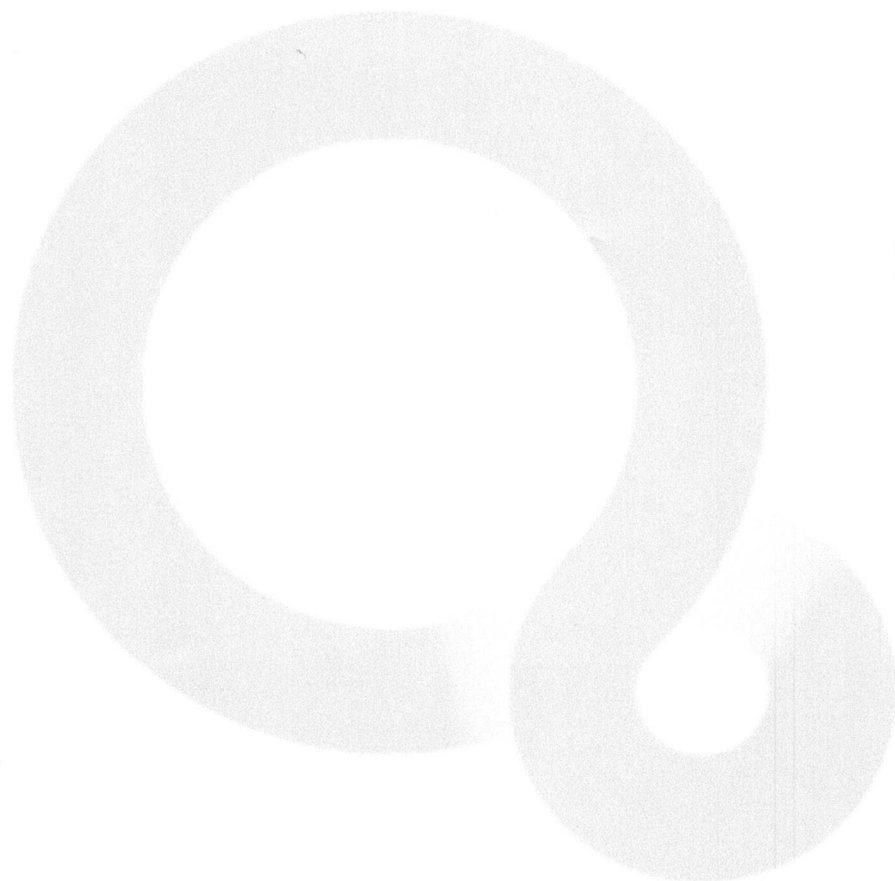


# **INSTITUTE FOR SOCIAL POLICY "MUSINE KOKALARI"**

## **FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT**

As at and for the year ended 31 December 2021



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## **SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT**

**To: INSTITUTE FOR SOCIAL POLICY "MUSINE KOKALARI" management**

### **Opinion**

We have audited financial statements of the Institute for Social Policy "Musine Kokalari" ("The Organization"), which comprises the statement of financial position as at 31 December 2021, 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 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 cash flows for the year then ended in accordance with the basis of preparation as described in Note 2 and the requirements of Law No. 06/L-043 on Freedom of Association in Non-Governmental Organizations.

### **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 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 Krasniqi  
Statutory Auditor

Quatra Audit Int. L.L.C.  
10 March 2022



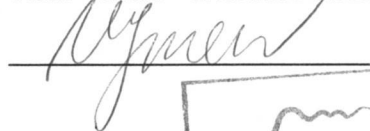
**INSTITUTE FOR SOCIAL POLICY "MUSINE KOKALARI"****STATEMENT OF FINANCIAL POSITION**

