



## **Initiative for progress - INPO**

Independent Auditor's Report and financial individual statements  
for the year ended December 31, 2019

## Initiative for progress - INPO

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
AUDITORS' REPORT	
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF REVENUE AND EXPENDITURE	2
STATEMENT OF CASH FLOWS	3
NOTES TO THE FINANCIAL STATEMENTS	4 - 11



## INDEPENDENT AUDITORS' REPORT

### To the Management of Initiative for progress - INPO

#### ***Opinion***

We have audited the accompanying financial statements of Initiative for progress - INPO, which comprise the statement of financial position as at December 31, 2019, and the statement of revenue and expenditure, 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 Initiative for progress - INPO as of December 31, 2019, results of its operation and the cash flow for the years then ended in conformity with International Financial Reporting Standards.

#### ***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 company'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 Company 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.

**Initiative for progress - INPO**  
**Statement of Financial Position**  
**For the year ended December 31, 2019**

---

	Note	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		-	-
Total non-current assets		<u>-</u>	<u>-</u>
<b>Current assets</b>			
Accounts Receivable			
Cash and bank balances	4	<u>42,691</u>	<u>49,203</u>
Total current assets		<u>42,691</u>	<u>49,203</u>
<b>TOTAL ASSETS</b>		<b><u>42,691</u></b>	<b><u>49,203</u></b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses		-	264
Deferred Revenue	5	<u>42,691</u>	<u>48,938</u>
Total current liabilities		<u>42,691</u>	<u>49,203</u>
<b>Reserves</b>			
Retained surplus		-	-
Net (deficit)/surplus for the year		<u>-</u>	<u>-</u>
Total reserves		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<b><u>42,691</u></b>	<b><u>49,203</u></b>

The financial statements have been signed on April 2020 by:

**Albulena Nrecaj**

**Venera Ajeti**

\_\_\_\_\_  
Executive Director

\_\_\_\_\_  
Finance manager

*The accompanying notes from 4 to 12 form an integral part of these financial statement*

**Initiative for progress - INPO**  
**Statement of Revenue and Expenditures**  
**For the year ended December 31, 2019**

---

	Notes	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
<b>Income</b>			
Income from Donation	6	117,998	112,839
<b>Total income</b>		<b>117,998</b>	<b>112,839</b>
<b>Expenditure</b>			
Personnel expenses	7	68,152	46,692
Project activities		19,114	27,718
Operation expenses	8	9,991	8,962
Contractual Services	9	11,676	15,522
Rent expenses		5,769	5,604
Software and web expenses	10	-	500
Returned amount to the donor		3,296	7,841
<b>Total expenditure</b>		<b>117,998</b>	<b>112,839</b>
<b>Net (Deficit)/surplus for the year</b>		<b>-</b>	<b>-</b>

*The accompanying notes from 4 to 12 form an integral part of these financial statement*

**Initiative for progress - INPO**  
**Statement of Cash Flow**  
**For the year ended December 31, 2019**

---

	<b>December 31, 2019 (in EUR)</b>	<b>December 31, 2018 (in EUR)</b>
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period		-
Adjustment for:		
Depreciation		-
Change in deferred revenues	(6,248)	(35,354)
Change in receivables	-	-
Change in payables	(264)	(205)
<b>Net cash from operating activities</b>	<b>(6,512)</b>	<b>(35,559)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(6,512)</b>	<b>(35,559)</b>
Cash and cash equivalents at 1 January	49,203	84,762
<b>Cash and cash equivalents at 31 December</b>	<b>42,691</b>	<b>49,203</b>

*The accompanying notes from 4 to 12 form an integral part of these financial statements*

**Initiative for progress - INPO**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2019**

---

**1. INTRODUCTION**

INPO was established in 2005 by implementing activities that have helped integrate citizens into social and decision-making processes. After three years of effective work, considering the importance of INPO profiling, we have defined the field of public policy as the core purpose of the organization's work.

Although at INPO, at the beginning of its activity, most of the staff were without sufficient experience in management and the field of public policy, we have succeeded in proving commitment and seriousness in our work. Supporting consultation and discipline at work; through the artistic performance of the protest, debate, advocacy campaigns, we managed to change the non-functional strategies and regulations of local government institutions.

Further, we have gained the respect and trust of citizens by mediating and facilitating the resolution of problems or administrative conflicts with local government.

Advocacy and awareness-raising campaigns in the field of public policy make up the most successful aspect of the organization's work over these seven years. We intend to be a constructive partner in all processes within our field of activity.



**Initiative for progress - INPO**  
**Notes to the Financial Statements (Continued)**  
**For the year ended December 31, 2019**

---

**2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**2.1 Standards and Interpretations effective in the current period**

Below are presented the amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee which are effective for the current period:

<b>Standard</b>	<b>Description</b>	<b>Effective date</b>
IFRS 1	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IAS 28	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IFRS 15	Revenue from Contracts with Customers	Beginning on or after January 2018
IFRS 9	Financial Instruments	Beginning on or after January 2018
IAS 40	Transfers of Investment Property (Amendments to IAS 40)	Beginning on or after January 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	Beginning on or after January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Beginning on or after January 2018
IFRS 16	Leases	Beginning on or after January 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Beginning on or after January 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Beginning on or after January 2019
IAS 12, IAS 23, IFRS 3 and IFRS 11	Annual Improvements to IFRS 2015-2017 Cycle	Beginning on or after January 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Beginning on or after January 2019

**Initiative for progress - INPO**  
**Notes to the Financial Statements (Continued)**  
**For the year ended December 31, 2019**

---

**2.2 Standards and interpretations in issue not yet effective**

In these financial statements the following standards, revisions and interpretations were issue but are not yet applicable:

<b>Standard</b>	<b>Description</b>	<b>Effective date</b>
CF	Conceptual Framework for Financial Reporting	Beginning on or after January 2020
IFRS 3	Definition of a Business (Amendments to IFRS 3)	Beginning on or after January 2020
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Beginning on or after January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	Beginning on or after January 2020
IFRS 17	Insurance Contracts	Beginning on or after January 2021
Practice Statement 2	Making Materiality Judgements	No effective date as non-mandatory guidance

The organization has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the entity in the period of initial application.

