

**Kosovar Centre for Security Studies  
- KCSS**

**Independent Auditors' Report and  
Financial Statements for the year ended  
December 31, 2021**

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## **Review Report from independent auditor**

**To: "Kosovar Centre for Security Studies"**

### **Report on financial statements**

We have reviewed the accompanying balance sheet of "Kosovar Centre for Security Studies" at December 31, 2021, and the income statement, statement of changes in equity and cash flow statement for the year then ended.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standard for Small and Medium Entities 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.

### **Auditor's responsibility**

We conducted our review in accordance with the International Standard on Review Engagements 2400. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects in accordance with International Financial Reporting Standard for Small and Medium Entities.

Statutory Auditor

Shyqiri Bytyqi

Date  
13 June 2022  
PRISHTINË



**KOSOVAR CENTRE FOR SECURITY STUDIES - KCSS**  
**Statement of Financial Position as at December 31, 2021**

	Notes	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
<b>ASSETS</b>			
<b>Short term assets</b>			
Cash on hand and at banks	3	193,613	161,534
<b>The total short term assets</b>		<b>193,613</b>	<b>161,534</b>
<b>Total assets</b>			
		<b>193,613</b>	<b>161,534</b>
<b>LIABILITIES AND FUNDS</b>			
<b>LIABILITIES</b>			
<b>Short term liabilities</b>			
Trade payables and others	4	-	4,341
Other short term liabilities	5	193,613	157,193
<b>Total short term liabilities</b>		<b>193,613</b>	<b>161,534</b>
<b>Total liabilities</b>			
		<b>193,613</b>	<b>161,534</b>
<b>FUNDS</b>			
Accumulated surplus/deficit		-	-
<b>Total funds</b>		<b>-</b>	<b>-</b>
<b>Total funds and liabilities</b>			
		<b>193,613</b>	<b>161,534</b>

Authorized for issue by the management and signed on its behalf on March 11, 2022.

Finance officer



Tringa Naka

General Director



Mentor Vrajolli

Certified accountant



Njomza Mujaj

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

**KOSOVAR CENTRE FOR SECURITY STUDIES - KCSS**  
**Comprehensive income statement**  
**For the year ended December 31, 2021**

	Notes	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Revenues	6	<u>332,809</u>	<u>305,069</u>
<b>Total Revenues</b>		<b><u>332,809</u></b>	<b><u>305,069</u></b>
Personnel expenses	7	(199,674)	(179,374)
Administrative expenses	8	(132,280)	(63,515)
Other expenses	9	<u>(855)</u>	<u>(35,618)</u>
<b>Total expenses</b>		<b><u>(332,809)</u></b>	<b><u>(278,507)</u></b>
<b>Net deficit/surplus</b>		<b><u>-</u></b>	<b><u>26,562</u></b>

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

**KOSOVAR CENTRE FOR SECURITY STUDIES - KCSS**  
**Statement of Cash Flows for the year ended December 31, 2021**

	Notes	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
<b>Cash flow from operational activities</b>			
Net deficit/surplus		-	26,562
		-	<b>26,562</b>
<i>Changes in the assets and liabilities</i>			
Reduction in other assets		-	3,600
Reduction in trade and other accounts payable		(4,341)	(709)
Increase in other liabilities		36,420	-
		<b>32,079</b>	<b>29,453</b>
Interest tax paid		-	-
<b>Net cash flow from operating activities</b>		<b>32,079</b>	<b>29,453</b>
<b>Net reduction in cash and cash equivalents</b>		<b>32,079</b>	<b>29,453</b>
Cash and cash equivalents at the beginning of the year	3	161,534	132,081
<b>Cash and cash equivalents at the end of the year</b>	3	<b>193,613</b>	<b>161,534</b>

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

## **1. GENERAL**

"Kosovar Centre for Security Studies- KCSS" is a non-governmental organization with registration number 51118405 registered at Ministry of Public Administration in Kosovo in April 2008 and with Fiscal number 600278685. The registered address of the office and the basic place of the organization is Str. Sylejman Vokshi Street, Block B, Entrance 2, No.1, 10000 Prishtina, Kosovo.

