

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS REPORT

SBUNKER  
For the period JANUARY 2017 – DECEMBER 2017



## BAKER TILLY KOSOVO

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### Independent Auditors' Report

To: The management of Sbunker

We have audited financial statements of Sbunker (the Organization), which comprises the statement of financial position as at 31 December 2017, and the income statement for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of Sbunker, for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the financial reporting requirement of organization and relevant laws in Kosovo.

#### 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 from 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.

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

Management is responsible for the preparation of the financial statements in accordance with the financial reporting requirements 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 Kosovo  
Prishtina, Kosovo  
18 April 2018



**BAKER TILLY**  
**KOSOVO**  
Prishtine

**SBunker**

**Statements of comprehensive income**  
for the year ended 31 December 2017

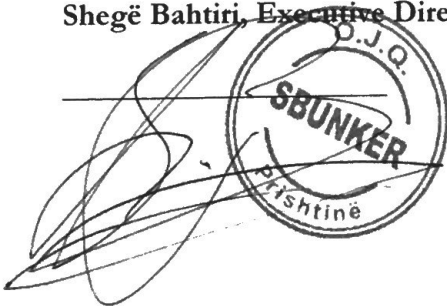
|                        | <i>Note</i> | <i>31-Dec-17</i> | <i>Amounts in EUR<br/>31-Dec-16</i> |
|------------------------|-------------|------------------|-------------------------------------|
| <b>Income</b>          |             |                  |                                     |
| Income from Donations  |             | 102,466          | 24,937                              |
| <b>Total Income</b>    |             | <b>102,466</b>   | <b>24,937</b>                       |
| <b>Expenses</b>        |             |                  |                                     |
| Expenses               |             |                  |                                     |
| Personnel              |             | 10,650           | 5,269                               |
| Program Specific Costs |             | 11,540           | 3,857                               |
| Consultants            |             | 72,756           | 15,020                              |
| Travel                 |             | 802              | 20                                  |
| Supplies               |             | 2,178            | 184                                 |
| Website                |             | 1,275            | 319                                 |
| Other Direct costs     |             | 3,265            | 267                                 |
| <b>Total Expenses</b>  |             | <b>102,466</b>   | <b>24,937</b>                       |
| <b>Net Surplus</b>     |             | <b>-</b>         | <b>-</b>                            |

**Sbunker****Statement of financial position**  
as at 31 December 2017

| <b>Assets</b>                       | <i>Notes</i> | <i>Amounts in EUR</i> |                  |
|-------------------------------------|--------------|-----------------------|------------------|
|                                     |              | <u>31-Dec-17</u>      | <u>31-Dec-16</u> |
| <b>Current assets</b>               |              |                       |                  |
| Cash & cash equivalents             |              | 66,746                | 22,406           |
| <b>Total current assets</b>         |              | <u>66,746</u>         | <u>22,406</u>    |
| <b>Non-Current Assets</b>           |              |                       |                  |
| Equipments                          |              | -                     | -                |
| <b>Total Non-Current Assets</b>     |              | <u>-</u>              | <u>-</u>         |
| <b>Total Assets</b>                 |              | <u>66,746</u>         | <u>22,406</u>    |
| <b>Liabilities</b>                  |              |                       |                  |
| <b>Short term liabilities</b>       |              |                       |                  |
| Tax and Payroll Liabilities         |              | 2,727                 | 1,326            |
| Deferred Revenues                   |              | 63,925                | 21,063           |
| Other liabilities                   |              | 94                    | 17.00            |
| <b>Total short term liabilities</b> |              | <u>66,746</u>         | <u>22,406</u>    |
| <b>Total Liabilities</b>            |              | <u>66,746</u>         | <u>22,406</u>    |
| <b>Equity</b>                       |              |                       |                  |
| Opening Balance                     |              | -                     | -                |
| Unrestricted Funds                  |              | -                     | -                |
| <b>Total Equity</b>                 |              | <u>-</u>              | <u>-</u>         |
| <b>Total Liabilities and Equity</b> |              | <u>66,746</u>         | <u>22,406</u>    |

These financial statements have been approved and signed on behalf of the management on 26 March 2018 by