As at 31 December 2021

*(All amounts in Euro)*

<b>As at 31 December</b>	<i>Notes</i>	<b>2021</b>	<b>2020</b>
<b>Fixed assets</b>			
Property Plant and Equipment	4	6,498	-
<b>Total</b>		<b>6,498</b>	<b>-</b>
<b>Current assets</b>			
Cash at bank and in hand	5	61,162	2,318
<b>Total</b>		<b>61,162</b>	<b>2,318</b>
<b>Total assets</b>		<b>67,660</b>	<b>2,318</b>
<b>Liabilities</b>			
Current liabilities	6	67,660	2,318
<b>Total</b>		<b>67,660</b>	<b>2,318</b>
<b>Fund balance</b>			
Total opening fund		-	-
Surplus/(deficit) for the period		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total liabilities and fund</b>		<b>67,660</b>	<b>2,318</b>

Approved by:

**Visar Ymeri** – Executive Director.*The accompanying notes from 1 to 10 of the financial statements are an integral part of them.*

**INSTITUTE FOR SOCIAL POLICY "MUSINE KOKALARI"****STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2021

*(All amounts in Euro)*

<b>For the year ended 31 December</b>		<b>2021</b>	<b>2020</b>
	<i>Notes</i>		
<b>Incomes</b>			
Grants and Donations	<i>10</i>	84,319	47,213
<b>Total incomes</b>		<b>84,319</b>	<b>47,213</b>
<b>Expenses</b>			
Payroll expenses	<i>11</i>	(58,297)	(37,293)
Project expenses	<i>12</i>	(17,882)	(3,830)
Administrative expenses	<i>13</i>	(7,949)	(6,089)
Depreciation expenses	<i>4</i>	(192)	-
<b>Total Expenses</b>		<b>(84,319)</b>	<b>(47,213)</b>
<b>Net Surplus of Expense over Income</b>		<b>-</b>	<b>-</b>

*The accompanying notes from 1 to 10 of the financial statements are an integral part of them.*

**INSTITUTE FOR SOCIAL POLICY "MUSINE KOKALARI"**

**STATEMENT OF FUNDS BALANCE**

For the year ended 31 December 2021

*(All amounts in Euro)*

	<b>Fund's balance</b>	<b>Total</b>
<b>As at 31 December 2019</b>	-	-
Surplus (deficit) of the period	-	-
<b>As at 31 December 2020</b>	-	-
Surplus (deficit) of the period	-	-
<b>As at 31 December 2021</b>	-	-

## INSTITUTE FOR SOCIAL POLICY "MUSINE KOKALARI"

### CASH FLOW STATEMENT

For the year ended 31 December 2021

(All amounts in Euro)

#### For the year ended 31 December

#### Cash flow from operating activities

Net surplus/(deficit) for the year

*Changes in operating assets and liabilities*

Depreciation

Increase/(Decrease) in liabilities

Increase/(Decrease) in deferred revenues

#### Net cash flow from operating activities

#### Cash flow from investment activities

Investment in equipment

#### Net cash flow from investment activities

#### Net increase/(decrease)

Cash and cash equivalents at the beginning of the year

#### Cash and cash equivalent at the end of the year

	2021	2020
	-	-
	192	-
	65,343	2,318
	<b>65,534</b>	<b>2,318</b>
	(6,690)	-
	<b>(6,690)</b>	-
	<b>58,844</b>	<b>2,318</b>
	2,318	-
	<b>61,162</b>	<b>2,318</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

*(All amounts in Euro)*

**1. Organization**

The Institute for Social Policy "Musine Kokalari" is a non-governmental organization registered in Kosovo under the Law on Freedom of Association of Non-Governmental Organizations 03 / L-134, number 5400056-1 on March 14, 2019 and gained public status with number 602102311 with 14 March 2019 with headquarters in Prishtina, Kosovo.

The main focus is on conceptualizing and promoting a fairer and more just society equal, which by focusing on the future, overcome differences, reduce gaps and to establish common public values, based on citizenship, shared by all and that are embraced collectively. Our institute works towards achieving a much higher cohesion social, based on social equality and coexistence between different cultures. We organize roundtables, political academies, conferences; as well as writing political positions and doing translations, research and publications. The purpose of these activities is to strengthen the capacity of internal to write, implement and promote social and democratic policies. For more, we work to strengthen social and civic capacities and skills for unions, associations and other civic organizations, to raise their voice and elaborate their interests.

