

Kosova Rehabilitation Centre for Torture Victims (KRCT)

**Financial Statements and Independent Auditors' Report
December 31, 2020**

Financial Statements and Independent Auditors' Report 31st December 2020

Content:

Independent Auditors' Report.....	3
Statement of Financial Position.....	6
Statement of operations.....	7
Cash Flow statement.....	8
Statement of Changes in Funds.....	9
Notes to Financial Statements.....	10-16

Independent Auditors' Report

To the management of Kosova Rehabilitation Centre for Torture Victims

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Kosova Rehabilitation Centre for Torture Victims (further referred to as "the Organization" or "KRCT") which comprise of the Statement of Financial Position as at 31 December 2020, and the Statement of Comprehensive Income, Statement of changes in funds and Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, included on pages 6 to 15.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Organization as of 31 December 2020, and its financial performance, changes in funds and its cash flows for the year then ended in accordance 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 Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosovo, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined there are no key audit matters to be communicated in our report.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 the Financial Statements

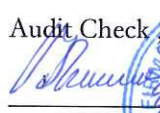
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 the 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 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Audit Check


Haxhi Nimanaj
Statutory Auditor,
Tel: +377 44 224 0121
16 of March 2021



Statement of Financial Position

	Note	31 December 2020	31 December 2019
Assets			
Current assets			
Cash and cash equivalents	3	149,038	236,893
Grants receivable		29,727	
Advances and prepayments			
		<u>178,765</u>	<u>236,893</u>
Noncurrent assets			
Vehicles and equipment	4	21,653	4,057
Total noncurrent assets		<u>21,653</u>	<u>4,057</u>
		<u>200,418</u>	<u>240,950</u>
Total assets			
Liabilities			
Short term liabilities			
Accounts payable	5	26,087	12,099
Grants payable			
Deferred revenue from grants	6	106,858	164,701
Total liabilities		<u>132,945</u>	<u>176,800</u>
Equity			
Retained earnings		64,150	61,015
Surplus of the year		3,323	3,135
Total Equity		<u>67,473</u>	<u>64,150</u>
Total Equity & Liabilities		<u>200,418</u>	<u>240,950</u>

Approved by the Management of the Organization on 10 of February, 2021:

Feride Rushiti

Executive Director

Besa Shatri Berisha

Finance Manager

The Kosova Rehabilitation Centre for Torture Victims (KRCT)
Financial Statements as of and for the year ended December 31, 2020

Statement of Operation

	Note	Year ended on December 31,	
		2020	2019
Income			
Income from Donors	7	765,662	707,184
		3,323	4,319
Total Income		768,985	711,503
Expenses			
Program expenses	8	(600,497)	(565,226)
General and administrative expenses	9	(165,166)	(143,142)
Total expenses		(765,662)	(708,368)
Surplus / (Deficit) of the year		3,323	3,135

The Kosova Rehabilitation Centre for Torture Victims (KRCT)
Financial Statements as of and for the year ended December 31, 2020

Cash Flow Statement

	Year ended on December 31,	
	2020	2019
Operating activities		
Cash received		
Total cash received		
Cash paid		
Staff cost	(72,321)	(63,136)
Fuel and maintenance of vehicles	(10,255)	(8,318)
Utility	(2,546)	(2,005)
Rent	(30,920)	(26,313)
Communication	(4,952)	(2,856)
Office costs and supplies	(12,930)	(6,682)
Project staff costs	(172,426)	(164,216)
Capacity building	(17,240)	(19,962)
Experts and consultants fee	(10,621)	(12,865)
Research activities	(7,673)	(64,208)
Campaign	(9,183)	(24,851)
Contributions to implementing partner	(52,321)	(63,043)
Other administrative payments	(31,245)	(28,905)
Other project expenditure payments	(317,045)	(121,118)
Total payments	(751,674)	(608,479)
Cash flow from operating activities	(751,674)	(608,479)
Investing activities		
Purchase of property plant and equipment	4 (18,408)	
Cash flow from investing activities	(18,408)	
Financing activities		
Grants received in cash	682,227	721,555
Cash flow from financing activities	682,227	113,075
Net cash flow during the year	(87,855)	113,075
Cash at the beginning of the year	236,893	123,818
Cash at the end of the year	3 149,038	236,893

The Kosova Rehabilitation Centre for Torture Victims (KRCT)
Financial Statements as of and for the year ended December 31, 2020

Statement of Changes in Funds

	Year ended on December 31,	
	2020	2019
Equity at the beginning of the year	64,150	61,015
Surplus for the year	3,323	3,135
Deficit for the year		
Equity at the end of the year	67,473	64,150

1. General Information

The Kosova Rehabilitation Centre for Torture Victims (KRCT) is an independent, non-governmental and non-profit organization that was founded in 1999 with the mission to provide treatment and rehabilitation for Kosovar torture victims. KRCT continuously works to expand its staff's and the public sector's capacity to provide services on trauma and torture related issues. KRCT is also engaged in promoting the respect of human rights for all of Kosova's ethnicities and in the prevention and eradication of torture and any form of ill-treatment.

The Kosova Rehabilitation Centre for Torture Victims has the mission to raise the psychosocial welfare of torture victims and to improve their status through rehabilitation, reintegration and resocialization.

2. Basis of preparation and significant accounting policies

2.1 Significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

b) Basis of Preparation

The financial statements are presented in Euro. They have been prepared in accordance with the historical cost convention. The accounting policies have been consistently applied, and except where otherwise indicated, are consistent with those adopted for the previous financial year.

