



## **Democracy Plus**

Independent Auditor's Report and financial statements  
for the year ended December 31, 2023

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## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of the Democracy plus

#### ***Opinion***

We have audited the accompanying financial statements of the Democracy Plus, which comprise the statement of financial position as at December 31, 2023, 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 Democracy Plus as of December 31, 2023, results of its operation and the cash flow for the year then ended in conformity with International Financial Reporting Standards.

#### ***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.

Armen Osaj – Statutory Auditor  
ACA – Audit & Consulting Associates  
Prishtine, Kosovo  
08 February 2024



**DEMOCRACY PLUS**  
**Statement of Financial Position**  
For the year ended December 31, 2023

	Notes	December 31, 2023 (in EUR)	December 31, 2022 (in EUR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	42,942	28,554
Total non-current assets		<u>42,942</u>	<u>28,554</u>
<b>Current assets</b>			
Cash and bank equivalents	5	130,334	180,260
Accounts receivable	6	23,721	26,885
Program advance		-	-
Total current assets		<u>154,055</u>	<u>207,145</u>
<b>TOTAL ASSETS</b>		<u><b>196,996</b></u>	<u><b>235,699</b></u>
<b>LIABILITIES AND RESERVES</b>			
<b>Non-current liabilities</b>			
Deferred Revenue: Donated Assets	4	42,942	28,554
Total non-current liabilities		<u>42,942</u>	<u>28,554</u>
<b>Current liabilities</b>			
Accounts payable	7	33,371	2,191
Deferred Revenue	8	120,683	204,954
Total current liabilities		<u>154,055</u>	<u>207,145</u>
<b>Reserves</b>			
Retained surplus		-	-
Total reserves		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u><b>196,996</b></u>	<u><b>235,699</b></u>

The financial statements have been signed in February, 2024 by:

Valmir Ismaili  
  
Executive Director



Gani Asllani  
  
Director of Finance and Administration

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

**DEMOCRACY PLUS**  
**Statement of Comprehensive Income**  
For the year ended December 31, 2023

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	Notes	December 31, 2023	December 31, 2022
		(in EUR)	(in EUR)
<b>Income</b>			
Grant income	9	1,017,754	571,398
Income from donated assets	4	14,399	9,627
<b>Total income</b>		<b>1,032,153</b>	<b>581,025</b>
<b>Operating Expense</b>			
Staff salaries and benefits	10	525,413	390,343
Project activities	11	398,192	120,295
Administrative expenses	12	94,147	60,760
Depreciation expenses	4	14,399	9,627
<b>Total Operating Expense</b>		<b>1,032,153</b>	<b>581,025</b>
<b>Net (deficit)/surplus for the year</b>		<b>-</b>	<b>-</b>

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

**DEMOCRACY PLUS**  
**Statement of Changes in Equity**  
**For the year ended December 31, 2023**

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	Retained surplus	Total
	(in EUR)	(in EUR)
<b>As at December 31, 2021</b>	<u>-</u>	<u>-</u>
Profit for the year	-	-
<b>As at December 31, 2022</b>	<u>-</u>	<u>-</u>
Profit for the year	-	-
<b>As at December 31, 2023</b>	<u>-</u>	<u>-</u>

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

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**DEMOCRACY PLUS**  
**Statement of Cash Flows**  
For the year ended December 31, 2023

	Year ended December 31, 2023 (in EUR)	Year ended December 31, 2022 (in EUR)
<b>Cash flows from operating activities</b>		
Net (deficit)/surplus for the year	-	-
Adjustments for:		
Depreciation of property and equipment	14,399	9,627
Income from donated assets	-	-
<b>Operating surplus before changes in operating assets and liabilities</b>	<b>14,399</b>	<b>9,627</b>
 <b>Changes in operating assets and liabilities</b>		
Change in accounts receivable	3,164	(3,299)
Change in donated assets	14,388	13,764
Change in deferred revenues	(84,270)	48,104
Change in accounts payable and accrued expenses	31,180	(6,728)
Change in advance	-	-
<b>Net cash used in operating activities</b>	<b>(21,139)</b>	<b>61,468</b>
 <b>Cash flows from investing activities</b>		
Purchase of property and equipment	(28,787)	(23,391)
<b>Net cash used in investing activities</b>	<b>(28,787)</b>	<b>(23,391)</b>
 <b>Net decrease in cash and cash equivalents</b>	<b>(49,926)</b>	<b>38,077</b>
Cash and cash equivalents at the beginning of the year	180,260	142,183
<b>Cash and cash equivalents at the end of the year</b>	<b>130,334</b>	<b>180,260</b>

