

**Organization for Democracy,
Anticorruption and Dignity—ÇOHU**

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

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INDEPENDENT AUDITORS' REPORT

To the Organization for Democracy, Anticorruption and Dignity—ÇOHU

We have audited the accompanying financial statements of Organization for Democracy, Anticorruption and Dignity (from now on referred to as ÇOHU), which comprise the balance sheet as at December 31, 2015, and the statement of revenue and expenditure, statement of changes in net assets and cash flow statement for the year then ended, and other explanatory notes.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Kosovo Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

Deferred Revenues

The balance of deferred revenues as of 31 December 2014 was EUR 25,303. Nonetheless we could not assure ourselves for accuracy of the initial balance of deferred revenues as of 01 January 2015.

Qualified Opinion

In our opinion, except for the above mentioned issues, the financial statements above present fairly, in all material respects, the financial position of ÇOHU as of December 31, 2015 and the results of its operation for the year then ended in conformity with accounting principles generally accepted in Kosovo.


ACA – Audit & Consulting Associates
Prishtine, Kosovo
February 2017

ÇOHU

Balance Sheet

For the year ended December 31, 2015

		31-Dec-15	31-Dec-14
	Notes	(in EUR)	(in EUR)
ASSETS			
Non-current assets			
Property and equipment	4	-	-
Total non-current assets		-	-
Current assets			
Accounts receivable		-	-
Advance payments		-	-
Cash and bank balances	5	77,384	29,290
Total current assets		77,384	29,290
TOTAL ASSETS		77,384	29,290
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable	6	4,131	3,987
Deferred revenues	7	68,469	25,303
Total current liabilities		72,600	29,290
Non-current liabilities			
Equity			
Capital/Restricted funds		-	-
Forward carried value of previous Year		-	12,601
Carried value from the Year		4,784	(12,601)
Total equity		4,784	-
TOTAL LIABILITIES AND EQUITY		77,384	29,290

The financial statements have been signed in January, 2017 by:

Arton Demhasaj

Executive Director



Bardha Nikoliqi

Financial Officer

The accompanying notes from 1 to 13 form an integral part of these financial statements

ÇOHU
Statement of Revenue and Expenditures
For the year ended December 31, 2015

		Year ended December 31, 2015	Year ended December 31, 2014
	Notes	(in EUR)	(in EUR)
Income			
Income	8	172,786	148,896
Total Income		172,786	148,896
Expenditure			
Program and administrative expenses	9	146,515	154,455
Activity expenses	10	21,487	7,042
Total expenditure		168,002	161,497
Excess of the income over expenses		4,784	(12,601)

The accompanying notes from 1 to 13 form an integral part of these financial statements

ÇOHU
Statement of Changes in Net Assets
For the year ended December 31, 2015

	As of 31 December, 2015 (in EUR)
Opening balance as of January 01, 2014	12,601
Net deficit/surplus for the year ended December 31, 2014	<u>(12,601)</u>
Balance as at December 31, 2014	-
Opening balance as of January 01, 2015	-
Net deficit/surplus for the year ended December 31, 2015	4,784
Balance as at December 31, 2015	<u><u>4,784</u></u>

The accompanying notes from 1 to 13 form an integral part of these financial statements

ÇOHU

Statement of Cash Flows

For the year ended December 31, 2015

	Year ended December 31, 2015	Year ended December 31, 2014
	(in EUR)	(in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	4,784	(12,601)
Adjustment for:		
Depreciation	-	-
Change in advance payments	-	-
Change in payables	144	971
Change in deferred revenues	43,166	(9,815)
Net cash from operating activities	48,094	(21,444)
Cash flows from investing activities		
Acquisition of property and equipment	-	-
Net cash used in investing activities	-	-
Net increase in cash and cash equivalents	48,094	(21,444)
Cash and cash equivalents at 1 January	29,290	50,734
Cash and cash equivalents at 31 December	77,384	29,290

The accompanying notes from 1 to 13 form an integral part of these financial statements

ÇOHU
Notes to the Financial Statements
For the year ended December 31, 2015

1. INTRODUCTION

The Organisation for Democracy, Anti-Corruption and Dignity 'ÇOHU!' was founded by Avni Zogiani, Anton Nrecaj and Alban Bokshi on 29 August 2005. ÇOHU was first registered by the Kosovo Ministry of Public Services on 13 September 2005 (registration no. 5200131-5).