**2. Basis of preparation**

The financial statements have been prepared in accordance with the requirements of Law no. 06/L-043 on Freedom of Association in Non-Governmental Organizations for the purpose of reporting to the NGO Regulatory Office.

Revenues from grants are recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

In addition, deferred grant liability, accrued and other payables are recorded under the accrual basis of accounting. The significant accounting policies are described below

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

*(All amounts in Euro)*

**3. Summary of significant accounting policies**

**3.1 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and unrestricted cash held with banks or term deposits with maturity of less than three months.

**3.2 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents solely amount receivable from donors with regard to the payroll, operating, and other expenses incurred.

**3.3 Foreign currency transactions**

Transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on monetary items, are included in the profit and loss of the period in which they arise.

**3.4 Employee benefits**

The Organization makes no provision for and has no obligation for employee pensions over and above the contributions paid into the Kosovo Pension Savings Trust.

**3.5 Contingencies and provisions**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. A provision is recognized if the Organization has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

**3.6 Critical judgments and key sources of estimation uncertainty**

In the process of applying the Organization's accounting policies, which are described above, management has made no judgments that have significant effects on the amounts recognized in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

(All amounts in Euro)

**4. Property, Plant and Equipment**

*Historical Costs*

**As at 31 December 2019**

Purchases

**As at 31 December 2020**

Purchases

**As at 31 December 2021**

*Depreciation*

**As at 31 December 2019**

Expense of the year

**As at 31 December 2020**

Expense of the year

**As at 31 December 2021**

*Net Book Value*

**As at 31 December 2020**

**As at 31 December 2021**

Office Equipment	Total
-	-
6,690	6,690
<b>6,690</b>	<b>6,690</b>
-	-
(192)	(192)
<b>(192)</b>	<b>(192)</b>
-	-
<b>6,498</b>	<b>6,498</b>

**5. Cash at bank and on hand**

**As at 31 December**

Cash at bank

Cash in hand

**Total**

<b>2021</b>	<b>2020</b>
60,457	2,128
705	190
<b>61,162</b>	<b>2,318</b>

**6. Deferred Funds**

**As at 31 December**

Deferred funds

Other unspent assets

**Total**

<b>2021</b>	<b>2020</b>
61,162	2,318
6,498	-
<b>67,660</b>	<b>2,318</b>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

*(All amounts in Euro)*

**7. Grants and Donations**

<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>
Fondacija Boris Dikovic	-	1,000
Le Monde Diplomatique	-	4,183
EED	28,000	29,800
OPIC	55,813	14,348
CDF	7,080	-
KFOS	10,000	-
ROCKEFELLER	43,977	-
Other	420	200
<b>Total:</b>	<b>145,289</b>	<b>49,531</b>
Deferred funds on 31 December	(60,970)	(2,318)
<b>Total income recognized in IS</b>	<b>84,319</b>	<b>47,213</b>

**8. Program Expenses**

For the year ending December 31, 2021 staff costs are worth 58,297 Euros and for the year ending December 31, 2020 are worth 37,293 Euros. The organization withholds payroll tax and pays pension contributions based on personal income law.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2021

*(All amounts in Euro)*

**9. Project Expenses**

<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>
Professional fees	6,186	3,637
Translation expenses	1,602	-
Accommodation expenses	1,008	-
Travel expense	1,435	-
Conference expenses	1,668	-
Printing expenses	1,332	70
Food expenses	2,180	-
Communication expenses	194	123
Advertising	626	-
Equipment costs	1,650	-
<b>Total</b>	<b>17,882</b>	<b>3,830</b>

**10. Administrative Expenses**

<b>For the year ended 31 December</b>	<b>2021</b>	<b>2020</b>
Rent expenses	5,540	5,275
Office supply	516	286
Internet expenses	108	150
Utility	761	-
Bank fees	1,024	379
<b>Total</b>	<b>7,949</b>	<b>6,089</b>

**11. Events after the reporting date**

There are no events subsequent to the reporting date that require disclosure in the financial statements of Organization.