

**BALKAN GREEN FOUNDATION**

Pristina, Kosovo

Financial Statements

For the year ended December 31,2023

and

**INDEPENDENT AUDITOR'S REPORT**

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## **INDEPENDENT AUDITOR'S REPORT**

To: Board and management of the organisation "Balkan Green Foundation (BGF)

### **Opinion**

We have audited financial statements of "Balkan Green Foundation" (*the organisation*) which comprises the Statement of Financial Position as at December 31, 2023 and the Statement of Income and Statement of Cash Flows for the year ended on that date, and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the 'Balkan Green Foundation' (BGF) as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and requirements of the Law No. 06 / L-043 on 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 Organization 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.

### **Other matters**

The financial statements for the year ended December 31, 2022, have been audited by another statutory auditor, and the opinion is unmodified. Our opinion is not modified in respect of this matter.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and for such controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 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 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 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 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.

Lulzim Zeka  
Statutory Auditor



**Baker Tilly**  
Baker Tilly Kosovo L.L.C.  
Prishtinë  
Baker Tilly Kosovo  
20 August 2024

BALKAN GREEN FOUNDATION  
 STATEMENT OF FINANCIAL POSTION  
 As at 31 December 2023  
 (Amounts expressed in EUR)

	Note	As at 31 December 2023	As at 31 December 2022
<b>Assets</b>			
Cash and cash equivalents	3	196,461	114,267
Advances and prepayments	4	45,374	-
<b>Total assets</b>		<b>241,835</b>	<b>114,267</b>
<b>Fund balance and liabilities</b>			
Unspent funds		-	-
<b>Total fund balance</b>		<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Trade and other accounts payable	5	434	-
Deferred revenue	6	241,401	114,267
<b>Total liabilities</b>		<b>241,835</b>	<b>114,267</b>
<b>Total fund balance and liabilities</b>		<b>241,835</b>	<b>114,267</b>

These financial statements are approved and signed on 20 August 2024 on behalf of the management by:

Executive Director

Financial and administration manager

Agron Demi

Doruntina Murati



**balkan  
green  
foundation**

The accompanying notes from 1 to 14 of the financial statements are an integral part of them.

BALKAN GREEN FOUNDATION  
 STATEMENT OF COMPREHENSIVE INCOME  
 For the year ended as at 31 December 2023  
 (Amounts expressed in EUR)

		For the year ended as at 31 December 2023	For the year ended as at 31 December 2022
	Notes		
<b>Revenue</b>			
Revenue recognised from grants	7	319,777	434,977
<b>Total revenue</b>		<b>319,777</b>	<b>434,977</b>
<b>Expenses</b>			
Administrative expenses	8	22,253	29,868
Salaries expenses	9	150,357	158,439
Activity expenses	10	57,556	204,786
Other expenses	11	5,416	1,884
Partnerships and sub-grantees expenses	12	84,195	40,000
<b>Total expenses</b>		<b>319,777</b>	<b>434,977</b>
<b>Sufficit / (deficit) of funds</b>		<b>-</b>	<b>-</b>

*The accompanying notes from 1 to 14 of the financial statements are an integral part of them.*

BALKAN GREEN FOUNDATION  
 STATEMENT OF CASH FLOWS  
 For the year ended as at 31 December 2023  
 (Amounts expressed in EUR)

	For the year ended as at 31 December 2023	For the year ended as at 31 December 2022
Operating activities	-	-
Sufficit / (defficit) of funds for the year	-	-
Change in trade and other payables	434	-
Change in advance and prepayments	(45,374)	-
<b>Net cash flow from operating activities</b>	<b>(44,940)</b>	<b>-</b>
Financing activities		
Change in deferred revenues	127,134	(73,714)
<b>Net cash flow from financing activities</b>	<b>127,134</b>	<b>(73,714)</b>
Increase / (decrease) of cash from activities	82,194	(73,714)
Cash and cash equivalents at the beginning of the year	114,267	187,981
<b>Cash and cash equivalents at the end of the year</b>	<b>196,461</b>	<b>114,267</b>

*The accompanying notes from 1 to 14 of the financial statements are an integral part of them.*

## 1. Organisation and activities

Balkan Green Foundation was established on January 15, 2014, with registration number 5200289-3. The founders of the organization, Balkan Green Foundation ("BGF"), are Visar Azemi and Hilda Dimco. The executive director of the organization is Agron Demi.

