

Independent Auditor's Report and financial statements  
for the year ended December 31, 2020

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## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of the ARTPOLIS

#### ***Opinion***

We have audited the accompanying financial statements of the ARTPOLIS, which comprise the statement of financial position as at December 31, 2020, and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the presented financial statements present fairly, in all material respects, the financial position of ARTPOLIS as of December 31, 2020 and the results of its operation for the year then ended in conformity with International Financial Reporting Standards.

#### ***Responsibilities of Management and those charged with Governance for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error. For the financial statements preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it. 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 total, 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.

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.



ACA – Audit & Consulting Associates  
Armend Osaj – Statutory Auditor  
Prishtina, Kosovo  
March 2021

**ARTPOLIS****Statement of Financial Position****For the year ended December 31, 2020**

	Notes	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	14,530	7,757
Total non-current assets		14,530	7,757
<b>Current assets</b>			
Prepayments		-	400
Accounts Receivable	4	6,350	5,000
Cash and bank balances	5	34,961	12,714
Total current assets		41,311	18,114
<b>TOTAL ASSETS</b>		<b>55,841</b>	<b>25,870</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable	6	-	4,760
Deferred Revenue	7	55,841	21,110
Deferred Revenue-assets		-	-
Total current liabilities		55,841	25,870
<b>Reserves</b>			
Opening Balance Equity		-	-
Retained surplus		-	-
Amount carried forward		-	-
Total reserves		-	-
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>55,841</b>	<b>25,870</b>

The financial statements have been signed in 22 March, 2021 by:

**Zana Hoxha**



**Executive Director**

**Donarta Limanaj**



**Financial Manager**

The accompanying notes from 1 to 16 form an integral part of these financial statements



**ARTPOLIS****Statement of Revenue and Expenditures****For the year ended December 31, 2020**

		End Year 31 December 2020 (In EUR)	End Year 31 December 2019 (In EUR)
	Note		
<b>Incomes</b>			
Incomes	8	285,673	264,202
<b>Total income</b>		<b>285,673</b>	<b>264,202</b>
<b>Expenses</b>			
Payroll expenses	9	177,480	157,795
Operations expenses	10	88,455	80,716
Maintenance expenses	11	7,013	4,812
Fuel and travel expenses	12	7,602	17,498
Communication expenses	13	2,896	1,152
Depreciation Expense		2,226	2,227
<b>Total expenses</b>		<b>285,673</b>	<b>264,200</b>
<b>Amount carried forward</b>		<b>-</b>	<b>-</b>

The accompanying notes from 1 to 16 form an integral part of these financial statements

**ARTPOLIS****Statement of Changes in Equity****For the year ended December 31, 2020**

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	Retained surplus (in EUR)	Net deficit/ surplus (in EUR)	Total Equity (in EUR)
<b>Balance as at January 01, 2019</b>			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
<b>Balance as at December 31, 2019</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at January 01, 2020</b>			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
<b>Balance as at December 31, 2020</b>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes from 1 to 16 form an integral part of these financial statements

**ARTPOLIS****Statement of Cash Flows****For the year ended December 31, 2020**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the year	-	-
Adjustment for:		
Depreciation	2,227	2,227
	-	-
Change in receivables	(1,350)	(5,000)
Change in other receivables	-	-
Change in advances	400	(400)
Change in payables	(4,760)	(1,031)
Change in deferred revenue	34,731	(9,310)
<b>Net cash from operating activities</b>	<b>31,248</b>	<b>(13,514)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	(9,000)	-
<b>Net cash used in investing activities</b>	<b>(9,000)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>22,248</b>	<b>(13,514)</b>
Cash and cash equivalents at 1 January	12,714	26,227
<b>Cash and cash equivalents at 31 December</b>	<b>34,961</b>	<b>12,713</b>

The accompanying notes from 1 to 16 form an integral part of these financial statements



# **ARTPOLIS**

## **Notes to the Financial Statements**

**For the year ended December 31, 2020**

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### **1. INTRODUCTION**

ARTPOLIS is a registered Non-Governmental Organization established in Prishtina, Kosovo in 2004.

Through its mission it supports and protects women's rights as part of universal human rights, by conducting activities such as trainings and capacity building for women and youth from different ethnicity and addressing social issues through Theatre Based Education, activism, project managing and leadership skills.

ARTPOLIS promotes diversity through culture, arts and multi-ethnic coexistence by using theater as a tool for community empowerment.

ARTPOLIS is a community-based organization that offers all activities to community members free of charge.

# **ARTPOLIS**

## **Notes to the Financial Statements**

**For the year ended December 31, 2020**

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### **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards.

#### **2.2 Basis of preparation**

Financial Statements are prepared for reporting purposes in accordance with applicable International Financial Reporting Standards, and represent the entire picture that occurred in "ARTPOLIS" during 2020. Financial Statements are prepared on cash basis, based on which revenues and expenses are recognized at the time when either received or paid. The organization uses QuickBooks for preparation of financial statements.

#### **2.3 Currency of presentation**

The reporting currency of ARTPOLIS is the European Union currency unit Euro ("EUR"). The organization has seven bank accounts in Pro Credit Bank.

#### **2.4 Significant accounting policies**

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

##### **2.4.1 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

##### **2.4.2 Foreign currencies**

The organization does not perform transactions in foreign currencies.

##### **2.4.3 Revenue recognition**

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses is treated as balance carried forward to the next period.

**ARTPOLIS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

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**2.4.4 Property and equipment**

ARTPOLIS presents all purchased made in 2020 as assets in statement of financial position.

**2.4.5 Expenses recognition**

Expenses incurred for generation incomes are recognized in that period in cash basis.