**Initiative for progress - INPO**  
**Notes to the Financial Statements (Continued)**  
**For the year ended December 31, 2019**

---

**3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**3.1 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 "INPO" during 2019.

**3.2 Currency of presentation**

The reporting currency of INPO is the European Union currency unit Euro ("EUR").

**3.3 Significant accounting policies**

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

**3.3.1 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.

**3.3.2 Revenue recognition**

Revenues from grants are recognized as income on a straight-line basis over the period of the operation.

**3.3.3 Expenses recognition**

Expenses incurred for generation incomes are recognized in that period with the historical costs.

**3.3.4 Taxation**

INPO was established as a non-governmental organization, therefore it has responsibility and acts as an NGO according to the laws in force in Kosovo.

Initiative for progress - INPO  
**Notes to the Financial Statements (Continued)**  
For the year ended December 31, 2019

---

**4. CASH AND BANK BALANCES**

Cash and Bank Balances	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
Cash bank account - ProCredit	1,867	215
Cash bank account - ProCredit	-	-
Cash bank account - ProCredit	13,612	9,680
Cash bank account - ProCredit	25,871	24,524
Cash bank account - ProCredit	-	13,601
Cash bank account - ProCredit	228	834
Cash bank account - ProCredit	563	348
Cash bank account - ProCredit	490	-
Cash in hand	60	-
<b>Total Cash and Bank Balances</b>	<b>42,691</b>	<b>49,203</b>

During 2019 INPO used the ProCredit Bank accounts for all entries and exits of the organization.

**5. DEFERRED REVENUES**

Deferred Revenue	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
Balance as at 01 January	48,938	84,293
Donation received during the year	111,750	77,485
Release to income during the year	(117,998)	(112,839)
<b>Total Deferred Revenue</b>	<b>42,691</b>	<b>48,938</b>

Initiative for progress - INPO  
**Notes to the Financial Statements (Continued)**  
For the year ended December 31, 2019

---

**6. INCOME FROM DONATION**

<b>Income from Donation</b>	<b>December 31, 2019 (in EUR)</b>	<b>December 31, 2018 (in EUR)</b>
Income from KCSF	-	200
Income from Kosovo Foundation for Open Society	14,970	9,238
Income from WeBer	-	834
Income from Rockefeller Foundation	26,412	25,974
Income from GIZ	17,665	30,371
Income from Civikos platform	-	1,085
Income from CDF	-	3,620
Income from IKD	40,300	4,883
Income from IKD D4D	-	900
Income from Debate Center	-	150
Income from participation	-	230
Income from Syri I vizionit	200	-
Income from US Embassy	8,448	-
Income from GLSP	3,398	-
Income from Ponder	357	-
Deferred revenue from previous year	48,938	84,293
<b>Total Income from Donation</b>	<b>160,688</b>	<b>161,777</b>
Deferred revenue for 2019	(42,691)	(48,938)
<b>Total Income from Donation</b>	<b>117,998</b>	<b>112,839</b>

**7. PERSONNEL EXPENSES**

<b>Personnel expenses</b>	<b>December 31, 2019 (in EUR)</b>	<b>December 31, 2018 (in EUR)</b>
Personnel salaries	68,152	46,692
<b>Total Personnel expenses</b>	<b>68,152</b>	<b>46,692</b>

Initiative for progress - INPO  
**Notes to the Financial Statements (Continued)**  
For the year ended December 31, 2019

---

**8. OPERATION EXPENSES**

	<b>December 31, 2019 (in EUR)</b>	<b>December 31, 2018 (in EUR)</b>
<b>Operation expenses</b>		
Travel	4,491	3,038
Telephone, Telecommunications	1,827	1,710
Supplies	1,374	966
Printing and Copying	-	1,008
Utilities	784	690
Other expenses	1,516	1,549
<b>Total operation expenses</b>	<b>9,991</b>	<b>8,962</b>

**9. CONTRACTUAL SERVICES**

	<b>December 31, 2019 (in EUR)</b>	<b>December 31, 2018 (in EUR)</b>
<b>Contractual services</b>		
Outside Contract Services	11,294	15,177
Bank Fees	382	345
<b>Total Contractual Services</b>	<b>11,676</b>	<b>15,522</b>

**10. SOFTWARE AND WEB EXPENSES**

	<b>December 31, 2019 (in EUR)</b>	<b>December 31, 2018 (in EUR)</b>
<b>Software and web expenses</b>		
Web and Database	-	500
<b>Total Software and web expenses</b>	<b>-</b>	<b>500</b>

**Initiative for progress - INPO**  
**Notes to the Financial Statements (Continued)**  
**For the year ended December 31, 2019**

---

**11. 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.

**12. 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. INPO is not exposed to credit risk in respect of Grant receivable from its Donors.

***Interest rate risk***

The INPO currently is not exposed to the interest rate risk.

***Foreign exchange risk***

INPO has not been exposed to international exchange risk as transactions occur in local currency.

***Liquidity risk***

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. The INPO is committed monitor its liquidity on a periodic basis in order to manage its obligations as and when they shall become due.

***Fair value of financial instruments***

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.