



## Balkan Green Foundation

Independent Auditor's Report and financial statements  
for the year ended December 31, 2015 & 2016

# BALKAN GREEN FOUNDATION

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## INDEPENDENT AUDITORS' REPORT

To the Management of Balkan Green Foundation

### *Opinion*

We have audited the accompanying financial statements of the Balkan Green Foundation (from now on referred to as BGF), which comprise the statement of financial position as of December 31, 2015 & 2016, the statement of revenue and expenditures, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the presented financial statements present fairly, in all material respects, the financial position of BGF as of December 31, 2015 & 2016 and the results of its operation for the year then ended in conformity with International Financial Reporting Standards.

### *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 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.

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.

  
ACA – Audit & Consulting Associates  
Prishtine, Kosovo  
July 2017



**BALKAN GREEN FOUNDATION**  
**Statement of Financial Position**  
For the year ended December 31, 2015 & 2016

	Notes	31-Dec-16 (in EUR)	31-Dec-15 (in EUR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	-	-
Total non-current assets		-	-
<b>Current assets</b>			
Cash and bank balances	5	61,874	28,932
Total current assets		61,874	28,932
<b>TOTAL ASSETS</b>		<b>61,874</b>	<b>28,932</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable	6	841	622
Deferred revenues	7	61,034	28,310
Total current liabilities		61,874	28,932
<b>Non-current liabilities</b>			
Total non-current liabilities		-	-
<b>Equity</b>			
Profit/Loss from the Year		-	-
Total equity		-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>61,874</b>	<b>28,932</b>

The financial statements have been signed on July 2017 by:

**Visar Azemi**  
Executive Director



The accompanying notes from 1 to 16 form an integral part of these financial statements

**BALKAN GREEN FOUNDATION**  
**Statement of Revenue and expenditures**  
**For the year ended December 31, 2015 & 2016**

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		Year ended December 31, 2016 (in EUR)	Year ended December 31, 2015 (in EUR)
	Notes		
<b>Income</b>			
Income	8	123,247	58,853
<b>Total Income</b>		<b>123,247</b>	<b>58,853</b>
<b>Expenditure</b>			
Administrative and office expenses	9	12,901	9,011
Salary expenses	10	56,926	32,650
Activity expenses	11	51,189	16,551
Utilities	12	762	370
Other	13	1,469	272
<b>Total expenditure</b>		<b>123,247</b>	<b>58,853</b>
<b>Excess of the income over expenses</b>		<u>-</u>	<u>-</u>

The accompanying notes from 1 to 16 form an integral part of these financial statements

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**BALKAN GREEN FOUNDATION**  
**Statement of Changes in Fund Balances**  
**For the year ended December 31, 2015 & 2016**

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	<b>Retained surplus (in EUR)</b>	<b>Net deficit/ surplus (in EUR)</b>	<b>Total Equity (in EUR)</b>
<b>Balance as at January 01, 2015</b>			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
<b>Balance as at December 31, 2015</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at January 01, 2016</b>			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
<b>Balance as at December 31, 2016</b>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes from 1 to 16 form an integral part of these financial statements

**BALKAN GREEN FOUNDATION**  
**Statement of Cash Flow**  
For the year ended December 31, 2015 & 2016

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	Year ended December 31, 2016 (in EUR)	Year ended December 31, 2015 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	-	-
Change in payables	219	622
Change in deferred revenues	32,723	28,310
<b>Net cash from operating activities</b>	<u>32,942</u>	<u>28,932</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>32,942</b>	<b>28,932</b>
Cash and cash equivalents at 1 January	28,932	-
<b>Cash and cash equivalents at 31 December</b>	<u><u>61,874</u></u>	<u><u>28,932</u></u>

The accompanying notes from 1 to 16 form an integral part of these financial statements



**1. INTRODUCTION**

Balkan Green Foundation (BGF) is a regional organization that promotes inclusive and equitable progress within the Western Balkans on sustainable development domain. Along with its partner organizations, BGF places a strong focus on advocating for solutions that promote development policies, which are in line with world's latest developments, global challenges and national agendas for EU integration. Regional initiatives are undertaken on an ongoing basis to further convey BGF's commitment towards regional sustainability, ensuring the strengthening and advancement of vital policies affecting key sectors, such as energy, environment, and economy.