The NGO's address:

2 Korriku Street no. 2/3, Mother Teresa Square, 10 000 Pristina, Kosovo.

### Mission, Purpose, and Activities of the Organization

The purpose of the organization is to protect and promote sustainable development in the field of energy in the region. The BGF Foundation focuses on promoting environmental protection, the development of the energy sector, and raising awareness about climate change, which impacts sustainable economic development in the country and the region.

## 2. Material accounting policies

### 2.1. Basis of preparation of financial statements

The financial statements have been prepared on the basis of historical cost in accordance with the requirements of law no. 06/L-043 On Freedom of Association in Non-Governmental Organizations and International Accounting Standards in Kosovo. The financial statements are prepared and presented on an accrual basis and in compliance with accounting policies and procedures and general practices. Financial statements are prepared using specified measurement bases for each type of asset, liability, income and expense. The basis of measurement is described more fully in the following accounting policies.

### 2.2. Functional currency and transactions in foreign currencies

The organization Balkan Green Foundation ("organization") registers transactions in Euro. All amounts reported in the Statement of Financial Position and changes in net assets are reported in Euros. Transactions in foreign currencies are recorded at the exchange rates in effect on the date of the transaction. Monetary assets and monetary liabilities in foreign currencies are converted according to the exchange rate at the Balance Sheet date. The profit or loss as a result of the exchange is recorded in the Income Statement.

### 2.3. Foreign currency transactions

Foreign currency transactions are recorded on the transaction date. Monetary assets and liabilities expressed in foreign currencies are restored at the exchange rate at the end of the reporting period. Foreign currency differences resulting from re-translation are recognized in profit or loss.

### 2.4. Tax income

The organization is a non-governmental organization (NGO), whose donations received in the reporting year were used for the realization of the organization's mission. According to the law no. 06 / L-105 on Corporate Income Tax, NGOs whose Total income is used for their purposes of public benefit are exempt from taxes.

### 2.5. Property, plant and equipment

The organization does not use a policy on the capitalization of non-current assets but debits them through the annual comprehensive income (expense) statement. The organization recognizes non-current assets as an expense of the year at the time of occurrence, but also maintains a list of specific assets according to donors, manuals and internal policies.

### 2.6. Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash on deposit.



## 2. Material accounting policies (continuance)

### 2.7. Revenue

The income of the organization represents the donations received from the donors/grants. Revenues are recognized when they are earned rather than received and expenses are recognized when they are incurred rather than when they are paid. Revenues are recognized at the level of incurred expenses and are treated according to 'IAS 20'. The remainder is presented as deferred income or as funds kept available for future use.

### 2.8. Operating and administrative expenses

The organization recognizes expenses at the time of occurrence. Expenses are recorded on an accrual basis. The organization's expenses consist of personnel expenses, operational and administrative expenses, programmatic and other general expenses.

### 2.9. Deferred revenue

Deferred revenue is income / donations for which cash has been collected by the organization, but has not yet been spent. As a consequence, this responsibility occurs when the "BGF" organization collects funds in advance for a project that will be implemented in the future. The recognition of income is done at the time of the occurrence of expenses.

### 2.10. Employee benefits

The organization pays only the mandatory social security contributions on the pension scheme of its employees. Pension contributions are calculated at 5% based on gross wages, which are declared and paid on a monthly basis, in the Kosovo Pension Savings Trust (TKPK). The organization has no additional liability in connection with this plan. Contributions are expensed as incurred.

