

**Kosovo Rehabilitation Center for
Torture Victims (KRCT)**

**INDEPENDENT AUDITORS'
REPORT AND THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Management of Kosovo Rehabilitation Center for Torture Victims (KRCT) Opinion

We have audited the financial statements of Kosovo Rehabilitation Center for Torture Victims (KRCT) ("the Organization"), which comprise: the statement of financial position as at December 31, 2021, the statement of earnings and expenditures, statement of changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, and its financial performance and its earnings and expenditures for the year then ended in accordance with generally accepted accounting policies as set out in Note 2 to the financial statements.

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 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other issues

The Company's financial statements for the year ended 31 December 2020 were audited by another auditor who expressed an unqualified opinion on these statements.

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 IFRSs, 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 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 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 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.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report 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.


BDO Kosova L.L.C
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March 21, 2022

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Statement of Financial Position
As at December 31, 2021

	Notes	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
ASSETS			
Current Assets			
Cash and cash equivalents	3	169,444	149,038
Receivable grants		19,156	29,727
Total current Assests		188,600	178,765
Non-current Assets			
Plant and other equipment	4	17,971	21,653
Total non-current assets		17,971	21,653
Total Assets		206,571	200,418
LIABILITIES AND FUNDS			
Liabilities			
Trade and other oligations	5	26,953	26,087
Deferred income	6	103,759	106,858
Total Liabilities		130,712	132,945
FUNDS			
Accumulated fund balance		67,473	64,150
Surplus of the year		8,386	3,323
TOTAL FUNDS		75,859	67,473
TOTAL FUNDS AND LIABILITIES		206,571	200,418

Authorized for issue by the management of Forum for Civic Initiatives on March 21, 2022.



Feride Rushiti
Executive Director



Besa Shatri Berisha
Finance Manager

The accompanying notes 1 to 11 form an integral part of these Financial Statements.

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Statement of Earnings and Expenditures
For the year ended December 31, 2021

	Notes	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
FINANCING			
Funding	7	921,390	765,662
Donors Funding		8,940	3,323
TOTAL FINANCING		930,330	768,985
EXPENDITURE			
Program costs	8	(705,507)	(600,497)
General administrative expenses	9	(210,213)	(165,165)
Depreciation costs	4		
TOTAL EXPENDITURE		(915,720)	(765,662)
(Deficit)/Surplues for the year		8,386	3,323

The accompanying notes 1 to 11 form an integral part of these Financial Statements.

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Statement of Changes in Fund Balances
For the year ended December 31, 2021

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
As at January 1, 2021	67,473	64,150
Surplus of revenues for the year	<u>8,386</u>	<u>3,323</u>
As at December 31, 2021	<u>75,859</u>	<u>67,473</u>

The accompanying notes 1 to 11 form an integral part of these Financial Statements

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Statement of Cash flows
For the year ended December 31, 2021

	Notes	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Cash flows from operating activities			
Surplus of the year		8,386	3,323
Depreciation of property, plant and equipment		<u>3,682</u>	<u>812</u>
Total Cash flow		<u>12,068</u>	<u>4,135</u>
Change in receivables grants		10,571	(29,727)
Change in deferred revenue		(3,099)	(57,849)
Difference in payables		<u>866</u>	<u>13,988</u>
Cash flows from operating activities		<u>20,406</u>	<u>(69,453)</u>
Cash flow from Investing activities			
Purchase of equipment		-	(18,402)
Cash flow from Investing activities		<u>-</u>	<u>(18,402)</u>
Cash flow during the year		20,406	(87,852)
Cash and cash equivalent at the beginning		149,038	236,893
Cash and cash equivalents at the end of the year		<u>169,444</u>	<u>149,038</u>

The accompanying notes 1 to 11 form an integral part of these Financial Statements

1 BACKGROUND AND OPERATING POLICIES

The Kosovo Center for the Rehabilitation of Torture Survivors (QKRMT) is a non-governmental, non-profit organization established in 1999 with the mission to provide treatment and rehabilitation for victims of torture. QKRMT works to continuously build the capacity of its staff and the public sector to provide services related to issues related to torture and trauma. QKRMT is also committed to promoting and respecting human rights for all entities in Kosovo and to preventing and eradicating torture and any other form of ill-treatment.

The Kosovo Center for the Rehabilitation of Torture Survivors (QKRMT) has a mission to improve the well-being of victims of torture and to improve their condition through rehabilitation, reintegration and resocialization.

2 BASIS OF PREPARATION OF THE STATEMENT AND ACCOUNTING CONVENTIONS

2.1 Accounting convention

The Financial Statements have been prepared in accordance with generally accepted accounting policies (mixed or modified basis of accounting which combines cash and accrual accounting principles).

