explored deposits and withdrawals from bank to verify the cash balance.

Cash balance is presented without material misstatement.

*RIINVEST INSTITUTE FOR DEVELOPMENT RESEARCH*

Accounting policies and disclosures in the statements for the financial year ended December 31, 2016

Cash	VITI 2016
Cashier - NGO	1,155.97
Cashier - EU	335.56
Cashier - KOM	148.87
Acc.Nr RBKO-24989- EU Academy	285.15
Acc.Nr B.EKONOMIKE-5277	67,926.88
Acc.Nr PCB 167-CDF	21,053.15
Acc.Nr B.EKONOMIKE-8502	1,209.82
Acc.Nr NLB Prishtina - 127.3	267.81
Acc.Nr RBKO-5858 - ATRC	151.77
Acc.Nr For Conversion	2.29
Acc.Nr RBKO-24989-NOVOBERD	380,217.68
<b>Total</b>	<b>472,754.95</b>

For purposes of the statement of cash flows, cash and cash equivalents includes:

	2016
	€
Cash and cash equivalents	0.00
Bank overdraft (Note 11)	0.00
	<hr/>
	<b>0.00</b>

**2. Trade accounts receivable and other**

	2016
Accounts receivables Trade and other	
Advance payments from staff	1,311.13
EUFORIA (Erasmus+ Project)	6,500.00
Prepayment of VAT	32,374.99
<b>Total</b>	<b>40,186.12</b>

RIINVEST RESEARCH INSTITUTE FOR DEVELOPMENT has no failure in collection, therefore there is no known loss.

*RINVEST INSTITUTE FOR DEVELOPMENT RESEARCH*

Accounting policies and disclosures in the statements

for the financial year ended December 31, 2016

**3. Property, Plant and Equipment**

Cost supply	Property	INVENTORY	Stationary	Vehecles	Softwer	Total
						0
Date 01.01.2014			11,170.97	11,853.45		23,024.42
Purchases (additions)			2,160.00			2,160.00
Sales (Dilution)						0
<b>Historical cost</b>			<b>13,330.97</b>	<b>11,853.45</b>	<b>0</b>	<b>25,184.42</b>
Accumulated Depreciation			-3,344.36	-1,778.02		-5,122.38
Depreciation of the year			-2,025.39	-2,370.60		-4,395.99
<b>Date 31.12.2014</b>	-	-	<b>7,961.22</b>	<b>7,704.83</b>	<b>0</b>	<b>15,666.05</b>
						0
Date 01.01.2015	-	-	13,330.97	11,853.45	0	25,184.42
Purchases (additions)						0
Purchases (additions)						0
Historical cost			13,330.97	11,853.45	0	25,184.42
Accumulated Depreciation			-5,369.75	-4,148.62	0	-9,518.37
Depreciation of the year			-2,277.39	-2,370.69		-4,648.08
<b>Date 31.12.2015</b>	-	-	<b>5,683.83</b>	<b>5,334.14</b>	<b>0</b>	<b>11,017.97</b>
Purchases (additions)						0
Sales (Dilution)						0
Historical cost			13,330.97	11,853.45	0	25,184.42
Accumulated Depreciation			-7,647.14	-6,519.31	0	-14,166.45
Depreciation of the year			-2,214.69	-2,370.69		-4,585.38
<b>Date 31.12.2016</b>			<b>3,469.14</b>	<b>2,963.45</b>	<b>0</b>	<b>6,432.59</b>

The net value of the equipment category, furniture and computers includes assets leased under finance lease are at € 6,432.59 (2015: € 11,017.97).

*RJINVEST INSTITUTE FOR DEVELOPMENT RESEARCH*

Accounting policies and disclosures in the statements for the financial year ended December 31,  
2016

3a. Intangible assets

	Software €
<b>Cost</b>	
On January 1, 2016	0.00
Additions during the year	0.00
Repayments	(0.00)
<b>On December 31, 2016</b>	<u>0.00</u>
Accumulated depreciation and impairment	
On January 1, 2016	0.00
Annual amortization (included in administrative expenses)	0.00
Damage	0.00
Less-Accumulated depreciation on assets written off	(0.00)
<b>On December 31, 2016</b>	<u>0.00</u>
The net value	
<b>On December 31, 2016</b>	<u>0.00</u>

The subject in question has no intangible assets.