The main activity of "KCSS" is the study and scientific research, organization of roundtables and conferences in the field of security and defense policies.

As at December 31, 2021 the company had 14 employees (December 31, 2020, 18 employees).

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..

### **Main Objectives and Goals**

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.

The KCSS team of experts is always resilient to develop new approaches and ideas on how to offer response to new challenges, critical issues and threats to security, such as the case of violent extremism as the most concerning security threat developed recently in Kosovo and global level. Most of the policy recommendations and options are developed in collaboration with the key actors and stakeholders such as policy makers, experts, academia and civil society representatives. KCSS has been actively engaged in the policy making process by offering expert opinion on key legal documents, strategies and action plans concerning the development of the security sector in Kosovo.

## **2. ACCOUNTING POLICIES**

### **2.1 Declaration of conformity**

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Enterprises (IFRSs for SMEs) issued by the International Accounting Standards Board.

### **2.2 Basis of measurement**

These financial statements have been 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. The basics of measurement are fully described in the accounting policies below.

### **2.3 Currency of presentation**

The financial statements are presented in Euro, which in accordance with regulations of European Monetary Union and instructions issued by the Central Bank of Kosovo. Euro is adopted as the only legal currency in the territory of Kosovo from January 1, 2002.

### **2.4 Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

### **2.5 Use of assessments and judgments**

The preparation of financial statements in accordance with IFRS for SMEs requires management to make estimates and assumptions that affect the reported figures of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Evaluation reviews are recognized prospectively.

### **2.6 Principle of continuity**

The statements of financial position and that of income, are prepared on the principle of continuity, which assumes that the company will be able to realize its assets and cover liabilities, during the normal course of business.

### **2.7 Deferred revenues**

Deferred revenues represent all payments received from contracts / projects which will be organized during the next year.



## **2. ACCOUNTING POLICIES (CONTINUED)**

### **2.8 Liabilities on Lease**

A lease obligation is recognized on the effective date of the lease. The lease liability is initially recognized at the present value of the lease payments to be made during the lease term, deducted using the implied interest rate on the lease or, if this rate cannot be easily determined, the borrowing rate increased of the consolidated unit. Lease payments include fixed payments less any incentives receivable, variable rent payments depending on an index or rate, the amount expected to be paid under residual value guarantees, the exercise price of a purchase option when exercising the option is certain to occur, and any foreseeable fines of termination. Variable rent payments that do not depend on an index or a rate are spent in the period in which they occur.

Lease liabilities are measured at amortized cost using the effective interest method. Book values are revalued if there is a change in the following: future lease payments arising from a change in an index or rate used; residual warranty; lease term; security of a purchase option and finishing fines. When a lease liability is remeasured, an adjustment is made to the corresponding usufruct asset, or to profit or loss if the carrying amount of the usufruct asset is fully written off.

Leases in which a significant portion of the risks and rewards of ownership are held by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the term of the lease.

### **2.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments maturing within periods of up to 12 months.

### **2.10 Employee benefits**

#### **Pension obligations**

The Company has pension scheme as prescribed by the local social security legislation under which it contributes to its employees' post retirement plans. Contributions, based on gross salaries, are made to the state pension plan, Kosovo Pension Saving Trust (KPST) responsible for the payment of pensions. There is no additional liability regarding these plans.

### **2.11 Revenue recognition**

Revenue is recognized when it is probable that future economic benefits will flow to KCSS and that the benefits can be measured reliably.

### **2.12 Trade and other payables**

Trade payables are yarned at their fair value and subsequently measured at their amortized cost by applying the effective interest rate method.

### **2.13 Operating expenses**

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

### **2.14 Corporate tax**

KCSS was established as a non-profit organization and, therefore, is exempt from corporate tax.