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



**DEMOCRACY PLUS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**1. INTRODUCTION**

Democracy Plus (hereafter called the "Organization" or "D+", a non-for-profit organization is established as a foundation, founded in accordance with the Law no. 04/L-057 on freedom of Association in Non-Governmental Organizations, approved from the Kosovo Assembly on 2011, under the registered number 5200344-0 and Fiscal number 601602643. The organization was registered on 11.03.2016.

The main objective of D+ is to foster democratic values and practices that will further strengthen the voice of the Kosovar society. D+ aims at contributing in establishing good governance practices, strengthening the rule of law, assisting political parties and the process of free and fair elections, and fostering respect for human rights and social issues. In its short time of existence, D+ has implemented different projects that aim to bring decision-makers closer to citizens through policy research, facilitation of dialogue and interaction as well as public education.

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023**

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

**2.1 Statement of compliance**

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

**2.2 Basis of preparation**

The financial statements have been prepared on the historical cost basis.

**2.3 Currency of presentation**

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

**2.4 Significant accounting policies**

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

**2.4.1 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.

**2.4.2 Foreign currencies**

Transactions in foreign currencies are converted to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at the exchange rate at the reporting date. Non-monetary items that are measures in terms of historical cost in a foreign currency are not retranslated.

**2.4.3 Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss. Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Democracy Plus.

Depreciation is calculated to write off the cost of items of IT equipment and Furniture and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. The estimated useful lives of property and equipment for current and comparative periods are as follows:

IT equipment	5 years
Furniture, fixture and equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023**

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adjusted if appropriate.

**2.4.4 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.

**2.4.5 Expenses recognition**

Expenses incurred are recognized in that period with the historical costs.

**2.4.6 Taxation**

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

**2.4.7 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.

**2.4.8 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.

**2.4.9 Critical judgments in applying the accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2023

**3. PROPERTY AND EQUIPMENT**

	Computer equipment	Furniture	Equipment	Total
<b>Cost</b>				
As at January 01, 2022	23,562	8,045	2,251	33,858
Additions	12,937	7,684	2,771	23,391
Write offs and disposals	-	-	-	-
<b>As at December 31, 2022</b>	<b>36,499</b>	<b>15,729</b>	<b>5,022</b>	<b>57,249</b>
As at January 01, 2023	36,499	15,729	5,022	57,249
Additions	17,844	6,569	4,373	28,787
Write offs and disposals	-	-	-	-
<b>As at December 31, 2023</b>	<b>54,343</b>	<b>22,298</b>	<b>9,395</b>	<b>86,036</b>
<b>Accumulated depreciation</b>				
As at January 01, 2022	11,524	6,013	1,530	19,068
Depreciation charge for the year	6,205	2,561	862	9,627
Write offs and disposals	-	-	-	-
<b>As at December 31, 2022</b>	<b>17,729</b>	<b>8,574</b>	<b>2,392</b>	<b>28,695</b>
As at January 01, 2023	17,729	8,574	2,392	28,695
Depreciation charge for the year	9,408	3,272	1,719	14,399
Write offs and disposals	-	-	-	-
<b>At December 31, 2023</b>	<b>27,137</b>	<b>11,846</b>	<b>4,111</b>	<b>43,094</b>
<b>Net book value</b>				
<b>As at December 31, 2023</b>	<b>27,206</b>	<b>10,452</b>	<b>5,284</b>	<b>42,942</b>
<b>As at December 31, 2022</b>	<b>18,770</b>	<b>7,155</b>	<b>2,630</b>	<b>28,554</b>