BGF has been successfully positioned as a key strategic partner for regional and global institutions, organizations, and communities in promoting sustainable development, transforming innovative concepts into powerful solutions, and strengthening regional and global partnerships.

**BALKAN GREEN FOUNDATION**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2015 & 2016

**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 5	Non-current Assets Held for Sale and Discontinued Operations-Changes in methods of disposal	beginning on or after 1 January 2016
IFRS 7	Financial Instruments: Disclosures-Servicing Contracts and Applicability of the offsetting disclosures to condensed interim financial statements	beginning on or after 1 January 2016
IFRS 14	Regulatory Deferral Accounts	beginning on or after 1 January 2016
Amendment to IFRS 10	Consolidated Financial Statements	beginning on or after 1 January 2016
Amendment to IFRS 11	Joint Arrangements	beginning on or after 1 January 2016
Amendment to IFRS 12	Disclosure of Interests in other Entities	beginning on or after 1 January 2016
Amendment to IAS 1	Presentation of Financial Statements	beginning on or after 1 January 2016
Amendment to IAS 16	Property, Plant and Equipment	beginning on or after 1 January 2016
Amendments to IAS 19	Employee Benefits	beginning on or after 1 January 2016
Amendment to IAS 27	Separate Financial Statements	beginning on or after 1 January 2016
Amendment to IAS 28	Investments in Associates and Joint Ventures	beginning on or after 1 January 2016
IAS 34	Interim Financial reporting-Disclosure of Information elsewhere in the interim financial report	beginning on or after 1 January 2016
Amendment to IAS 38	Intangible Assets	beginning on or after 1 January 2016

## Notes to the Financial Statements (continued)

For the year ended December 31, 2015 &amp; 2016

Amendment to IAS 41	Agriculture-Bearer Plants	beginning on or after 1 January 2016
Amendment to different standards	Improvements to IFRS (2012-2014 Cycle)-resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to remove inconsistencies and clarifying wording	annual periods beginning on or after January 1, 2016
Amendment to different standards	Improvements to IFRS (2010-2012 Cycle) - The annual project resulting from improvements in quality of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to remove inconsistencies and clarifying wording	beginning on or after 1 July 2014
Amendment to different standards	Improvements to IFRS (2011-2013 Cycle)-resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to remove inconsistencies and clarifying wording	annual periods beginning on or after July 1, 2014

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

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

Standard	Description	Effective date
IFRS 2	Classification and Measurement of Share-based Payment transactions	beginning on or after 1 January 2018
IFRS 9	Financial Instruments	beginning on or after 1 January 2018
IFRS 15	Revenue from Contracts with Customers	beginning on or after 1 January 2017
IFRS 16	Leases	beginning on or after 1 January 2019

**BALKAN GREEN FOUNDATION**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2015 & 2016**

Amendment IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	beginning on or after 1 January 2017
Amendment IAS 7	Disclosure Initiative	beginning on or after 1 January 2017

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.

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

#### **3.1 Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards.

#### **3.2 Basis of preparation**

Financial Statements are prepared for reporting purposes in accordance with applicable International Financial Reporting Standards, and represent the entire picture that occurred in "BGF" during 2015 and 2016. Financial Statements are prepared on cash basis, based on which revenues and expenses are recognized at the time when either received or paid. Its financial records are based on MS Excel Spreadsheet. At the present state of accounting of BGF, it is not possible to generate a comprehensive statement of financial position or a statement of revenue and expenditures for the organization as a whole.

#### **3.3 Currency of presentation**

The reporting currency of BGF is the European Union currency unit Euro ("EUR"). The organization has two bank accounts in Raiffeisen Bank, where one is in EUR and the other in USD currency.

#### **3.4 Significant accounting policies**

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

##### **3.4.1 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 bank and in operating accounts at bank with an original maturity of three months or less.

##### **3.4.2 Foreign currencies**

Transactions in foreign currencies are converted into EUR at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to EUR at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of activities. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are converted at the foreign exchange rate ruling at the date of the transaction.

**BALKAN GREEN FOUNDATION**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2015 & 2016**

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**3.4.3 Revenue recognition**

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses is treated as deferred revenue.