The reporting period of the Organization is twelve months ending 31 December of each year. Financial statements are prepared on a comparative basis reflecting balances for the current year and previous year.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and cash deposited with local banks.

d) Receivables

Receivables are recorded in the balance sheet when the amounts are due from debtors. Receivables are initially measured at cost and subsequently at cost less impairment.

The impairment calculation compares the carrying amount of the financial asset with the discounted present value of the currently estimated amounts and timings of payments. Any impairment loss is charged to net profit or loss for the period.

e) Plant and equipment

Items included in this category represent vehicles, office supply and IT equipment and are recognized as assets when it is probable that:

- the future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

They are initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use.

The Organization carries the assets at cost less accumulated depreciation and impairment losses, if any. Depreciation of assets is recorded annually using the Straight Line method and taking into consideration their estimated useful life. The following rates are applied:

- Vehicles - 20 %
- Other equipment – 20 %

An item of plant and equipment is removed from the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal.

f) Grants

Grants are recognized only when there is reasonable assurance that:

- The Organization will comply with the conditions attaching to them, and
- The grants will be received.

Operating grants are recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Grants earmarked for asset acquisitions are deferred and recognized as income over the useful life of the underlying asset.

g) Accounts payable

Accounts payable are recognized when the amount is determinable and the obligation to settle the amount exists as a result of the Organization's operations. They are stated at cost.

h) Expense

Expenses are recognized as incurred.

i) Foreign currency

Foreign currency transactions are translated using the exchange rate valid on the date of the transaction. Any gains and losses arising on settlement of amounts payable or receivable are recognized in the statement of operations.

At the end of a period, outstanding foreign currency monetary items are reported using the exchange rate valid on the last day of the period. Any resulting gains or losses are recognized in the statement of operations.

j) Tax on profit

The Organization is exempt from tax on profit.

k) Revenues & Expenses

During the current period, the Organization received grants to sustain its operations and to finance the costs of the Projects. The grants are provided on the basis of specific projects and/or budgets submitted to and approved by the donors.

3. Cash and cash equivalents

	As at 31st December, 2020	As at 31st December, 2019
Cash in hand	947	260
Cash in bank	148,091	236,633
Total cash and cash equivalents	149,038	236,893

4. Vehicles and Equipment

	Vehicles and Equipment
Cost	
Net Value at January 1st, 2020	17,127
Additions during the year	18,408
Disposals during the year	
As at December 31st, 2020	35,535
Accumulated Depreciation	
As at January 1st, 2020	(13,070)
Depreciation for the year	(812)
As at December 31st, 2020	(13,882)
Net book value	
As at January 1st, 2020	4,057
As at December 31st, 2020	21,653

5. Accounts payables

	As at 31st December, 2020	As at 31st December, 2019
Taxes and contributions	7,385	4,928
Trade accounts payable	18,702	7,136
Other		36
Total accounts payable	26,087	12,099

The Kosova Rehabilitation Centre for Torture Victims (KRCT)
Notes to Financial Statements as of and for the year ended December 31, 2020

6. Deferred revenues from grants

	As at 31st December, 2020	As at 31st December, 2019
Deferred revenues for project related expenditure	95,168	164,701
Deferred revenues for fixed assets	11,690	
Total deferred revenues	106,858	164,701

List of deferred revenue from grants:

	31st December, 2020	31st December, 2019
Caritas	10,772	18,991
US Embassy	13,068	32,439
NHC	4,847	
EC	-	19,560
AF 2020	3,880	4,468
Sigrid Trust fund	53,593	46,733
BMZ	826	9,899
Swiss	-	13,609
Other	8,182	19,002
Total deferred revenue from grants	95,168	164,701

7. Income from DONORS

	Year ended on December 31st	
	2020	2019
Antares Foundation	27,156	13,835
Great Britain Embassy	208,724	249,910
OSI		11,313
UNHCR	87,213	40,562
Medica Mondiale	22,835	32,840
US Embassy	14,124	
Sigrid Trust Fund	89,461	47,288
European Commission	29,689	24,180
UNVFVT	40,815	35,040
Swiss Embassy	76,009	50,839
Caritas	109,257	118,992
MPMS	26,000	24,300
Netherlands Helsinki Committee	10,400	8,906
Other Donors	23,980	49,179
Total	765,662	707,184

8. Program Expenses

	Year ended on December 31st	
	2020	2019
Project staff cost	172,426	164,216
Capacity building	17,240	19,962
Experts and consultants	10,621	12,865
Publication and Promotion materials	20,978	9,954
Contributions to implementing partner	52,321	63,043
Rehabilitation costs	33,606	22,807
Workshops, training, seminars and related activities	16,987	23,796
Campaign	9,183	24,851
Research activities	65,795	64,208
Medicaments	12,067	5,846
Project Activities	112,510	109,303
Other project expenditure	76,763	44,374
Total program expenses	600,497	565,226

9. General and Administrative Expenses

	Year ended on December 31st	
	2020	2019
Staff costs	72,321	68,063
Fuel and maintenance of vehicle	10,255	8,318
Utilities	2,546	2,005
Rent	30,920	20,743
Communication	4,952	2,856
Office Costs and Supply	12,930	6,682
Other	31,245	34,475
Total program expenses	165,166	143,142