**4. DEFERRED INCOME RELATED TO DONATED ASSETS**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
Balance as at 01 January	28,554	14,790
Donation received during the year	28,787	23,391
Release to income during the year	(14,399)	(9,627)
<b>Balance as at 31 December</b>	<b>42,942</b>	<b>28,554</b>

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023**

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**5. CASH AND BANK BALANCES**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
Cash on hand	269	40
Cash at banks	130,065	180,220
<b>Total Cash and Cash Equivalents</b>	<b><u>130,334</u></b>	<b><u>180,260</u></b>

During this period “Democracy Plus” had nine bank accounts opened in Pro Credit Bank. Eight bank accounts are in Euro currency, one bank account is in USD currency.

**6. ACCOUNTS RECEIVABLE**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
<b>Accounts Receivables</b>		
Accounts Receivables	23,721	26,885
<b>Total Accounts Receivables</b>	<b><u>23,721</u></b>	<b><u>26,885</u></b>

**7. PAYABLES**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
<b>Accounts Payable</b>		
Accounts payable	33,371	2,191
<b>Total Accounts Payable</b>	<b><u>33,371</u></b>	<b><u>2,191</u></b>

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023**

**8. DEFERRED REVENUE**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
Democracy Plus	17,142	21,367
Chemonics International Inc./ USAID	-	6,798
The European Union, office in Kosovo No-2022-440-903	-	47,994
The European Union, represented by European Commission No-2022/441-430	17,987	65,328
Deutsche Gesellschaft fur Internationale Zusammenarbeit - GIZ GmbH	14,045	-
Instituti për Demokraci dhe Ndërmjetësim - SMART	28,556	-
CO - Plan - Institute for Habitat Development	-	3,744
United Nations Development Programme / UNDP - Reference No. LVGA LVG2023034	9,937	23,386
United Nations Development Programme / UNDP1 - Reference No. LVG2023075	16,999	-
National Democratic Institute - NDI	6,325	-
Balkan Investigative Report Network (BIRN) / British Embassy in Kosovo	-	2,290
Democracy International and DPL1/SCA - Social Contract Activity in Kosovo-USAID	972	-
Local Works - Recycling Matters Activity- Gračanica/Graçanicë - USAID	4,897	-
National Endowment for Democracy (NED)	3,823	11,058
Kosovar Civil Society Foundation - KCSF	-	22,990
<b>Total Deferred Revenue</b>	<b>120,683</b>	<b>204,954</b>

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023**

**9. GRANT INCOMES**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
Kosovar Civil Society Foundation (KCSF)	51,490	24,211
DAI Global, LLC/ USAID	48,291	-
USAID	-	11,057
Democracy Plus	-	5,452
The Olof Palme International Center (OPIC)	-	31,330
The Olof Palme International Center (OPIC) II	-	47,331
National Endowment for Democracy (NED)	49,481	47,475
International Republican institute - IRI	-	14,809
Balkan Investigative Report Network (BIRN)	14,367	-
Balkan Investigative Report Network (BIRN) - NDI	-	887
Chemonics International Inc/ USAID	62,175	40,497
Foundation for Internet and Society METAMORPHOSIS	-	8,111
Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ GmbH	26,783	-
Westminster Foundation for Democracy (WFD)	-	3,950
The University of Illinois Chicago - Tabaco	11,439	-
CO-Plan - Institute for Habitat Development	5,363	-
Konrad-Adenauer-Stiftung, Office Kosovo / KAS	-	220
Helvetas Swiss Intercooperation Kosovo - DEMOS	4,892	5,347
National Democratic Institute (NDI) in Kosovo, Taipei Representative Office in Budapest, Hungary	-	4,500
CO-Plan - Institute for Habitat Development	-	22,161
Crimson	-	6,519
Democracy International and DPL1/SCA - Social Contract Activity in Kosovo-USAID	103,467	75,776
United Nations development Programme - UNDP - Reference No. LVGA LVG2023034	56,235	14,072
United Nations development Programme - UNDP - Reference No. LVG2023075	1,001	-
Local Works - Recycling Matters Activity- Gračanica/Gračanice - USAID	414,890	46,163
The European Union, office in Kosovo No-2022/441-430	47,341	98
The European Union, represented by European Commission No-2022/441-430	106,546	104,373
Internews-SG-S	8,869	-
The University of Illinois in Chicago	-	30,431
National Democratic Institute - NDI	5,125	23,628
The Regional Cooperation Council Secretariat	-	3,000
<b>Total grant incomes</b>	<b>1,017,754</b>	<b>571,398</b>