2.2 Reporting currency

The Statement has been prepared in European Union Currency Unit (EUR).

2.3 Revenues and Expenses

Period revenues are recognized as revenue only when they relate to expenditures which are supported by donor-approved grants.

2 BASIS OF PREPARATION OF THE STATEMENT AND ACCOUNTING CONVENTIONS (CONTINUE)

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term investments with high liquidity that expire within a period of up to 12 months.

2.5 Liabilities for pensions

Employee benefits

The organization has a pension scheme set by local social security legislation, according to which it contributes to the retirement plans of its employees. Contributions, based on gross salaries, are made in the state pension plan, Kosovo Pension Trust (TKPK) responsible for the payment of pensions. There is no additional obligation regarding these plans.

2.6 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate ruling at the date of the transaction. At the end of the year, the remaining foreign currency surpluses were converted using the exchange rate of the last day of the reporting period.

2.7 Tax on profit

The organization is exempt from income tax (Law No. 06 / L-105 on Corporate Income Tax, Article 7).

2.8 Trade and other payables

Other and trade payables are recognized at fair value and subsequently measured at amortized cost using the effective interest method.

2.9 Operating expenses

Operating expenses are recognized in profit or loss on use of the service or on the date of their origin.

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Notes to the Financial Statements for the year ended December 31, 2021

3 CASH AND CASH EQUIVALENTS

	As at December 31, 2021 (in EUR)	As at December 31, 2020 (in EUR)
Cash on hand	846	947
Cash at bank	168,598	148,091
TOTAL	169,444	149,038

4 PLANT AND OTHER EQUIPMENT

	Vehicles and other equipment (in EUR)	Total (in EUR)
Cost		
As at January 1, 2020	17,127	17,127
Additions during the year	18,408	18,408
As at December 31, 2020	<u>35,535</u>	<u>35,535</u>
Additions during the year	-	-
As at December 31, 2021	<u>35,535</u>	<u>35,535</u>
Accumulated depreciation		
As at January 1, 2020	13,070	13,070
Depreciation of the year	812	812
As at December 31, 2020	<u>13,882</u>	<u>13,882</u>
Depreciation of the year	3,682	3,682
As at December 31, 2021	<u>17,564</u>	<u>17,564</u>
Net book value:		
As at December 31, 2021	<u>17,971</u>	<u>17,971</u>
As at December 31, 2020	<u>21,653</u>	<u>21,653</u>

5 TRADE AND OTHER OBLIGATIONS

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Taxes and Contributions	8,091	7,385
Payable to suppliers	18,478	18,702
Others	384	-
Total	29,953	26,087

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Notes to the Financial Statements for the year ended December 31, 2021

6 DEFERRED INCOME

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Deferred revenue from grants for operating expenses	95,751	95,168
Deferred income for fixed assets	8,008	11,690
TOTAL	103,759	106,858

7 FUNDING

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Antares Foundation	29,101	27,156
Great Britain Embassy	366,324	208,724
UNHCR	81,004	87,213
Medica Mondiale	69,402	22,835
US Embassy	29,307	14,124
Sigrid Trust Fund	106,362	89,461
European Commission	4,714	29,689
UNVFVT	37,080	40,815
Swiss Embassy	54,353	76,009
Caritas	58,982	109,257
MPMS	24,000	26,000
Netherlands Helsinki Committee	6,013	10,000
Other Donors	48,524	23,980
Total	915,166	765,663

8 PROGRAM COST

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Project staff cost	171,996	172,426
Capacity building	15,712	17,240
Project expert and consultant	34,583	10,621
Publications and promotional materials	6,244	20,978
Contribute to a local partner	54,580	52,321
Rehabilitation cost	47,766	33,606
Seminars, trainings and related activities	29,544	16,987
Campaign	24,399	9,183
Research cost	150,415	65,795
medications	14,620	12,067
Project activities	86,074	112,510
Other project costs	69,574	76,763
Total	705,507	600,497

9 General administrative expenses

	Year ended December 31, 2021 (in EUR)	Year ended December 31, 2020 (in EUR)
Staff costs	86,181	73,321
Transportation and vehicle maintenance costs	8,161	10,255
Communalities	4,574	2,546
Lease	30,120	30,920
Communication	7,486	4,952
Office expenses and supplies	16,773	12,930
Other administrative expenses	56,918	31,241
TOTAL	210,213	165,165

10 Commitments and contingents

Capital commitments

There is no significant capital commitment contracted at the balance sheet date.

11 EVENTS AFTER THE REPORTING DATE

There are no other events after the reporting date that would require disclosure in the Company's financial statements.