**2.4.6 Taxation**

ARTPOLIS is established as a nongovernmental organization, therefore has responsibility and operates as an NGO under applicable Kosovo Laws.

**2.4.7 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.

**2.4.8 Critical judgments in applying the organization's accounting policies**

In the process of applying the Organization's accounting policies, which are described in note 3 above, management has made no judgments that have significant effect on the amounts recognized in the financial statements.

**ARTPOLIS****Notes to the Financial Statements****For the year ended December 31, 2020****3. PROPERTY AND EQUIPMENT**

	<u>Vehicle</u>	<u>Computers and Equipment</u>	<u>Total</u>
At 1 January 2019	6,500	4,633	11,133
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2019</b>	<b>6,500</b>	<b>4,633</b>	<b>11,133</b>
At 1 January 2020	6,500	4,633	11,133
Additions	9,000	-	9,000
Disposals	-	-	-
<b>At 31 December 2020</b>	<b>15,500</b>	<b>4,633</b>	<b>20,133</b>
At 1 January 2019	499	651	1,149
Depreciation charge for the year	1,300	927	2,227
Disposals	-	-	-
<b>At 31 December 2019</b>	<b>1,799</b>	<b>1,577</b>	<b>3,376</b>
At 1 January 2020	1,799	1,577	3,376
Depreciation charge for the year	1,300	927	2,227
Disposals	-	-	-
<b>At 31 December 2020</b>	<b>3,099</b>	<b>2,504</b>	<b>5,602</b>
<b>At 31 December 2020</b>	<b>12,401</b>	<b>2,129</b>	<b>14,530</b>
<b>At 31 December 2019</b>	<b>4,701</b>	<b>3,055</b>	<b>7,757</b>

**4. ACCOUNTS RECEIVABLES**

	<b>December 31, 2020 (in EUR)</b>	<b>December 31, 2019 (in EUR)</b>
CFD	5,000	5,000
GIZ	699	-
UNFPA	651	-
<b>Total Accounts Receivable</b>	<b>6,350</b>	<b>5,000</b>

## ARTPOLIS

### Notes to the Financial Statements

For the year ended December 31, 2020

#### 5. CASH AND BANK BALANCES

During this period "ARTPOLIS" had eight bank accounts, in Pro Credit Bank. All bank accounts are in Euro currency.

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Cash on Hand	153	118
Cash on Bank	34,808	12,596
<b>Total Cash and Cash Equivalents</b>	<b>34,961</b>	<b>12,714</b>

#### 6. ACCOUNTS PAYABLE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Invoice payable	-	1,200
Taxes and pensions payable	-	3,560
<b>Total Accounts Payable</b>	<b>-</b>	<b>4,760</b>

#### 7. DEFERRED REVENUES

	December 31,2020 (in EUR)	December 31,2019 (in EUR)
Other	55,841	21,110
<b>Total Deferred Revenue</b>	<b>55,841</b>	<b>21,110</b>

In the table below are presented incomes that are recognized in 2019 and the unspent amount is represented as a deferred revenue.

## ARTPOLIS

### Notes to the Financial Statements

For the year ended December 31, 2020

#### 8. INCOMES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
KTK	41,496	39,954
FEMART	150	27,657
UNFPA	28,239	31,238
CDF	43,021	-
CFD	62,000	61,333
KMOP	2,607	15,000
GIZ	43,328	-
Ministry of Culture	8,000	8,000
Municipality	7,000	5,000
Urgent Action Fund for Women's	24,966	-
UNDP	-	2,988
US Embassy	10,851	10,756
EU HLC	42,257	44,988
KIPRED	4,254	-
Other	2,235	2,978
Incomes from previous year	21,110	30,420
Deferred revenue	(55,841)	(21,110)
<b>Total grant income</b>	<b>285,673</b>	<b>264,202</b>

#### 9. PAYROLL EXPENSE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Salaries	173,092	150,873
Per diem	2,955	5,721
Pension contribution	1,432	1,201
<b>Total payroll expenses</b>	<b>177,480</b>	<b>157,795</b>



# ARTPOLIS

## Notes to the Financial Statements

For the year ended December 31, 2020

### 10. OPERATING EXPENSE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Rent	14,879	12,564
Program expenses	48,746	25,488
Refreshments	18,398	36,375
Other operations expenses	6,432	6,290
Total operations expenses	<u>88,455</u>	<u>80,716</u>

### 11. MAINTENANCE EXPENSE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Office	7,013	4,812
Total maintenance expenses	<u>7,013</u>	<u>4,812</u>

### 12. TRAVEL EXPENSE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Transport	7,602	17,498
Total travel expenses	<u>7,602</u>	<u>17,498</u>

## ARTPOLIS

### Notes to the Financial Statements

For the year ended December 31, 2020

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#### 13. COMMUNACATION EXPENSE

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Telephone Land Line/Fax	2,896	1,152
<b>Total communication expenses</b>	<b>2,896</b>	<b>1,152</b>

#### 14. RELATED PARTY DISCLOSURE

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

**ARTPOLIS**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2020**

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**15. RISK MANAGEMENT**

***15.1 Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. ARTPOLIS is not exposed to credit risk in respect of Grant receivable from its Donors.

***15.2 Interest rate risk***

The organization is not exposed to interest rate risk as they do not have any borrowings or placements.

***15.3 Foreign exchange risk***

ARTPOLIS is not exposed to foreign exchange risk as transactions are undertaken in local currency. ARTPOLIS does not speculate in or engage in the trading of derivative financial instruments.

***15.4 Liquidity risk***

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. ARTPOLIS is committed monitor its liquidity on a periodic basis in order to manage its obligations as and when they shall become due.

**16. SUBSEQUENT EVENTS**

There are no subsequent events that would require either adjustments or additional disclosures in the financial statements.