

## **Kosovar Stability Initiative - IKS**

Independent Auditor's Report and Individual Financial Statements  
for the year ended December 31, 2025

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## INDEPENDENT AUDITOR'S REPORT

### To the Management of Kosovar Stability Initiative - IKS

#### ***Opinion***

We have audited the accompanying financial statements of Kosovar Stability Initiative - IKS, which comprise the statement of financial position as at December 31, 2025 and the statement of profit or loss, 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 IKS as of December 31, 2025, results of its operation and the cash flow for the year then ended in conformity with actual laws.

#### ***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 statement's 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.

  
Armend Osaj – Statutory Auditor  
ACA – Audit & Consulting Associates  
Prishtine, Kosove  
30 March, 2026

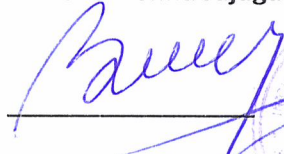



**Kosovar Stability Initiative - IKS**  
**Statement of Financial Position**  
For the year ended December 31, 2025

		December 31, 2025 (in EUR)	December 31, 2024 (in EUR)
<b>ASSETS</b>	<b>Notes</b>		
<b>Current assets</b>			
Cash and bank balances	3	6,449	25,332
Accounts Receivable	4	-	-
Total current assets		<u>6,449</u>	<u>25,332</u>
<b>Non-current assets</b>			
Property and equipment		-	-
Total non-current assets		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u><u>6,449</u></u>	<u><u>25,332</u></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable	5	-	1,700
Other Liabilities		-	-
Deferred Revenue	6	6,015	23,199
Total current liabilities		<u>6,015</u>	<u>24,899</u>
<b>Reserves</b>			
Retained surplus		434	3,096
Opening Balance		-	-
Net (deficit)/surplus for the year		-	(2,662)
Total reserves		<u>434</u>	<u>434</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><u>6,449</u></u>	<u><u>25,333</u></u>

The financial statements have been signed on 30 March 2026 by:

**Brikenë Hoxha Jajaga**

  
  
**Executive Director**

**Florina Baruti**

  
**Finance Manager**

The accompanying notes from 1 to 15 form an integral part of these financial statements

**Kosovar Stability Initiative - IKS**  
**Statement of Profit or Loss**  
**For the year ended December 31, 2025**

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		Year ended December 31, 2025 (in EUR)	Year ended December 31, 2024 (in EUR)
<b>Income</b>			
Grant Incomes	<b>7</b>	155,405	160,982
Other Income		-	-
<b>Total income</b>		<b>155,405</b>	<b>160,982</b>
<b>Expenditure</b>			
Staff salaries and benefits	<b>8</b>	93,772	89,130
Rent		9,231	9,231
Utilities		1,492	908
Telephone and Internet	<b>9</b>	1,203	1,292
Office Supplies		516	775
Travel Expenses	<b>10</b>	4,880	1,067
IT & website maintenance		562	545
Audit fee		-	1,700
Printing and visibility action	<b>11</b>	15,672	3,760
Contract services	<b>12</b>	1,484	10,600
Bank charges		424	277
Program related costs		19,310	18,812
Program related costs - Grants		5,689	24,828
Other		1,170	720
<b>Total expenditure</b>		<b>155,405</b>	<b>163,645</b>
<b>Net (Deficit)/surplus for the year</b>		<b>-</b>	<b>(2,662)</b>

The accompanying notes from 1 to 15 form an integral part of these financial statements

**Kosovar Stability Initiative - IKS**  
**Statement of Changes in Net Assets**  
**For the year ended December 31, 2025**

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	<b>Retained surplus</b>	<b>Total Reserves</b>
	<b>(In EUR)</b>	<b>(In EUR)</b>
<b>Balance as at December 31, 2023</b>	<b>3,096</b>	<b>3,096</b>
Net deficit/surplus for the year ended December 31, 2024	(2,662)	(2,662)
<b>Balance as at December 31, 2024</b>	<u><b>434</b></u>	<u><b>434</b></u>
Net deficit/surplus for the year ended December 31, 2025	-	-
<b>Balance as at December 31, 2025</b>	<u><b>434</b></u>	<u><b>434</b></u>

The accompanying notes from 1 to 15 form an integral part of these financial statements

**Kosovar Stability Initiative - IKS**  
**Statement of Cash Flows**  
**For the year ended December 31, 2025**

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	Year ended December 31, 2025 (in EUR)	Year ended December 31, 2024 (in EUR)
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the period	-	(2,662)
Adjustment for:		
Depreciation	-	-
Change in receivables	-	-
Change in payables	(1,700)	-
Change in deferred revenues	(17,184)	16,618
Change in other current liabilities	-	-
<b>Net cash from operating activities</b>	<b>(18,883)</b>	<b>13,955</b>
<b>Net increase in cash and cash equivalents</b>	<b>(18,883)</b>	<b>13,955</b>
Cash and cash equivalents at 1 January	25,332	11,377
<b>Cash and cash equivalents at 31 December</b>	<b>6,449</b>	<b>25,332</b>

The accompanying notes from 1 to 15 form an integral part of these financial statements

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

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**1. INTRODUCTION**

The Kosovar Stability Initiative – IKS is an independent, not-for-profit think tank focusing on empirical research and analysis of socio-economic developments in Kosovo. Funded in 2004, IKS offers innovative and policy- relevant research with the aim of initiating debates on issues of importance for Kosovo’s future.

