

INSTITUTE FOR DEVELOPMENT RESEARCH - RIINVEST

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

As at and for the year ended 31 December 2023

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION.....	5
STATEMENT OF COMPREHENSIVE INCOME	6
STRATEMENT OF CASH-FLOWS	7
1. Organization.....	8
2. Basis of preparation	8
3. Summary of significant accounting policies.....	9
4. Property and Equipment.....	10
5. Cash and cash equivalents	10
6. Accounts receivable	10
7. Inventories.....	10
8. Other non-current assets	11
9. Accounts payable and others.....	11
10. Other short-term liabilities and deferred revenues.....	11
11. Revenues	12
12. Cost of goods sold	12
13. Distribution expenses	13
14. Administrative expenses	14
15. Events after the reporting date	14

INDEPENDENT AUDITOR'S REPORT

For: Management of INSTITUTE FOR DEVELOPMENT RESEARCH – RIINVEST (“ Riinvest Institute”)

Opinion

We have audited the financial statements of Riinvest Institute (the Organization), which comprise the statement of financial position as of December 31, 2023, and the statement of comprehensive income for the year ended on that date, and the notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements of the Organization for the year ended December 31, 2023, have been prepared, in all material respects, in accordance with the financial reporting requirements described in Note 2 and the requirements under the Law No. 06/L-043 on the freedom of association in non-governmental organizations

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 Financial Statements section of our report.*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we 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 the financial statements in accordance with IFRSs, and for such internal control as management determines is 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 Company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of 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 aggregate, 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 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 Company'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 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 Company's ability to continue as 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 auditor's report. However, future events or conditions may cause the Company 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.

Lulzim Krasniqi
Statutory Auditor

Quatra Audit Int. LLC
Prishtina, Kosovo
13 March 2024



INSTITUTE OF DEVELOPMENT RESEARCH - RIINVEST

STATEMENT OF FINANCIAL POSITION

31 December 2023

(All amounts are in Euro)

ASSET	Notes	2023	2022
Current asset			
Cash and cash equivalent	5	397,913	632,901
Trade accounts receivable and other	6	28,545	6,520
Inventories	7	2,279	2,280
Other current assets	8	365	489
Total current assets		429,103	642,190
Non-current assets			
Property and equipment	4	11,863	15,028
Total non-current assets		11,863	15,028
TOTAL ASSETS		440,965	657,218
LIABILITIES AND FUNDS BALANCE			
LIABILITIES			
Short term liabilities			
Accounts payable	9	9,137	11,674
Other short-term liabilities	10	431,829	645,544
Total short-term liabilities		440,965	657,218
Funds Balance			
Balance as at 01 January		-	-
Surplus/Deficit of the year		-	-
Total Funds Balance		-	-
TOTAL FUNDS BALANCE AND LIABILITIES		440,965	657,218

Approved by:

Saxhide Mustafa
Legal Representative



Isren Fejzullahu
Finance Manager



Accompanying notes 1-15 to the financial statements are an integral part of these financial statements

INSTITUTE OF DEVELOPMENT RESEARCH - RIINVEST

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

(All amounts are in Euro)

For the year ended 31 December		2023	2022
Income	<i>Notes</i> 11	459,136	370,643
Cost of sales	12	-	(306)
Total		459,136	370,337
Other income		-	-
Distribution expenses	13	(104,513)	(85,825)
Administrative expenses	14	(350,782)	(281,179)
Other expenses	4	(3,841)	(3,333)
Total expenses		(459,136)	(370,337)
Tax on profit		-	-
Profit / (loss) net for the year		-	-

Accompanying notes 1-15 to the financial statements are an integral part of these financial statements

INSTITUTI RIINVEST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts are in Euro)

1. Organization

The Riinvest Institute for Development Research ('Riinvest'), registered under number 52001323 with the Ministry of Public Administration and having tax identification number 600029400 with the Tax Administration of Kosovo, is a think tank established in the territory of Kosovo in 1995. Its mission is to promote a modern economic development of Kosovo based on the philosophy of entrepreneurship. Its activities include:

Economic studies and analysis;

