

NGO "NEVO KONCEPTI - NVK"
Independent audit's report
and
Financial statements
For the year then ended at 31 December 2021

Prizren, 2022

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INDEPENDENT AUDIT'S REPORT

To the: Management of NGO "NEVO KONCEPTI - NVK"

Opinion

We have audited the financial statements of NGO "NEVO KONCEPTI", which comprise the statement of financial position as at December 31, 2021, the statement of comprehensive income, statement of changes in funds and statement of cash flows 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 of NGO "NEVO KONCEPTI" give a true and fair view, in all material respects, the financial position of the NGO as at December 31, 2021, of its financial performance and its cash flows for the year then ended in accordance with the financial reporting as described in notes 2.1 of this report.

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 Company 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.

Responsibilities of Management

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 Company'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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

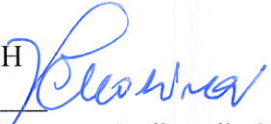
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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.

"Kont Audit" NSH


Liman Morina, Statutory Auditor, lic 008.



Prizren, April, 2022.

“ NEVO KONCEPTI-NVK” OJQ

NRB: 5115293-0

Statement of Financial Position - Balance Sheet
For the year then ended at 31 December 2021

	Shënimi	2021	2020
		€	€
ASSETS			
Current assets			
Cash and cash equivalents	4	5,107	10,467
Prepaid accounts	5	-	22
Total current accounts		5,107	10,489
Non current accounts			
Property, plant and equipment	6	-	-
Total non current accounts		-	-
TOTAL ASSETS		5,107	10,489
LIABILITIES AND FUNDS			
Current liabilities			
Trade and other liabilities	7	-	246
Salaries, tax and pension contribution payables	8	5,107	144
Total current liabilities		5,107	390
Non current liabilities			
Long term Liabilities	6	-	-
Total non current liabilities		-	-
TOTAL LIABILITIES		5,107	390
FUNDS			
Accumulated excess of income		10,099	10,762
Net excess from income statement		5,360	14,539
Return of funds		368	15,202
Total funds	9	5,107	10,099
TOTAL LIABILITIES AND FUNDS		5,107	10,489

The financial statements were compiled by the staff of the NGO, approved on 31.03.2022 and signed by its management.

Approved by:

Osman Osmani



Prepared by:

Tasim Shasivari

“ NEVO KONCEPTI-NVK”
Statement of Comprehensive Income
For the period I January to 31 December 2021

REVENUE	Notes	€ 2021	€ 2020
Income from grants and donations		199,937	230,924
Other income		1,100	1,863
Total	10	201,037	232,787
Expenses			
Program expenses			
Gross salaries and benefits		52,830	52,242
Program expenses		68,966	64,298
Total program expenses	11	121,796	116,540
Management and administration			
Grosssalaries and benefits		83,050	89,624
Operating expenses		1,436	8,501
		-	-
Total management and administration	12	84,486	98,125
Other expenses	6	115	3,593
Total other expenses		115	3,593
TOTAL EXPENSES		206,397	218,258
Net increase / decrease from operations	-	5,360	14,539
Income tax		-	-
Net increase / decrease from funds of the year	-	5,360	14,539
Net increase/decrease of funds from previous years			
Write-offs and adjustments		-	-
ACCUMULATED EXCESS OF FUNDS	9		

"NEVO KONCEPTI-NVK" OJQ

Statement of Cash Flows for the year then ended at 31 December 2021

	2021	2020
	€	€
Indirect metod		
Operating Activities		
Excess of the year	0	14,539
Adjustments for non-cash items		
Depreciation of Property, plant and equipment	0	3,593
Changes in operating assets and liabilities		
(Increase)/ decrease in prepaid accounts	0	-22
Increase/ (Decrease) in trade payables and other	-253	-4,379
Increase/ (Decrease) in other payables	-5,107	-8,323
Increase/ (Decrease) in other payables	0	-3,593
	-5,360	-16,317
Net cash from operating activities	-5,360	1,815
INVESTMENT ACTIVITIES		
Purchase of property, plant and equipment	0	0
Net cash from investing activities	0	0
FINANCIAL ACTIVITIES		
Returned funds	0	-15,202
Net cash from financial activities	0	-15,202
Net cash flow for the year	-5,360	-13,387
Cash and cash equivalents at the beginning	10,467	23,854
Cash and cash equivalents at the end	5,107	10,467