The mission of Kosovar Stability Initiative – IKS is to further the wellbeing of Kosovar citizens through empirical research, the initiation of well-informed public policies, awareness-raising, regional cooperation, advocacy and networking.

We believe that evidence based public debates stand at the core of democratic decision making. Since its inception, IKS work has focused on issues of governance, economic development, urban planning, unemployment and youth, public administration reform, social dialogue, anti-corruption in post war reconstruction, Kosovo’s image problem, education, environmental issues and cultural heritage.

All reports are freely available on our website [www.iksweb.org](http://www.iksweb.org)

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

### **2.1 Basis of preparation**

The financial statements for the Organization have been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

### **2.2 Currency of presentation**

The functional currency of the Organization is the European Union currency unit Euro (“EUR”). The business financial statements are presented in Euro.

### **2.3 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.

### **2.4 Trade payables**

The amounts payable is measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the business or not.

### **2.5 Taxes**

The organization was established as a non-governmental organization; therefore, it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

### **2.6 Revenue recognition**

Grant revenues are recognized as revenue in the period in which they are paid. At the end of the year the excess amount of income in addition to expenses are treated as a balance carried forward to the next period.

### **2.7 Financial costs**

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

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**2.8 Employee benefits**

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

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**3. CASH AND CASH EQUIVALENTS**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Cash in hand	207	169
Cash at banks	6,242	25,163
<b>Total Cash and Bank Balances</b>	<b>6,449</b>	<b>25,332</b>

**4. ACCOUNTS RECEIVABLE**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Accounts Receivable	-	-
<b>Total Accounts Receivable</b>	<b>-</b>	<b>-</b>

**5. ACCOUNTS PAYABLE**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Accounts Payable	-	1,700
Accrues Expenses	-	-
<b>Total Accounts payable</b>	<b>-</b>	<b>1,700</b>

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
For the year ended December 31, 2025

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**6. DEFERRED REVENUES**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
CDF	1,700	-
European Commission - Ryde	212	9,720
GIZ	-	6,635
MKRS	5,500	-
EU-KGSC	(1,721)	6,844
Other	325	-
<b>Deferred revenues</b>	<b>6,015</b>	<b>23,199</b>

**7. GRANT INCOMES**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
European Commission - RYDE	32,448	13,181
CDF	80,709	71,005
OPC	-	15,785
GIZ	8,622	11,365
EU-KGSC	29,624	49,646
MKRS	3,900	-
Other	102	-
<b>Total grant incomes</b>	<b>155,405</b>	<b>160,982</b>

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

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**8. STAFF SALARIES AND BENEFITS**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Gross Salaries	90,420	85,964
Pension Contribution	3,352	3,166
<b>Total salaries and benefits</b>	<b>93,772</b>	<b>89,130</b>

**9. PHONE AND INTERNET**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Phone	737	826
Internet	465	465
<b>Total phone and internet</b>	<b>1,203</b>	<b>1,292</b>

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

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**10. TRAVEL COSTS**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Travel expenses	4,880	1,067
Vehicle expenses	-	-
<b>Total travel costs</b>	<b>4,880</b>	<b>1,067</b>

**11. TRAVEL EXPENSES**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Debates	1,750	-
Awareness raising campaign	8,792	-
Promotional material for the pr	-	-
Produce a documentary film	2,500	2,000
Information expenses (OPC)	-	-
Printing and visibility action	2,630	1,760
<b>Total printing and visibility action</b>	<b>15,672</b>	<b>3,760</b>

**12. CONTRACTED SERVICES**

	<b>December 31, 2025 (in EUR)</b>	<b>December 31, 2024 (in EUR)</b>
Contracted services	1,484	10,600
<b>Total Contractes Services</b>	<b>1,484</b>	<b>10,600</b>

**Kosovar Stability Initiative - IKS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**

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**13. 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.

**14. RISK MANAGEMENT**

**14.1 Credit risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of trade receivables and holdings of cash at bank. The Organization's credit risk is managed by placing its cash and cash equivalents with high quality financial institutions. The receivables credit risk is controlled through revised credit terms (maximum 15 days as credit limit), credit approvals, credit limits and monitoring procedures.

**14.2 Interest rate risk**

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

**14.3 Foreign exchange risk**

The organization pays liabilities in foreign currency within a short period of time thus reducing the risk that changes in foreign currency would result in significant losses.

**14.4 Liquidity risk**

Liquidity risk arises in the general funding of the Organization's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturity and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame to meet the liability obligations.

The organization monitors its liquidity on a periodic basis in order to manage its obligations as and when they fall due. As at December 31, 2025, the Organization's financial assets and liabilities have maturity less than 12 months.

**15. SUBSEQUENT EVENTS**

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