**3. CASH ON HAND AND AT BANKS**

	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
Raiffeisen Bank- 1501090000677812	155,806	123,791
Raiffeisen Bank- 1501090003447938	25,011	2,895
Raiffeisen Bank- 1501090002630713	12,768	1,528
Raiffeisen Bank- 1501090003634954	5	33,288
Raiffeisen Bank- 1501090002840524	-	2
Cash on hand	23	30
<b>TOTAL</b>	<b><u>193,613</u></b>	<b><u>161,534</u></b>

**4. TRADE PAYABLES AND OTHERS**

	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
Pension contributions	-	2,145
Personal income tax	-	1,830
Trade payables	-	366
<b>TOTAL</b>	<b><u>-</u></b>	<b><u>4,341</u></b>

**5. OTHER SHORT TERM LIABILITIES**

	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
Deferred revenue	193,613	157,193
<b>TOTAL</b>	<b><u>193,613</u></b>	<b><u>157,193</u></b>

**6. REVENUES**

	<b>Year ended December 31, 2021 (in EUR)</b>	<b>Year ended December 31, 2020 (in EUR)</b>
National Endowment For Democracy	132,620	53,161
Glasgow Caledonian University	60,930	-
The German Marshall Fund of the US	56,372	15,728
Fondacioni Kosovar per Shoqeri	25,000	10,000
Gcerf, Fonds Mondial Pour	24,800	-
U.S. Disbursing Officer Symbol	21,770	-
Berghof Foundation Operations GMB	18,225	136,688
European Fondation For South - DRIVE	16,450	-
BCBP	7,750	6,050
International Republican Institut	4,183	6,291
Synyo GMBH	2,353	10,709
Civil Rights	2,000	-
The Global Initiative	500	-
Norsk Utenrikspolitisk Institut	-	8,820
VZW Extremely Eunited	-	25,787
Raiffeisen Bank	-	8
Endowment Of The United S USDO	-	1,636
Canadian Embassy	-	2,138
Balkans Policy Research Group	-	273
Fundacja Instytut Studiow	-	270
Ministrie Van Buitenlandse	-	25,000
Center for the Study of Democracy	-	2,510
<b>Total gross revenues</b>	<b>372,953</b>	<b>305,069</b>
<b>Deferred revenues 2021</b>	<b>(40,144)</b>	<b>-</b>
<b>TOTAL NET REVENUES</b>	<b>332,809</b>	<b>305,069</b>

**7. PERSONNEL EXPENSES**

	<b>Year ended December 31, 2021 (in EUR)</b>	<b>Year ended December 31, 2020 (in EUR)</b>
Gross salary expenses	190,192	170,875
Pension contribution expenses	9,482	8,499
<b>TOTAL</b>	<b>199,674</b>	<b>179,374</b>

**8. ADMINISTRATIVE EXPENSES**

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Different expenses	69,808	-
Translation expenses	12,940	11,166
Printing and design expenses	7,954	767
Rent expenses	7,912	7,952
Accommodation expenses	5,191	5,789
Halls expenses	4,995	3,866
Drinks and food expenses	4,448	4,357
Fuel expenses	3,446	2,763
Office supply expenses	2,582	2,120
Local travel expenses	2,462	3,861
Transport expenses	2,055	-
Computer equipment expenses	1,580	105
Telephone expenses	1,394	84
Accounting expenses	1,200	1,200
Car rental expenses	1,075	6,185
Audit expenses	850	850
Heating expenses	582	788
Parking expenses	542	98
Vehicle maintenance expenses	463	1,186
Electricity expenses	186	221
Internet expenses	180	240
Vehicle insurance expenses	157	85
Water expenses	118	88
Waste expenses	107	185
Travel Insurance expenses	24	-
Postage expenses	15	9
Property tax expenses	14	-
Maintenance expenses	-	8,773
Bank chages	-	627
Car cleaning expenses	-	83
Visa expenses	-	60
Notary expenses	-	7
<b>TOTAL</b>	<b>132,280</b>	<b>63,515</b>

**9. OTHER EXPENSES**

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Bank chages	855	-
Other expenses	-	35,618
<b>TOTAL</b>	<b>855</b>	<b>35,618</b>

**10. COMMITMENTS AND CONTINGENCIES**

**Capital commitments**

There are no contingencies or commitments in existence as at the balance sheet date.

**11. SUBSEQUENT EVENTS**

Events after the end of the reporting year on the balance sheet which provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the end of the year that has not been adjusted are disclosed in the notes when the event reflects additional material value.