## 3. Cash and cash equivalents

	As at 31 December 2023	As at 31 December 2022
Cash at bank	196,458	114,217
Petty cash	3	50
<b>Total</b>	<b>196,461</b>	<b>114,267</b>

## 4. Advances and prepayments

	As at 31 December 2023	As at 31 December 2022
Advances granted	10,000	-
Co-beneficiaries	35,374	-
<b>Total</b>	<b>45,374</b>	<b>-</b>

## 5. Trade and other payable accounts

	As at 31 December 2023	As at 31 December 2022
Trade payables	434	-
<b>Total</b>	<b>434</b>	<b>-</b>

BALKAN GREEN FOUNDATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 For the year ended as at 31 December 2023  
 (Amounts expressed in EUR)

6. Deferred revenue

	As at 31 December 2023	As at 31 December 2022
Opening balance	114,267	187,981
Received funds during the year	446,911	361,263
Expenses during the year	(319,777)	(434,977)
<b>Remaining balance</b>	<b>241,401</b>	<b>114,267</b>

7. Revenue recognised from grants

For the year ending December 31, 2023, the recognized revenue amounts to €319,777 (For the year 2022: €434,977). Specifically, the organization recognizes revenue at the time of the associated cost, meaning that revenue is recognized in the amount of expenses incurred during this period.

	For the year ended as at 31 December 2023	For the year ended as 31 December 2022
Income from RBF	103,392	137,548
Income from Green Cross	13,141	132,545
Income from Erasmus +	1,480	46,485
Income from EUKI	555	39,870
Income from BTD	-	19,370
Income from RYCO	-	15,183
Income from HBS	10,024	14,807
Income from UN	-	14,219
Income from SĚEPA	12,721	11,519
Income from ĚBD	37,738	1,321
Income from Youth Alliance (EACEA)	-	200
Income from Rise (AFD)	19,179	-
Income from KFOS	5,205	-
Income from Smart Balkans (Norwegian Embassy)	8,559	-
Income from World Bank	96,013	-
Other income	11,772	1,910
<b>Total</b>	<b>319,777</b>	<b>434,977</b>

7.1. Funds received during the year

For the year ending December 31, 2023, the organization received funds from donors amounting to €446,911 (for the year 2022: €361,263). Since revenues are recognized/amortized in the amount of expenses incurred during the fiscal period, any surplus/shortfall in funds is allocated to the remaining balance of deferred revenue, as detailed in Note 6 of the financial statements

BALKAN GREEN FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended as at 31 December 2023  
(Amounts expressed in EUR)

8. Operating and administrative expenses

	For the year ended as at 31 December 2023	For the year ended as 31 December 2022
Office expenses	6,290	11,950
Rent expenses	9,231	9,231
Audit expenses	5,039	7,784
Website maintenance expenses	-	903
Professional expenses	1,694	-
<b>Total</b>	<b>22,253</b>	<b>29,868</b>

9. Salaries expenses

	For the year ended as at 31 December 2023	For the year ended as 31 December 2022
Gross salaries	150,357	151,186
Employer's pension contribution	-	7,253
<b>Total</b>	<b>150,357</b>	<b>158,439</b>

10. Activities expenses

	For the year ended as at 31 December 2023	For the year ended as 31 December 2022
International and regional activities	-	77,667
Transfers to partners	-	74,095
Investment expenses	400	24,608
Travel expenses	4,347	4,954
Equipment for activities	6,277	-
Events/workshops/conferences	30,464	-
Other organisation activities	16,069	23,462
<b>Total</b>	<b>57,556</b>	<b>204,786</b>

11. Other expenses

	For the year ended as at 31 December 2023	For the year ended as 31 December 2022
Other expenses	5,416	1,884
<b>Total</b>	<b>5,416</b>	<b>1,884</b>

BALKAN GREEN FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
For the year ended as at 31 December 2023  
(Amounts expressed in EUR)

12. Partnership and subgrantees expenses

	For the year ended as at 31 December 2023	For the year ended as 31 December 2022
Partnership: Balkan Green Ideas	35,606	40,000
Subgrantee: Lëvizja Fol	24,022	-
Subgrantee: ODK	24,567	-
<b>Total</b>	<b>84,195</b>	<b>40,000</b>

13. Consistencies and Commitments

*Litigation*

For the year ended December 31, 2023 and December 31, 2022, the organization has not been involved in any legal issues.

14. Subsequent events

There are no events after the date of authorization of the financial statements that require adjustments or disclosures in the financial statements