"NEVO KONCEPTI-NVK" OJQ
Statement of Changes in Funds
For the year then ended at 31 December 2021

	Initial funds	Acumulated Funds	Rezerves	Total
	€	€	€	€
Statement at 01 Januar 2020		10,762		10,762
Net increase/decrease from operations		14,539		14,539
Returned Funds		(15,202)		(15,202)
Statement at 31 December 2020		10,099		10,099
Statement at 01 Januar 2021		10,099		10,099
Net increase/decrease from operation	-	(5,360)		5,360
Returned Funds		368		368
Statement at 01 December 2021	-	5,107		5,107

“ NEVO KONCEPTI-NVK” OJQ
Notes to the Financial Statements
For the year then ended at 31 December 2021

1. GENERAL INFORMATION

NGO "NEVO KONCEPTI - NVK" was established as non-governmental organization under Law No.06/L-043 on Freedom of Association in Non-Governmental Organizations, the organization is a non-profit organization with public benefit status.

- The Organization is called NGO "NEVO KONCEPTI"
- The Organization is also known as NGO "NVK"
- The organization is a non-profit association, as defined in Article 12 of the Law no. 04 / L-043 on Freedom of Association in Non-Governmental Organizations in the Republic of Kosovo.
-

Registration date:	26 November 2014
BRNO:	5115293-0
BSNO:	N/A
FNO•.	601188700
VAT NO:	N/A
Type of Company:	Non-Governmental Organization
Address:	Str. Adnan Krasniqi — 149/11/8, Prizren
Constitution Memebrs:	Erxhan Galushi, Str. Haxhi Zeka, 47, Prizren with Personal No.: 173002579 Edon Korllari, Str. Xheladin Hana, 48, Prizren with Personal No.: 1234654574 Nurgjan Qorri, Str.Takova, 7, Prizren with Personal No.: 1 170796701
Director of NGO Board:	Daut Qylanxhi
Authorized representative:	Osman Osmani, Director

The activity, purpose and mission of the establishment

Organization is constituted for the following purposes:

Improve the situation of RAE (Roma, Ashkali and Egyptian) communities in the field of education and other areas that affect their well-being through community awareness raising, capacity building and advocacy activities, with the priority of integrating children of the communities concerned into the teaching process.

The NGO activity during 2021 has been focused on developing the following projects:

Resocialization of returned Roma, Ashkali and Egyptian families from Western Europe 9 Prizren Municipality, Kosovo (REACH II), funded by German Foundation Karl Kübel Stiftung für Kind und Familie — KKS (German Government donor).

'Promoting the dignified integration of Roma, Ashkali and Egyptian communities in Peja and Suhareka, Kosovo (Prospekt +), funded by the Kosovo Foundation for Open Society - KFOS 'V Karl Kübel Stiftung für Kind und Familie, (German Government Donor).

EU Support for the Implementation of the Strategy for the Integration of Roma, Ashkali and Egyptian Communities OPhase 2 Education for Integration (EUSIMRAES 2), funded by the Kosovo Education Center - KEC (EU donor).

Support for the regular education of repatriated children and the minority community in Prizren and Gjakova, Kosovo (CDBE), funded by Deutsche Gesellschaft für Internationale Zusammenarbeit - GIZ (German Government Donor),

Strengthening the social rights of marginalized groups in the Municipality of Prizren (SORI)9 funded by Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ (German Government Donor);

Governance of Children's Rights (SIDA), funded by Save the Children International in Kosovo (SIDA donor).

2. ACCOUNTING POLICIES

2.1 Bases of preparation

The financial statements are prepared in accordance with Kosovo Accounting Standards respectively with IAS for SME-s and in accordance with the Law No.04 / L-157 that are currently applicable in the Republic of Kosovo. The financial reports are prepared under the historical cost convention and accrual bases of accounting.