**RIINVEST INSTITUTE FOR DEVELOPMENT RESEARCH**

Accounting policies and disclosures in the financial statements for the year ended December 31,  
2016

The following are deferred tax liabilities recognized by the Institute for Development Research Riinvest.

	Software €	Exchange loss €	Other €	Total €
<b>On January 1, 2015</b>	0.00	0.00(0.00)	0.00 / (0.00)	0.00 / (0.00)
Charge (credit) to profit or loss for the year	(0.00)	(0.00)	(0.00)	(0.00)
<b>On January 1, 2016</b>	0.00	0.00 / (0.00)	0.00 / (0.00)	0.00 / (0.00)
Charge (credit) to profit or loss for the year	(0.00)	(0.00)	(0.00)	(0.00)
<b>On December 31, 2016</b>	0.00	0.00/ (0.00)	0.00 / (0.00)	0.00 / (0.00)

**4. Trade payables and other**

Description	VITI 2016
LESNA ING AF 600020044	307.98
PTK 600016762	91.05
KEDS-600262597	0.94
TREMBELAT 600372669	220.40
KOSOVO BANKERS ASSOCIATION	400.00
ISOFT Technologies	640.00
The net pay obligation per worker	-18.20
Obligation Tax TAP	1,870.80
Pension contributions	1,239.58
<b>TOTAL</b>	<b>4,752.55</b>

***RJINVEST INSTITUTE FOR DEVELOPMENT RESEARCH***

Accounting policies and disclosures in the statements for the financial year ended December 31,  
2016

The subject in question has no payables in foreign currencies.

Remuneration to the NGO are conducted in Euro and USD. All financial reports issued by Riinvest are expressed in Euro

**5. Loans and borrowings**

	<b>2016</b>
<b>Short term</b>	<b>€</b>
Overdraft bank	0.00
Bank credit	0.00
	<hr/> <b>0.00</b> <hr/>
<b>Long term</b>	
Bank credit	0.00
	<hr/> <b>0.00</b> <hr/>

The subject in question has no overdraft or bank loan

**6. Short term provisions**

Movements in provisions for liabilities and guarantees granted during 2016 were:

	<b>2016</b>
	<b>€</b>
January 1, 2016	0.00
Additional provisions during the year	0.00
The cost of repairs and replacements during year	(0.00)
<b>December 31, 2016</b>	<hr/> <b>0.00</b> <hr/>

Provisions are classified as short as guarantees are limited to 12 months from the date of sale.

**RIINVEST INSTITUUTIE FOR DEVELOPMENT RESEARCH**

Accounting policies and disclosures in the statements for the financial year ended December 31,  
2016

**7. Liabilities to financial leasing**

Riinvest Institute for Development Research ("Riinvest") has no obligation to finance lease:

	2016
	€
Within a year	0.00
Over 1 to 5 years	
Over 5 years	
	<u>0.00</u>

Liabilities to financial leasing are classified as:

	€
Short term	0.00
Long term	0.00
	<u>0.00</u>

**8. Deferred income**

Description	VITI 2016
Revenues Deferred Swisscontact	22,303.13
Revenues Deferred TTF	2,241.53
Revenues Deferred impairment	6,432.60
Deferred Revenues EU NOVOBERDE	411,682.31
Deferred Revenues PASOS & SELDi	361.33
Other Deferred Revenues	71,600.22
<b>TOTAL</b>	<b>514,621.12</b>

**RINVEST INSTITUTE FOR DEVELOPMENT RESEARCH**

Accounting policies and disclosures in the statements  
for the financial year ended December 31, 2016