**3.4.4 Property and equipment**

BGF presents all purchased equipments in the statement of revenue and expenditure. Therefore they are not capitalized nor are depreciated.

**3.4.5 Expenses recognition**

Expenses incurred for generation incomes are recognized in that period in cash basis.

**3.4.6 Taxation**

BGF is established as a nongovernmental organization, therefore has responsibility and operates as an NGO under applicable Kosovo Laws.

**3.4.7 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.

**3.4.8 Critical judgments in applying the organization's accounting policies**

In the process of applying the Organization's accounting policies, which are described in note 3 above, management has made no judgments that have significant effect on the amounts recognized in the financial statements.

**4. PROPERTY AND EQUIPMENT**

The organization treats every purchase of assets as expense. Therefore, they are not capitalized nor are depreciated.

**5. CASH AND CASH EQUIVALENTS**

The Organization has two bank accounts at Raiffeisen Bank, where on account is in EUR and the other in USD currency.

	<b>December 31, 2016 (in EUR)</b>	<b>December 31, 2015 (in EUR)</b>
Cash in hand	187	-
Cash in bank	61,687	28,932
<b>Total Cash and Bank Balances</b>	<b>61,874</b>	<b>28,932</b>

**BALKAN GREEN FOUNDATION**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2015 & 2016**

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**6. ACCOUNTS PAYABLE**

Accounts payable are related to taxes on personal income, pension contribution and taxes on rent.

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Salaries	791	572
Rent	49	49
<b>Total accounts payable</b>	<b>841</b>	<b>622</b>

**7. DEFERRED REVENUES**

Deferred revenue as of 31 December 2015 & 2016 represents the unspent funds donated in 2015 and 2016 from the Organizations mentioned below.

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Rockefeller Brothers Fund	61,034	28,310
<b>Total deferred revenues</b>	<b>61,034</b>	<b>28,310</b>

**8. INCOME FROM GRANTS**

Below are listed the grants that BGF has received in 2015 and 2016:

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Income from Rockefeller Brothers Fund	137,977	86,505
Income from Zelena akcija/FoE Croatia	9,190	-
Income from Institute of International Education	8,341	-
Other Income	463	658
Deferred Income from previous year	28,310	-
Deferred Income	(61,034)	(28,310)
<b>Total incomes</b>	<b>123,247</b>	<b>58,853</b>

**BALKAN GREEN FOUNDATION**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2015 & 2016

**9. ADMINISTRATIVE AND OFFICE EXPENSES**

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Rent expenses	6,598	4,950
Office supplies	198	659
Communication expenses	2,093	976
Bank charges	495	164
Website maintenance	180	150
Representation expenses	1,991	957
Equipments	845	1,155
Translation services	501	-
<b>Total administrative and office expenses</b>	<b>12,901</b>	<b>9,011</b>

**10. PAYROLL EXPENSES**

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Salaries	54,215	31,095
Pension contribution	2,711	1,555
<b>Total salary expenses</b>	<b>56,926</b>	<b>32,650</b>

**11. ACTIVITY EXPENSES**

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Annual meeting and public events	27,854	2,432
Accommodation and daily allowances	10,292	8,270
Travel	13,043	5,849
<b>Total activity expenses</b>	<b>51,189</b>	<b>16,551</b>

**BALKAN GREEN FOUNDATION**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2015 & 2016**

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**12. UTILITY EXPENSES**

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Expenses for electricity	762	331
Expenses for garbage utilities	-	39
<b>Total utilities expenses</b>	<b>762</b>	<b>370</b>

**13. OTHER EXPENSES**

	December 31, 2016 (in EUR)	December 31, 2015 (in EUR)
Other	1,469	272
<b>Total other expenses</b>	<b>1,469</b>	<b>272</b>

Other expenses represent the exchange rate loss from converting the USD currency in EUR currency .

**14. 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.

**15. RISK MANAGEMENT**

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



***15.2 Interest rate risk***

The organization is not exposed to interest rate risk as they do not have any borrowings or placements.

***15.3 Foreign exchange risk***

BGF is exposed to foreign exchange risk as transactions are undertaken both in local and foreign currency. BGF does not speculate in or engage in the trading of derivative financial instruments.

***15.4 Liquidity risk***

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

**16. SUBSEQUENT EVENTS**

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