

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

FOL MOVEMENT/LËVIZJA FOL

For the year ended 31 December 2011

**Prishtine
April 2012**



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Independent Auditors' Opinion

To the management of FOL Movement

We have audited financial statements, revenue and budget expenses of FOL Movement in Prishtine, Kosovo for the year ended 31 December 2011 expressed in EUR. These financial statements and supplementary financial data are the responsibility of the organization's management. Our responsibility is to express an opinion on the aforementioned financial information based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the reporting forms are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the reporting forms. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the proper accounting and reporting of the data on the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information present fairly, in all material respects, the financial position FOL Movement for the year ended 31 December 2011, and the results of operations in accordance with contractual agreements signed with donors and relevant laws of Kosovo.

Lulzim Berisha
Statutory Auditor

BU & Partners
Prishtina



FOL Movement

Income Statement

For the year ended 31 December 2011

	<i>Note</i>	<u><i>December 31, 2011</i></u>	<u><i>December 31, 2010</i></u>
Income			
Income from Donations	4	220,782	150,519
Total Income		<u>220,782</u>	<u>150,519</u>
Expenses			
Personnel		87,370	73,414
Program Specific Costs		77,776	39,273
Consultants		12,981	5,219
Travel		4,184	7,302
Supplies		4,398	2,188
Equipment		6,646	1,260
Website		3,835	1,362
Communication		4,457	2,974
Other Direct costs		19,136	17,527
Total Expenses		<u>220,782</u>	<u>150,519</u>
Net Surplus		<u>-</u>	<u>-</u>

FOL Movement
Balance Sheet
For the year ended 31 December 2011

Assets	<i>Note</i>	<u><i>December 31, 2011</i></u>	<u><i>December 31, 2010</i></u>
Current assets			
Cash & cash equivalents	3	52,190	25,215
Advances		-	-
Total current assets		52,190	25,215
Noncurrent assets			
Office Equipment		-	-
Total noncurrent assets		-	-
Total Assets		52,190	25,215
 Liabilities			
Short term liabilities			
Accounts payable		1,546	-
Tax and Payroll Liabilities		2,269	1,141
Deferred Revenues	4	48,376	51,490
Total short term liabilities		52,190	52,631
Total Liabilities		52,190	52,631
 Equity			
Opening Balance		-	-
Net surplus/deficit		-	-
Total Equity		-	-
Total Liabilities and Equity		52,190	52,631

FOL Movement
Cash Flow Statement
For the year ended 31 December 2011

	2011	2010
	EUR	EUR
Cash flow from operating activities		
Net surplus/(deficit) for the year	-	-
<i>Changes in operating assets and liabilities</i>		
Depreciation	-	-
(Increase)/Decrease in receivables	-	-
(Increase)/Decrease in other advances	-	-
(Increase)/Decrease in prepayments	-	-
Increase/(Decrease) in payroll liabilities	1,128	672
Increase/(Decrease) in other liabilities	25,848	(28,220)
	<hr/>	<hr/>
Net cash flow from operating activities	26,975	(27,548)
 Cash flow from investing activities		
Additions in fixed assets	-	-
	<hr/>	<hr/>
Net cash flow from investing activities	-	-
	<hr/>	<hr/>
Net increase/(decrease)	26,975	(27,548)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year	25,215	52,763
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Cash and cash equivalent at the end of the year	52,190	25,215
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FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. Introduction

FOL Movement is registered as a non-governmental and non-profit Organization under the Law No. 03/L-134 on Freedom of Associations in Non-Governmental Organizations, number 5112424-3 on 25 June 2009 with head office in Prishtina, and started to operate from 01 September 2009.

The organization is established to contribute in the transparency and accountability of the public institutions of Republic of Kosovo. To achieve these goals organization will undertake these activities:

- Debates and Trainings
- Conferences, seminars and round tables
- Publications and Research
- Avocation and technical support
- Monitoring of public institutions
- Mobilizing and networking

FOL Movement's donors for the year 2011 are:

- Royal Norwegian Embassy
- National Endowment for Democracy
- The Balkan Trust for Democracy
- Kosovo Foundation for Open Society
- Kosovar Civil Society Foundation
- Institute of Sustainable Communities & USAID
- British Embassy
- Open Society Institute
- The Charles Stewart Mott Foundation
- Civil Rights Defenders

**FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2011

2. Statement of Significant Accounting Policies

A) General Accounting Principle

For the purposes of financial recording, FOL Movement uses the combined accrual and cash method of accounting for reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, FOL Movement records most of its transactions on a cash basis of accounting.

The financial statements have been prepared in accordance with the Kosovo Accounting Standards under historical cost convention as modified by the revaluation of financial assets and liabilities.

B) Summary of Accounting Policies

Reporting Currency

The FOL Movement accounting records are maintained in EURO and all financial statements are prepared and presented in EURO

Deferred Revenues

Deferred Revenues are that revenues/donation for which the cash has been collected by the organization, but have not been yet spent. Consequently this liability occurs when FOL Movement payment in advance for a project to be implemented in future.

Taxation

FOL Movement is a NGO whose received donations in the reporting year have been implemented into humanitarian purposes. According to law L162 on Corporate Income Tax, international NGO's whose total income was used for their public benefit purposes are tax exempted.

Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances.

FOL MOVEMENT
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

3. Cash and cash equivalents

	2011	2010
ProCredit main bank account	17,708	205
ProCredit sub bank account 1	1,854	4,872
ProCredit sub bank account 2	2,170	1,091
ProCredit sub bank account 3	26	3,436
ProCredit sub bank account 4	49	8,615
ProCredit sub bank account 5	7	-
ProCredit sub bank account 6	4,709	-
ProCredit sub bank account 7	105	-
ProCredit sub bank account 8	25,562	-
TEB bank account	-	5,268
TEB bank account	-	1,068
Cash box	-	910
Total	52,190	25,466