**9. Revenues**

Description of revenues	2016
USAID – CDF Intermunicipal Cooperation	42,083.26
CIPE – Corporate Governance	5,897.90
KFOS-Kosovo Foundation for Open Society – Capital Investments	23,824.23
SWISSCONTACT (KOS-PPSE)	49,632.43
Leadership and Growth Council	13,900.00
Lux Development Agency-VET Study	4,643.57
Open Society Think Tank Found	42,519.60
SWISSCONTACT (PPSE)	22,005.00
European Commision SELDI-Anti Corruption Initiative	17,304.41
European Commision NOVOBERDA	265,176.45
European Commision PASOS-Open Governance	18,357.07
European Commision DEVELOPMENT ACADEMY	165,794.99
Other revenues	3,678.24
USAID-ATRC	32,260.53
WIIW-Viener Institute	1,000.00
<b>Total</b>	<b>708,077.68</b>

**9a. Other revenues**

The subject in question has no other income

**RJINVEST INSTITUTE FOR DEVELOPMENT RESEARCH***Accounting policies and disclosures in the financial statements for the year ended December 31,  
2016***10. Costs per distribution**

	Viti 2016
<b>Distribution costs</b>	
Grants to municipalities and businesses EU-Acad.2	62,666.00
Pollsters and Surveys	9,380.00
Expenses for local counselors	-
Costs for external consultants	1,238.25
Energy costs	2,799.51
Hygienic material	2,193.98
Telephone and mail costs	1,164.85
Costs for Internet & Website	214.13
Audit Costs	5,342.37
Rent expenses	19,836.98
Expenses for the technique of sound	2,790.00
Translation & edits	-
Travel expenses in country	5,653.71
The costs of travel abroad	2,028.44
Costs for membership	515.00
Representation expenses and advertising-representation	2,405.31
Costs for office material	2,410.01
Registration costs and vehicle servicing	803.34
Costs for heating	2,052.20
Daily Press Expenses	364.50
Equipment and supplies	5,679.74
Negative exchange differences	14.88
Bank provisions	2,941.45
Miscellaneous expenses	325.41
Publications, Banners, Brochures	31,272.60
Activities costs	199,775.22
Costs for training, workshops, roundtables	9,855.68
<b>Total</b>	<b>373,723.56</b>

**RIINVEST INSTITUTE FOR DEVELOPMENT RESEARCH**Accounting policies and disclosures in the statements  
for the financial year ended December 31, 2016**11. Administrative Expenses**

Administrative expenses include wages worth € 329,768.73 include net wages, taxes on personal income and pension contributions.

Riinvest - Institute for Research and Development, in its normal course of business, makes payments on its own behalf and its employees contributing to mandatory pension according to local legislation

	Viti 2016
<b>Administrative Expenses</b>	
Net salary costs	274,084.93
Worker pension contributions	29,242.50
Tax on Personal Income Tax	26,441.30
<b>TOTAL</b>	<b>329,768.73</b>

**12. Other Expenses**

	Viti 2016
<b>Other Expenses</b>	
The depreciation costs	4,585.39
<b>Total</b>	<b>4,585.39</b>

**13. Financial expenses**

	2016 €
Interest expense on loans	0.00
Interest expense from overdrafts	0.00
Interest expenses from financial leasing	0.00
	<hr/>
	<b>0.00</b>