- Public administration and legal studies;
- SME development;
- Local economy development;
- Education
- Publishing and advocacy

Riinvest has its objectives which are:

- To contribute to improving the environment for economic policy reforms and building a framework for macroeconomic and structural policies for sustainable economic development and advocacy activities
- To support private sector development by promoting entrepreneurship culture and SME development;
- To enhance Riinvest's institutional development through research and capacity-building activities, as well as staff development towards a sustainable organization;
- To promote business community engagement in the policymaking process through support and collaboration with the Kosovo Business Alliance

2. Basis of preparation

The financial statements are prepared in accordance with the requirements of Law No. 06/L-043 on Freedom of Association in Non-Governmental Organizations for reporting to the Office of the NGO Regulator. Revenues from grants are recognized when earned rather than when received, and expenses are recognized when incurred rather than when paid.

Additionally, the deferred revenue of grants, prepayments, and other obligations are recorded on an accrual basis of accounting. The significant accounting policies are described below.

INSTITUTI RIINVEST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts are in Euro)

3. Summary of significant accounting policies

3.1. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and unrestricted cash held with banks or term deposits with maturity of less than three months.

3.2. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents solely amount receivable from donors with regard to the payroll, operating, and other expenses incurred.

3.3. Foreign currency transactions

Transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on monetary items, are included in the profit and loss of the period in which they arise.

3.4. Employee benefits

The Organization makes no provision for and has no obligation for employee pensions over and above the contributions paid into the Kosovo Pension Savings Trust.

3.5. Contingencies and provisions

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

A provision is recognized if the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

3.6. Critical judgments and key sources of estimation uncertainty

In the process of applying the Organization's accounting policies, which are described above, management has made no judgments that have significant effects on the amounts recognized in the financial statements.

INSTITUTI RIINVEST

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts are in Euro)

4. Property and Equipment

<i>Historical cost</i>	Equipment	Total
As at 1 January 2022	27,552	39,405
Additions (disposals)	4,476	4,476
As at 31 December 2022	32,028	43,881
Additions (disposals)	676	676
As at 31 December 2023	32,704	44,557
<i>Depreciation:</i>		
As at 1 January 2022	(13,667)	(25,520)
Depreciation of the year	(3,333)	(3,333)
As at 31 December 2022	(17,000)	(28,853)
Depreciation of the year	(3,841)	(3,841)
As at 31 December 2023	(20,841)	(32,694)
<i>Net Value</i>		
Net book value as at 31 December 2022	15,028	15,028
Net book value as at 31 December 2023	11,863	11,863

5. Cash and cash equivalents

As at 31 December	2023	2022
Cash at bank	397,389	632,265
Cash on hand	524	636
Total	397,913	632,901

6. Accounts receivable

The Institute has receivables from donors and parties that have conducted research. As of December 31, 2023 and 2022, the values are:

As at 31 December	2023	2022
Accounts Receivable	28,545	6,520
Total	28,545	6,520

7. Inventories

The institute has in stock the book "The Economy of Kosovo", and funds from the income of the book are used for activities

As at 31 December	2023	2022
Book – The Economy of Kosovo	2,279	2,280
Total	2,279	2,280

INSTITUTI RIINVEST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

*(All amounts are in Euro)***8. Other non-current assets**

As at 31 December	2023	2022
Staff advance	242	392
Payment of income tax	123	97
Total	365	489

9. Accounts payable and others

As at 31 December	2023	2022
Colors Production	1,700	1,700
Uni-R	-	9
XPrint - Ilir Kuleta B.I.	1,330	1,330
"AB in CO" SH.P.K.	6,030	6,030
AB Lift SH.P.K.	50	50
Telekomi i Kosoves	27	28
KDWW - OEGJK	-	2,000
Lesna ING	-	527
Total	9,137	11,674