The main objectives of the organization are:

- Raising awareness for anti-corruption through media campaign
- Improvement of implementation of the law on access in official documents in Kosovo
- Strengthening of cooperation with Anti-corruption Agency
- Capacity building of the organization and strengthening of anti corruption coalition

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:

Standard	Description	Effective date
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

ÇOHU

Notes to the Financial Statements (continued)

For the year ended December 31, 2015

Amendment to IAS 38	Intangible Assets	beginning on or after 1 January 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

ÇOHU

Notes to the Financial Statements (continued)

For the year ended December 31, 2015

IFRS 15	Revenue from Contracts with Customers	beginning on or after 1 January 2017
IFRS 16	Leases	beginning on or after 1 January 2019
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 entity 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 laws of Kosova, and represent the entire picture that occurred in "ÇOHU" during 2015. Financial Statements are prepared on cash basis, based on which revenues and expenses are recognized at the time when either received or paid. The organization uses spreadsheets for preparation of financial statements.

3.3 Currency of presentation

The reporting currency of ÇOHU is the European Union currency unit Euro ("EUR"). The organization has eight bank accounts in Pro Credit Bank.

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.

ÇOHU
Notes to the Financial Statements (continued)
For the year ended December 31, 2015

3.4.2 Foreign currencies

The organization does not perform transactions in foreign currencies.

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 balance carried forward to the next period.

3.4.4 Property and equipment

ÇOHU presents all purchased equipments in 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

ÇOHU 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.

ÇOHU

Notes to the Financial Statements (continued)

For the year ended December 31, 2015

4. PROPERTY AND EQUIPMENT

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

5. CASH AND BANK BALANCES

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
Cash in hand	237	287
Cash in bank	77,147	29,003
Total Cash and Bank Balances	77,384	29,290

During this period "ÇOHU" had eight bank accounts opened in Pro Credit Bank. All bank accounts are in Euro currency.

6. ACCOUNTS PAYABLE

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
Income tax on salaries	1,082	-
Pension contributions	1,188	-
Tax on rent	50	-
Audit fees	1,600	-
Other	212	3,987
Total accounts payable	4,131	3,987

ÇOHU
Notes to the Financial Statements (continued)
For the year ended December 31, 2015

7. DEFERRED REVENUES

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
Kosovo Foundation for Open Society	56,793	-
Democratic Society Promotion (DSP)	11,676	-
Other deferred	-	25,303
Total deferred revenues	<u>68,469</u>	<u>25,303</u>

8. INCOMES

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
Income from Kosovo Foundation for Open Society	65,790	17,300
Kosovar Civil Society Foundation	34,000	26,871
Income from Free Press Unlimited	-	20,375
Income from Civil Rights Defenders	75,376	76,707
Income from Kosovo Glocal	37,725	-
Income from Community Development Fund	3,062	-
Other	-	7,643
Deferred Income from previous year	25,303	-
Deferred Income	(68,469)	-
Total incomes	<u>172,786</u>	<u>148,896</u>

ÇOHU

Notes to the Financial Statements (continued)

For the year ended December 31, 2015

9. PROGRAM AND ADMINISTRATIVE EXPENSES

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
Staff and admin expenses	122,070	107,419
Rent expenses	5,394	9444
Office supplies and maintenance	4,501	7,875
Equipments	2,240	6,433
Phone and internet	3,352	3,912
Vehicle maintenance and registration	572	380
Bank charges	486	766
Audit Cost	1,600	2,800
Utilities	300	1,780
Publication and printing costs	6,000	13,646
Total program and administrative expenses	146,515	154,455

10. ACTIVITY EXPENSES

	December 31, 2015 (in EUR)	December 31, 2014 (in EUR)
Training room and refreshments	2,295	1,298
Travel and accommodation expenses	1,656	3,372
Strategic planning	2,466	-
Training expenses	2,800	-
Web Services	3,575	1,230
Database development	7,097	-
Conference/roundtable	1,100	742
Software maintenance	498	400
Program Services	-	-
Total activity expenses	21,487	7,042

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

12.2 Interest rate risk

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

12.3 Foreign exchange risk

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

12.4 Liquidity risk

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

13. SUBSEQUENT EVENTS

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