Shegë Bahtiri, Executive Director



**Sbunker****Statement of cash flow**  
as at 31 December 2017

|  | <b>2017</b><br>EUR | <b>2016</b><br>EUR |
|--|--------------------|--------------------|
| <b>Cash flow from operating activities</b>             |                    |                    |
| 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 payables                        | -                  | -                  |
| Increase/(Decrease) in payroll liabilities             | 1,401              | 1,326              |
| Increase/(Decrease) in other liabilities               | 42,939             | 21,058             |
| <b>Net cash flow from operating activities</b>         | <b>44,340</b>      | <b>22,384</b>      |
| <b>Cash flow from investing activities</b>             |                    |                    |
| Additions in fixed assets                              | -                  | -                  |
| <b>Net cash flow from investing activities</b>         | <b>-</b>           | <b>-</b>           |
| <b>Net increase/(decrease)</b>                         | <b>-</b>           | <b>-</b>           |
| Cash and cash equivalents at the beginning of the year | 22,406             | 0.00               |
| <b>Cash and cash equivalent at the end of the year</b> | <b>66,746</b>      | <b>22,384</b>      |

## **Sbunker**

### **Notes to financial statements** For the year ended 31 December 2017

#### **1. Introduction**

Sbunker 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 of the Republic of Kosovo, with their office in Prishtina. Number of registration: 5200340-7.

#### **1.1 Background**

Sbunker is a non-governmental organization operating since January 2016. The organization has received salience with its unique nature as a pioneer of New Media formats. During a very short period, the organization established an online blog which attracted a vast number of authors, now reaching over 160, with several content categories and with over 1, 000 articles published to thousands of online readers.

The blog [www.sbunker.net](http://www.sbunker.net) is the main product of the Sbunker organization. It has featured high public officials, independent analysts and experts, artists and civil society activists of the country and abroad. So far, it has been able to shape debates over a number of controversial policy issues, most notably on gender equality, free speech and education.

The fast-paced growth of the organization provided with capacities to host events, organize lectures and seminars as well as foster its co-operation with other civil society organizations. In this spirit, Sbunker hosted an event with renowned Nein Quarterly's Eric Jarosinski in May 2016, discussing the identity politics in Kosovo, through satire and the New Media effect. During the same period, Sbunker expanded its media realm, as well as the wider surrounding Kosovar scene by introducing the Thematic Blogs, designed as sub-blogs within Sbunker that carry their own identity and cover a certain theme or subject.

Apart from online content, Sbunker has also entered the visual production range, by collaborating with the Open 333 product on the publication of six video-messages regarding important current affairs.. Public representatives, politicians, civil society activists and professors have appeared in the series thus far.

However, most notably, Sbunker has taken a big leap out of the online realm and into field work, by co-founding the truAktiv school for critical thinking, along with Kosovo 2.0. The program offers days of lectures and blogging workshops to youngsters all around the largest centers of Kosovo, with eminent speakers and wide-range topics, including gender equality, media's role in creating stereotypes regarding minorities, art as a political tool, violent extremism, rule of law and the role of civil society. Part of this project are also movie nights and book giveaways, hosted on Wednesdays, which aim to boost critical thinking within recreational settings with students of Prishtina.

Sbunker looks to expand these initiatives countrywide, and continue pushing the movement for pluralistic and critical debate, while collaborating with a wide range of local and international civil society organizations.

**Sbunker**

**Notes to financial statements**  
For the year ended 31 December 2017

**2. Summary of significant accounting policies**

**2.1 Basis for presentation**

For the purposes of financial recording, Sbunker uses accrual method of accounting for reporting the receipt and disbursement of funds. Under this method of reporting of financial transactions, revenues and expenses are recognized when earned and occurred.

**2.2 Functional currency**

Sbunker incurs transactions in Euros. All amounts reported in the financial report have been translated to EURO using published exchange rates in effect at date of transfers received.

**2.3 Receivables**

The receivable accounts of the organization are grant receivables from donors.

**2.4 Accounts Payables**

Utilities, project expenses and payables to partner organizations to whom Sbunker stands as the grantor have been disposed on the financial statements as accounts payable.

**2.5 Deferred Income**

Deferred Income is the income/donation for which the cash has been collected by the organization, but have yet to be earned. Consequently this liability occurs when Sbunker receives payment in advance for a project to be implemented in future.

**2.6 Income taxes**

The organization is a non-governmental organization (NGO) whose received donations in the reporting year have been implemented for non-profit purposes. According to law Nr.03/L162 on Corporate Income Tax, NGOs' whose total income was used for their nonprofit purposes are tax exempted.