10. Other short-term liabilities and deferred revenues

As at 31 December	2023	2022
<i>Short-term liabilities</i>		
Net Salary	3	829
Pension contribution	-	1,894
Withholding tax (salary)	-	2,081
VAT Obligations	3,360	46
Tax on rental income	-	161
Sub-total (I)	3,363	5,011
<i>Deferred revenue</i>		
Deferred revenue (ZSI/POL.ANWES)	-	70,645
Deferred revenue KFOS	297,441	502,294
Deferred revenue PPSE	-	19,736
Deferred revenue EFI-USA	34,238	25,229
Deferred revenue US-Ambasy	20,858	14,546
Deferred revenue GIZ	4,300	-
Deferred revenue MSH	33,597	-
Deferred revenue tjera	38,031	8,083
Sub-total (II)	428,466	640,533
Total (I+II)	431,829	645,544

INSTITUTI RIINVEST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

*(All amounts are in Euro)***11. Revenues**

For the year ended 31 December	2023	2022
Agency for Gender Equality - Office of the Prime Minister	-	11,140
European Commission - SELDI3 (MCIC)	-	7,155
European Commission -POLISY ANSWERS/ZSI	70,645	33,561
GIZ-Deutsch.Gesell.Internat.Zusamm.	11,785	-
KFOS	204,853	93,918
CDF	-	1,601
SWISCONTACT PPSE - Margin share and Studies	78,322	87,170
SWISCONTACT (KOS-PPSE)	5,000	18,500
Ministria e shendetesise	3,733	-
UNDP	-	75,658
Te tjera	-	615
KWN-RRGGK Kosovo Women's Network	-	15,101
US-Embassy Prishtinë	9,935	1,702
EFI-USA	49,926	11,823
HELVETAS Swis Inter corporation Kosovo	10,000	-
WORLD BANK-Washington DC	6,852	-
EBRD-European bank for Reconstruction&Development	-	10,000
PCB - ProCredit Bank	8,083	2,091
Extraordinary income from insurance	-	608
Total	459,136	370,643

12. Cost of goods sold

The cost of goods sold is recognized once the books in stock are sold.

For the year ended 31 December	2023	2022
Cost of goods sold	-	306
Total	-	306

INSTITUTI RIINVEST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

*(All amounts are in Euro)***13. Distribution expenses**

For the year ended 31 December	2023	2022
Costs for consultants	-	2,000
Contractual costs	-	-
Electricity Costs	2,873	2,699
Legal Services	15	-
Telephone and Mail Costs	658	407
Internet & Website Costs	389	319
Audit Expenses	1,100	1,100
Translation and Sounding Costs	-	500
Accommodation & Meal for participants	23,672	20,931
Official Travel Expenses	3,329	-
Accounting expenses	-	-
Representation expenses and advertising- representation	757	1,894
Costs for heating	4,025	800
Equipment and supplies	-	-
Bank provisions	2,061	2,122
Publications, banners, brochures	3,691	2,936
Costs for training, workshop and roundtables	11,615	5,467
Fines	-	-
other expenses	353	161
Rental Costs	19,780	19,780
Cost for consumables	530	571
Costs for office supplies	339	-
Expenses for registration and servicing the car	1,905	2,078
Cost for daily newspaper	-	-
Water costs	269	257
Cleaning and maintenance	698	539
Fuel expenses	-	110
Expenses for surveys & other	-	133
External contractor	11,129	2,352
Transportation	11,492	2,729
Contracting activities for the project	1,583	240
Merit awards	2,250	600
Costs for EU-Novo Berdo project	-	15,100
Total	104,513	85,825

INSTITUTI RIINVEST**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2023

*(All amounts are in Euro)***14. Administrative expenses**

For the year ended 31 December	2023	2022
<i>Expenses for consultants/staff for project implementation</i>		
Gross salary	308,204	211,992
Pension contribution	10,617	8,064
Sub-total (I)	318,821	220,055
<i>Surveyors expenses</i>		
Gross salary - surveyors	12,666	47,510
Pension contribution- surveyors	633	2,375
Sub-total (II)	13,300	49,885
<i>Local consultant for translation and editing</i>		
Gross salary	17,810	9,732
Pension contribution	851	466
Sub-total (III)	18,661	10,198
Other consultants	-	1,040
Total (I+II+III+others)	350,782	281,179

15. Events after the reporting date

There are no events subsequent to the reporting date that require disclosure in the financial statements of Organization.