

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

**Independent auditors'
Report and the Financial
Statements for the year ended
December 31, 2022**

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INDEPENDENT AUDITORS' REPORT

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

Audit Report on the Financial Statements

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, 2022, 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, 2022, 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.

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.



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March 28, 2023

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Statement of Financial Position
As at December 31, 2022

	Notes	As at December 31, 2022 (in EUR)	As at December 31, 2021 (in EUR)
Assets			
Current assets			
Cash and cash equivalents	3	121,377	169,444
Receivable grants		55,864	19,156
Total current assets		177,241	188,600
Non-current assets			
Plant and other equipment	4	14,289	17,971
Total non-current assets		14,289	17,971
Total assets		191,530	206,571
Liabilities and funds			
Liabilities			
Trade and other payables	5	7,659	26,953
Deferred income	6	102,396	103,759
Total liabilities		110,055	130,712
Funds			
Accumulated fund balance		75,859	67,473
Surplus of the year		5,616	8,386
Total funds		81,475	75,859
Total funds and liabilities		191,530	206,571

Authorized for issue by the management and signed on its behalf on March 28, 2023.


Feride Rushiti
Program Manager




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, 2022

	Notes	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Financing			
Donor's funding	7	895,050	915,166
Other income		1,034	5,258
Income from deferred grants for fixed assets		3,682	3,682
Total financing		899,766	924,106
Expenditure			
Program costs	8	(681,138)	(705,507)
General administrative expenses	9	(213,012)	(210,213)
Total expenditure		(894,150)	(915,720)
Surplus for the year		5,616	8,386

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, 2022

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
As at January 1, 2022	75,859	67,473
Surplus of revenues for the year	<u>5,616</u>	<u>8,386</u>
As at December 31, 2022	<u>81,475</u>	<u>75,859</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, 2022

	Notes	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Cash flows from operating activities			
Surplus of the year		5,616	8,386
Depreciation of plant and other equipments	4	3,682	3,682
Surplus before changes in working capital		9,298	12,068
Change in grant receivables		(36,708)	10,571
Change in deferred income		(1,363)	(3,099)
Change in trade and other payables		(19,294)	866
Cash (used in)/ generated from operating activities		(48,067)	20,406
Net (decrease)/increase in cash and cash equivalents		(48,067)	20,406
Cash and cash equivalents at the beginning of the year	3	169,444	149,038
Cash and cash equivalents at the end of the year	3	121,377	169,444

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 financial statements are presented in Euro, which in accordance with regulations of European Monetary Union and instructions issued by the Central Bank of Kosovo. Euro is adopted as the only legal currency in the territory of Kosovo from January 1, 2002.

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 (continued)

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, 2022

3	Cash and cash equivalents	
	As at December 31, 2022 (in EUR)	As at December 31, 2021 (in EUR)
Cash on hand	630	846
Cash at bank	120,747	168,598
Total	121,377	169,444
4	Plant and other equipment	
	Vehicles and other equipment (in EUR)	Total (in EUR)
Historical cost		
As at January 1, 2021	35,535	35,535
Additions during the year	-	-
As at December 31, 2021	35,535	35,535
Additions during the year	-	-
As at December 31, 2022	35,535	35,535
Accumulated depreciation		
As at January 1, 2021	13,882	13,882
Depreciation of the year	3,682	3,682
As at December 31, 2021	17,564	17,564
Depreciation of the year	3,682	3,682
As at December 31, 2022	21,246	21,246
Net book value		
As at December 31, 2022	14,289	14,289
As at December 31, 2021	17,971	17,971
5	Trade and other payables	
	As at December 31, 2022 (in EUR)	As at December 31, 2021 (in EUR)
Taxes and contributions	6,794	8,091
Payable to suppliers	299	18,478
Other payables	566	384
Total	7,659	26,953

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Notes to the Financial Statements for the year ended December 31, 2022

6 Deferred income

	As at December 31, 2022 (in EUR)	As at December 31, 2021 (in EUR)
Deferred revenue from grants for operating expenses	98,070	95,751
Deferred income for fixed assets	4,326	8,008
Total	102,396	103,759

7 Donor's funding

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Great Britain Embassy	357,546	366,324
Sigrid Trust Fund	104,939	106,362
Medica Mondiale	92,374	69,402
UNHCR	71,881	81,004
Swiss Embassy	70,463	54,353
Diakonie Foundation	57,913	-
UNVFVT	40,086	37,080
MPMS	24,000	24,000
Netherlands Helsniki Committee	9,900	6,013
US Embassy	9,192	29,307
Antares Foundation	-	29,101
European Commission	-	4,714
Caritas	-	58,982
Other Donors	56,756	48,524
Total	895,050	915,166

Kosovo Rehabilitation Center for Torture Victims (KRCT)
Notes to the Financial Statements for the year ended December 31, 2022

8 Program costs

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Research cost	193,176	150,415
Project staff cost	181,195	171,996
Rehabilitation cost	68,813	47,766
Project activities	50,925	86,074
Contribute to a local partner	39,188	54,580
Project expert and consultant	36,963	34,583
Seminars, trainings and related activities	35,110	29,544
Campaign	19,808	24,399
Publications and promotional materials	12,373	6,244
Capacity building	10,857	15,712
Medications	8,740	14,620
Other project costs	23,990	69,574
Total	681,138	705,507

9 General administrative expenses

	Year ended December 31, 2022 (in EUR)	Year ended December 31, 2021 (in EUR)
Staff costs	86,345	86,181
Lease expenses	28,620	30,120
Office expenses and supplies	18,565	16,773
Communalities	6,950	4,574
Communication	6,812	7,486
Transportation and vehicle maintenance	6,139	8,161
Other administrative expenses	59,581	56,918
Total	213,012	210,213

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.