Sbunker

**Notes to financial statements**

For the year ended 31 December 2017

*(All amounts are in Euro)***3. Cash & Cash equivalents**

| <b>As at 31 December</b> | <b>2017</b>   | <b>2016</b>   |
|--------------------------|---------------|---------------|
| Pro Credit Bank          | 66,728        | 22,406        |
| Petty cash               | 18            | -             |
| <b>Total</b>             | <b>66,746</b> | <b>22,406</b> |

**4. Deferred Revenues/Incomes**

| <b>Donor</b>   | <b>Deferred revenues in 2017</b> | <b>Transferred in 2017</b> | <b>Expenses 2017</b> | <b>Returned to Donors</b> | <b>Deferred revenues for the next period</b> |
|--|----------------------------------|----------------------------|----------------------|---------------------------|--|
| Advocacy Training and Resource Center (ATRC) - USAID | 1,819                            | 30,901                     | 32,090               |                           | 631  |
| Civil Rights Defenders                               | -                                | 11,160                     | 11,160               |                           | -  |
| Kosovar Civil Society Foundation                     | 4,675                            | 60,902                     | 15,706               |                           | 49,871                                       |
| Kosovar Foundation for Open Society                  | 8,114                            |                            | 8,014                |                           | 100  |
| National Endowment for democracy                     | 6,459                            | 21,925                     | 23,576               |                           | 4,808  |
| US Embassy Pristina                                  |                                  | 16,954                     | 10,811               |                           | 6,144  |
| Sbunker  | (4)                              | 3,167                      | 1,110                |                           | 2,052  |
| Lëvizja FOL  |                                  | 320                        |                      |                           | 320  |
| <b>Total</b>   | <b>21,063</b>                    | <b>145,328</b>             | <b>102,466</b>       | <b>-</b>                  | <b>63,925</b>                                |

**SBunker**

**Notes to financial statements**  
For the year ended 31 December 2017  
*(All amounts are in Euro)*

**5. Project Expenses****Advocacy Training and Resource Center (ATRC) - USAID**

Countering Violent Extremism through "Critical Thinking Program"  
E4E-R4-038

|                                    | <b>Expenses</b> |
|------------------------------------|-----------------|
| Executive Director                 | 1,959           |
| Project Manager                    | 5,875           |
| Financial Officer                  | 1,951           |
| Employer's pension contribution 5% | 487             |
| Office Supplies                    | 349             |
| Transportation Costs               | 383             |
| Communications Costs               | 170             |
| Bank Fees                          | 87              |
| Field Coordinator                  | 2,070           |
| Lecturer/Speaker                   | 3,723           |
| Space for lectures                 | 1,436           |
| Refreshments during lectures       | 740             |
| Event Assistant                    | 1,872           |
| Refreshments during film screening | 485             |
| Books for participants             | 531             |
| Special speakers from the region   | 640             |
| Sound system during lectures       | 364             |
| Awards for winners                 | 190             |
| Articles on Sbunker. OP-ED         | 151             |
| Articles on Sbunker, Ese           | 167             |
| Promotion on social media          | 347             |
| Internts                           | 1,729           |
| Editorial Board                    | 3,520           |
| Scratch Cards                      | 219             |
| Printing Costs                     | 194             |
| Tru AKTIV lunch                    | 222             |
| Perdiem                            | 504             |
| Refreshments                       | 149             |
| Tranportation for Tru AKTIV        | 97              |
| Lecturer/Speaker                   | 344             |
| Acomodation fee                    | 540             |
| Design and Printing Costs          | 593             |
| <b>Total</b>                       | <b>32,090</b>   |

**SBunker**

**Notes to financial statements**  
For the year ended 31 December 2017  
*(All amounts are in Euro)*

**Civil Rights Defenders**

Support to Sbunker Media Program

171415

|  | <b>Expenses</b> |
|--|-----------------|
| Project Manager                        | 1,522           |
| Editorial Board Member 1               | 873             |
| Editorial Board Member 2               | 873             |
| Editorial Board Member 3               | 873             |
| Thematic Blog - Me tager               | 1,745           |
| Thematic Blog - Human rights           | 1,745           |
| Thematic Blog - Media and transparency | 1,745           |
| Editor                                 | 913             |
| Outreach and planning events           | 578             |
| Project Audit                          | 294             |
| <b>Total</b>                           | <b>11,160</b>   |

**Civil Rights Defenders**

Support to Sbunker Media Program

161415

|   | <b>Expenses</b> |
|---|-----------------|
| Executive Director / Project manager            | 4,673           |
| Gender rights posts                             | 1,200           |
| Regional affairs and minority communities posts | 1,200           |
| Strategic Planning                              | 505             |
| Outreach and planning events                    | 578             |
| Audit Costs                                     | 263             |
| <b>Total</b>                                    | <b>8,419</b>    |

**Kosovar Foundation for Open Society**

OPEN 333

C14/16

|  | <b>Expenses</b> |
|--|-----------------|
| Project Manager                                | 1,050           |
| Executive Director                             | 300             |
| Financial Officer                              | 450             |
| Bank Expenses                                  | 5               |
| Administrative Cost                            | 1,091           |
| Vido Production                                | 2,000           |
| Translation                                    | 500             |
| Promotion in Social Media for OPEN 333         | 156             |
| Articles in Sbunker                            | 900             |
| Promotion in Social Media for sbunker articles | 36              |
| Webpage maintenance                            | 319             |
| Illustration                                   | 1,207           |
| <b>Total</b>                                   | <b>8,014</b>    |