**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2023

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**10. STAFF SALARIES AND BENEFITS**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
Salary for Administration	157,173	92,929
Salary for Program	276,102	195,213
External Personnel	59,908	78,997
Health Insurance	6,738	4,400
Pension contribution	25,493	18,805
<b>Total staff salaries and benefits</b>	<b>525,414</b>	<b>390,343</b>

**11. PROJECT ACTIVITIES**

	December 31, 2023	December 31, 2022
	(in EUR)	(in EUR)
Training expenses	18,095	13,805
Platform lancing	3,082	19,791
Marketing costs	19,861	3,743
Infographics and design	-	2,560
Translation	19,992	10,783
Project partners	269,095	24,389
Travel and Meetings	25,117	12,299
Workshops	1,192	-
Other	7,649	6,205
Research and Analysis	34,110	26,719
<b>Total Project activities</b>	<b>398,193</b>	<b>120,295</b>



**DEMOCRACY PLUS**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2023**

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**12. ADMINISTRATIVE EXPENSES**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Rent	29,011	15,340
Office supplies	6,679	3,380
Travel expenses	3,649	4,867
Printing and design layout	26,678	10,539
Telephone and internet	5,700	4,207
Audit expenses	2,500	3,000
Utilities	1,757	987
Repairs and maintenance	15,298	15,676
Other expenses	2,877	2,764
<b>Total administrative expenses</b>	<b>94,148</b>	<b>60,760</b>

**DEMOCRACY PLUS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

**13. PROFIT AND LOSS BY PROJECTS**

	Notes	Chemonics International (in EUR)	European Union (in EUR)	KCSF - EJA (in EUR)	SCA (in EUR)	NED (in EUR)	USAID / RMG (in EUR)	Other Projects (in EUR)	Total (in EUR)
<b>Income</b>									
Grant income	9	62,175	106,546	51,490	103,467	49,481	414,890	229,706	1,017,754
Income from donated assets	4	-	-	1,500	3,491	-	9,408	-	14,399
<b>Total income</b>		<b>62,175</b>	<b>106,546</b>	<b>52,990</b>	<b>106,958</b>	<b>49,481</b>	<b>424,298</b>	<b>229,706</b>	<b>1,032,153</b>
<b>Operating Expense</b>									
Staff salaries and benefits	10	48,060	79,272	27,468	80,889	39,712	107,671	142,340	525,414
Project activities	11	11,833	17,805	16,118	7,318	3,748	289,122	52,248	398,193
Administrative expenses	12	2,281	9,468	7,903	15,259	6,021	18,098	35,118	94,148
Depreciation expenses	4	-	-	1,500	3,491	-	9,408	-	14,399
<b>Total Operating Expense</b>		<b>62,175</b>	<b>106,546</b>	<b>52,990</b>	<b>106,958</b>	<b>49,481</b>	<b>424,298</b>	<b>229,706</b>	<b>1,032,153</b>
<b>Net (Deficit)/surplus for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**DEMOCRACY PLUS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2023**

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**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**

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.

**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**

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.

**15.4 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, 2023, the Organization's financial assets and liabilities have maturity less than 12 months.

**16. SUBSEQUENT EVENTS**

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