**14. The tax expense**

	2016 €
Current profit tax	0.00
Deferred tax (note 9)	
	<hr/>
	<b>0.00</b>

15. Disclosure of revenue and expenditure by projects:

Income statement	Total	ISO - TTF	OJQ- KFOS- CDF-ATRC	PASOS- SELDI	NOVOBERD	KOM
CDF-Commun.Develop.Fun.	42,083.26		42,083.26			
CIPE 0114301	5,897.90		5,897.90			
KFOS-Tran.capit.Invest	23,824.23		23,824.23			
KOS PPSE-SWISSCONTACT	49,632.43					49,632.43
Leadership and Growth Council	13,900.00		13,900.00			
LUX.DEVELOPMENT Agency	4,643.57		4,643.57			
OSI-TTF - Euro	42,519.60	42,519.60				
SWISSCONTACT (PPSE)	22,005.00					22,005.00
Revenues from EU-Anticor.SELDI	17,304.41			17,304.41		
Revenues from EU-NOVO BERDE	265,176.45				265,176.45	
Revenues from EU-PASOS	18,357.07			18,357.07		
Revenues from European Comission	165,794.99				165,794.99	
Other Income	3,678.24		3,678.24			
USAID-ATRC	32,260.53		32,260.53			
WIIW-Viener Institute	1,000.00		1,000.00			
<b>Total</b>	<b>708,077.68</b>	<b>42,519.60</b>	<b>127,287.73</b>	<b>35,661.48</b>	<b>430,971.44</b>	<b>71,637.43</b>
Net salary costs	274,084.93	24,044.59	64,555.15	16,505.06	120,229.89	48,750.24
Pension contributions of workers	29,242.50	2,804.44	7,493.58	1,463.12	13,195.50	4,285.86
Tax on Personal Income Tax	26,441.30	2,597.61	6,633.60	1,593.88	11,627.14	3,989.07
Grants to Municipalities and Businesses.EU-Acad.2	62,666.00			2,666.00	60,000.00	
Pollsters and Surveys	9,380.00			9,380.00		
Expenses for local counselors						
Costs for external consultants	1,238.25			920.00		318.25
Electricity costs	2,799.51			620.68	1,455.20	723.63
Hygiene expenses	2,193.98			40.00	1,955.92	198.06
Telephone and mail costs	1,164.85		1,164.85			
Costs for Internet & Website	214.13		214.13			
Audit Costs	5,342		2,800.00		2,542.37	
Expenses for rent	19,836.98		1,310.00	40.00	16,200.03	2,286.95
Expenses for audio equipment	2,790.00		1,280.00	410.00	920.00	180.00
Translation & edits						
Travel expenses inside the country	5,653.71		700.61	2,467.99	1,768.02	717.09
Travel expenses abroad	2,028.44		1,828.44	200.00		
Expenses for Membership	515.00		15.00			500.00

Representation expenses and advertising	2,405.31		133.25	29.20	125.45	2,117.41
Costs for Office material	2,410.01				1,495.49	914.52
The vehicle registration costs	803.34				803.34	
Costs for heating	2,052.20					2,052.20
Daily Press Expenses	364.50		364.50			
Equipment and supplies	5,679.74	1,636.00			2,283.64	1,760.10
The depreciation costs	4,585.39		452.91		4,132.48	
Negative exchange differences	14.88	14.88				
Bank provisions	2,941.45	38.98	322.78	128.51	2,120.23	330.95
Miscellaneous expenses	325.41	2,884.30	5,678.11	3,015.00	5,897.00	675.00
Publications, Banners, Brochures	31,272.60	8,498.80	9,756.19	92.04	12,853.57	72.00
Activities costs	199,775.22		16,615.05		183,160.17	
Expenses for training workshops and roundtables	9,855.68		5,969.58	2,120.00		1,766.10
<b>TOTAL</b>	<b>708,077.68</b>	<b>42,519.60</b>	<b>127,287.73</b>	<b>35,661.48</b>	<b>430,971.44</b>	<b>71,637.43</b>

#### 16. Tax on profit

No tax on profit

#### 17. Contingent liabilities

The subject Riinvest Institute for Development Research ("Riinvest") has no contingent liabilities.

#### 18. Events after the end of the reporting period

The subject Riinvest Institute for Development Research ("Riinvest") has no events after the end of the reporting period.

#### 19. Transactions with related parties

Riinvest Institute for Development Research ("Riinvest") no transactions with related parties.

#### 20. Approval of financial statements

The financial statements were approved by management and authorized for publication on 06.03.2017.

#### Confirmation of expenditure

We have reviewed all the direct costs of projects executed by Riinvest - Institute for Developmental Research. We hereby confirm that the costs in the amount of Euro 708,077.68 incurred in 2016 are presented during this period. All costs are calculated and recorded in a timely manner in accordance with applicable laws in Kosovo.



#### List of confirmed and audited documents

- Internal regulation
- Financial Statement
- Receipts (vouchers) January-December 2016
- List of inventory and assets
- Bank statements
- Tax Files
- Files of employees and staff
- Income tax / Pension Fund
- Etc