**SBunker**

**Notes to financial statements**  
 For the year ended 31 December 2017  
*(All amounts are in Euro)*

**National Endowment for democracy**

Fostering Open Debate through New Media  
 2016-1224

|                                      | <b>Expenses</b> |
|--------------------------------------|-----------------|
| Executive Director                   | 2,888           |
| Financial Manager                    | 1,330           |
| Editor                               | 1,584           |
| Pensional Contribution               | 309             |
| Office Maintenance and Utilities     | 459             |
| Communications                       | 403             |
| Travel (Gas & taxi)                  | 342             |
| Short comments, 45 pcs @ \$44        | 558             |
| Op-eds/essays/reviews, 72 pcs @ \$90 | 3,753           |
| Researched essays, 18 pcs @ \$100    | 547             |
| Thematic blogs, 45 articles @ \$100  | 3,392           |
| Editorial board, 4 @ \$900           | 2,200           |
| Social media promotion, 9 mos @ \$72 | 597             |
| <b>Total</b>                         | <b>18,362</b>   |

**National Endowment for democracy**

Fostering Open Debate through New Media  
 2017-1162

|                                       | <b>Expenses</b> |
|---------------------------------------|-----------------|
| Executive Director                    | 877             |
| Financial Manager                     | 401             |
| Editor                                | 324             |
| Pensional Contribution                | 64              |
| Editorial board, partial, 3 @ \$1,100 | 676             |
| Researched essays, 36 pcs. @ \$120    | 701             |
| Thematic blogs, 48 articles @ \$100   | 2,163           |
| Bank fees                             | 7               |
| <b>Total</b>                          | <b>5,213</b>    |

**Sbunker**

**Notes to financial statements**  
For the year ended 31 December 2017  
*(All amounts are in Euro)*

**5. Project Expenses (Continued)****US Embassy Pristina**

Dialogue as mean - Normalization as aim  
S-KV-420-17-GR-039

|  | <b>Expense</b> |
|--|----------------|
| Project Manager                            | 2,789          |
| Executive Director                         | 744            |
| Financial Officer                          | 930            |
| Fringe Benefits                            | 223            |
| Local travel                               | 141            |
| Office supplies                            | 182            |
| Activities OP-EDS fee                      | 1,027          |
| Translation of OP-EDS                      | 360            |
| Public debates room rent                   | 228            |
| Sound system equipment and translation fee | 1,240          |
| Public debates material                    | 60             |
| Project Visibility                         | 100            |
| Editorial Board                            | 2,789          |
| <b>Total</b>                               | <b>10,811</b>  |

**Kosovar Civil Society Foudation**

SIDA G-01

|                                  | <b>Expense</b> |
|----------------------------------|----------------|
| Website maintainance and support | 319            |
| Financial Manager                | 300            |
| Op-Eds                           | 346            |
| Researched Essays / Neper Teh    | 123            |
| Perballje (Debate box)           | 372            |
| Social media boosting            | 50             |
| <b>Total</b>                     | <b>1,509</b>   |

**Kosovar Civil Society Foudation**

TruAktiv

|                                 | <b>Expense</b> |
|---------------------------------|----------------|
| Project Coordinatr              | 2,250          |
| Finance Officer                 | 750            |
| Senior Consultant               | 6,400          |
| Expert                          | 1,750          |
| Technical (Refreshments, space) | 589            |
| Operationg Costs                | 42             |
| <b>Total</b>                    | <b>11,781</b>  |

**Sbunker**

**Notes to financial statements**  
For the year ended 31 December 2017  
*(All amounts are in Euro)*

**5. Project Expenses (Continued)****Kosovar Civil Society Foudation**

OSI SERIES

01/OSI/2017

|                    |                |
|--------------------|----------------|
|                    | <b>Expense</b> |
| Project Activities | 2,416          |
| <b>Total</b>       | <b>2,416</b>   |

**Kosovar Civil Society Foudation**

Truaktiv-Lux

LUX-02

|              |                |
|--------------|----------------|
|              | <b>Expense</b> |
| Bank Fees    |                |
| <b>Total</b> | <b>-</b>       |

**Sbunker**

|                 |                |
|-----------------|----------------|
|                 | <b>Expense</b> |
| Operating Costs | 1,111          |
| <b>Total</b>    | <b>1,111</b>   |

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|   |                |
|---|----------------|
| <b>TOTAL EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2017</b> | <b>102,466</b> |
|---|----------------|

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