2.2 Bases of measurement

The financial statements are prepared on the basis of historical cost and accrual accounting principle, as income of the period are recognized only the revenues spent for that period and not when they are received, while the unspent part of the received revenues is carried over to the future period as deferred revenue, subsequently recognized as revenue depending on their expense, whereas the expense is recognized when they occur and not when they are paid.

2.3 Reporting currency and presentation

The financial statements are prepared and presented in Euro currency, which is the functional and legal currency at the Republic of Kosovo.

2.4 Accounting Software

The organization uses the accounting system developed in the "LOG MICRO", which produces sufficient financial reports such as; the cash book, the bank book, the general ledger, the income and expenditure reports for projects as well as the financial statements of the NGO as a whole.

2.5 Going Concern

Statement of financial position and income statement have been prepared on a going concern basis, under which the organization will be able to realize its assets and liabilities in the normal course of business.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Recognition and Measurement

Property, plant and equipment are measured on the basis of historical cost, less accumulated depreciation and any accumulated impairment losses. The cost of purchase includes expenses that are directly attributable to the acquisition of assets. The cost of self-build assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset into working condition for its purpose.

Subsequent costs - replacement

The cost of replacing part of the property, plant and equipment is recognized at its carrying amount if it is probable that future economic benefits associated within the part will flow to the Organization and its cost can be measured reliably. Costs of property, plant and equipment are charged to the income statement during the financial period in which they are incurred.

Depreciation

Depreciation is recognized on a reduction in the estimated useful life of the assets. Depreciation is calculated on a straight-line basis over their useful life. The annual rates of depreciation that are used are as follows:

- Buildings 5%
- Equipment and machinery 10%
- Vehicles 20%

3.2 Financial instruments

The organization keeps only non-derivative financial instruments, consisting of cash and cash equivalents, trade receivables, borrowings, trade payables and other payables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances in drawer and cash deposited with local banks.

Account Receivable

Receivables are measured at cost arising from the operations and expected to be received from the debtors. At the end of each reporting period, the carrying amounts of receivables are examined to determine whether there is any objective evidence that the amounts are not recoverable and any impairment loss is recognized directly in the income statement.

Accounts Payable

Accounts payable are recognized at their fair value and are liabilities arising from regular business on the basis of normal lending times and are not interest bearing.

3.3 Employee benefits

Social security and pension plan contribution

The organization contributes to its employees only pension plan contributions prescribed by the social security legislation as mandatory determining pension benefits for employees after retirement. Such contributions for the pension plan are charged to profit or loss when incurred.

3.4 Revenues and expenditures

Income from grants and donations

Income from grants and donations are recognized as income over the period necessary to connect them with the costs for which are budgeted. While income from economic activities is recognized when the goods are delivered and ownership is transferred or services are rendered.

Operating expenses

The direct program costs and other indirect expenses are recognized on accrual basis when they are incurred.

3.5 Income tax

The organization is registered as non-profit organization and does not distribute profit, possesses the public beneficiary status, therefore as per applicable law is not subject to income tax.

3.6 Determination of fair value

The fair value of cash and cash equivalents, receivables and payable accounts are approximately equal to their value, due to liquidity and their short-term maturity.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash in bank and petty cash, on 31 December 2021 comprise as following:

	2021	2020
	€	€
Petty cash	-	-
Bank Prospect+	0.30	376.69
Bank REACH II	957.29	6,720.97
Bank IKEA		0.00
Bank NEVO	3,311.22	2,713.76
Bank SIDA	838.26	652.21
Bank CDHE	0.00	2.60
	5,107	18,464.83

5. PREPAID ACCOUNTS

Prepaid accounts represent payments in advance for program and operating expenses that will be recognized as an expense in the following reporting periods, on December 31, 2021, comprise the following:

	2021	2020
	€	€
Other prepaid accounts	0.00	22.30
Total	0.00	22.30

6. NON-CURRENT ASSETS

The non-current assets represent the property, plant and equipment, on 31 December 2021 comprise as the following:

	Plant €	Buildings €	Equipment €	Total €
Historical cost	0,00	0.00	31,305.07	31,305.07
Depreciation of the year	-	-	(3,593.33)	(3,593.33)
Accumulated depreciation	-	-	(27,711.74)	(27,711.74)
Net Value at 31 December 2020	0.00	0.00	0.00	0.00
Më1 janar 2021	00.00	0.00	31,305.07	31,305.07
Depreciation of the year	-	-	-	(0.00)
Accumulated depreciation	-	-	(31,305.07)	(31,305.07)
Më 31 dhjetor 2021	0.00	0,00	0.00	0.00
Net Value				
At 31 december 2021	00.00	-	0.00	0.00

7. ACCOUNTS PAYABLE

Accounts payable represent the debts incurred from operations and expected to be paid after 31 December 2021 which comprise as the following:

	2021 €	2020 €
Account payable	0.00	246.30
Internal borrowings (from employees)	0.00	144.00
Total	0.00	390.00

8. LIABILITIES FOR SALARIES AND WAGES, SALARY TAXES AND PENSION CONTRIBUTION

Represent short-term liabilities for salaries and wages, withholding tax on salaries and pension contributions, on 31 December 2021 comprise as the following:

	2021	2020
	€	€
Salaries, tax and pension contribution payables		
Net salaries		
Salary tax	0.00	144.00
Pension contribution		
Total	0.00	144.00

9. FUNDS

Represent the accumulated funds, returned funds and the excess of funds for the period, on 31 December 2021 comprise as the following:

FUNDS	2021	2020
Accumulated excess of income	10,099.00	36,927.20
Net excess from income statement	-5,360.00	14,539.14
Returned to donors	368.00	-15,202.38
Funds carried forward	<u>5,107.00</u>	<u>36,263.96</u>

10. REVENUES

Revenues represent income from grants, donations, membership and economic activity on 31 December 2021 comprise as the following:

KFOS	26,972.00	
KKS-Germany	121,203.50	
SIDA	50,461.19	
D4D	1,300.00	
Other income	1,100.00	
Total	<u>201,036.69</u>	
	2021	2020
	€	€
Net increase/decrease of funds of the year	36,263.96	36,927.20
Net increase/decrease of funds from previous years	-5,360.00	14,539.14

Returned to donors

368.00

(15,202.38)

31,271.96

36,263.96

10.1 Deferred revenues

Deferred revenue represents the income from the grants and donations that are received in advance and which will be recognized and spent in to the future periods, as of December 31, 2021 comprised the following:

Deferred revenue	2021	2020
	€	€
Deferred revenue (REACH II)		
Deferred revenue (SIDA)		
Deferred revenue (Prospect+)		
	0.00	0.00

11. PROGRAM EXPENSES

Program expenses represent the direct costs for running and development of projects during the period 1 January to 31 December 2021, which comprise as the following:

	2021	2020
	€	€
Program expenses		
Gross salaries and wages	52,830	52,242.07
Other program expenses	68,906	64,297.73
Total	121,796	116,539.80

12. ADMINISTRATION AND MANAGEMENT EXPENSES

Administration and management expenses represent the indirect costs for supporting project activities during the period I January to 31 December 2021, which comprise as the following

	2021	2020
Administration and management expenses	€	€
Gross salaries and wages	83,050	89,623.95
Operation expenses	1,436	8,501.10
Other expenses	115	3,593.00
Total	84,600	101,718.05

13. SUBSEQUENT EVENTS

Management is responsible for disclosing subsequent events after the date of financial statements compilation which requires adjustments or disclosures in the financial statements. During the time of audit, we have not ascertained events after the date of compilation of financial statements. Management is also responsible for disclosing subsequent events after the date of compilation of financial statements which do not require adjustments of financial statements.

During the audit, we were faced with the global pandemic COVID-19 which is an event that could have an impact on future projects performance. But since the duration and impact of COVID-19 pandemic are unknown as well as unclear economic measures, it is not possible to reliably assess the effect and impact to the financial position and outcomes of the organization for the future periods.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the management and were authorized for publication on 31.03.2022.