

Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Management of ARTPOLIS

Opinion

We have audited the accompanying financial statements of ARTPOLIS, which comprise the statement of financial position as at December 31, 2023 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 financial statements referred to above present fairly, in all material respects, the financial position of ARTPOLIS as of December 31, 2023, results of its operation and the cash flow for the year then ended in conformity with actual laws and with individual agreements between KCSF and grantees.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (with the application of ISA 700). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Project financial report section of our report. We are independent of the Business in accordance with 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. 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 these financial statements in accordance with modified cash basis principle, applicable laws 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

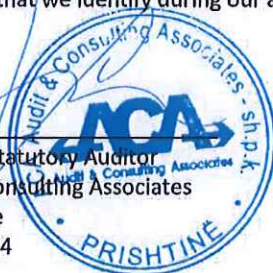
total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
February 14, 2024



ARTPOLIS**Statement of Financial Position**

For the year ended December 31, 2023

| | Notes | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|---------------------------------------|-------|----------------------------------|----------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 4 | 3,101 | 7,868 |
| Total non-current assets | | <u>3,101</u> | <u>7,868</u> |
| Current assets | | | |
| Accounts Receivable | 5 | 6,784 | 21,293 |
| Cash and bank balances | 6 | 97,833 | 87,184 |
| Total current assets | | <u>104,618</u> | <u>108,477</u> |
| TOTAL ASSETS | | <u><u>107,719</u></u> | <u><u>116,345</u></u> |
| LIABILITIES AND RESERVES | | | |
| Current liabilities | | | |
| Accounts payable | 7 | 6,383 | 8,533 |
| Deferred Revenue | 8 | 101,337 | 107,812 |
| Total current liabilities | | <u>107,719</u> | <u>116,345</u> |
| Reserves | | | |
| Opening Balance Equity | | - | - |
| Retained surplus | | - | - |
| Amount carried forward | | - | - |
| Total reserves | | <u>-</u> | <u>-</u> |
| TOTAL LIABILITIES AND RESERVES | | <u><u>107,719</u></u> | <u><u>116,345</u></u> |

The financial statements have been signed on February 14, 2024 by:

Zana Hoxha

Executive Director



Donarta Limanaj

Financial Manager

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS**Statement of Profit or Loss****For the year ended December 31, 2023**

| | | End Year 31 December 2023 (in EUR) | End Year 31 December 2022 (in EUR) |
|-------------------------------|------|---|---|
| | Note | | |
| Incomes | | | |
| Incomes | 9 | 591,610 | 560,510 |
| Total income | | <u>591,610</u> | <u>560,510</u> |
| Expenses | | | |
| Payroll expenses | 10 | 297,467 | 273,863 |
| Operations expenses | 11 | 289,377 | 281,787 |
| Depreciation Expense | 4 | 4,766 | 4,861 |
| Total expenses | | <u>591,610</u> | <u>560,510</u> |
| Amount carried forward | | <u>-</u> | <u>-</u> |

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS**Statement of deficit/surplus****For the year ended December 31, 2023**

| | Retained surplus (in EUR) | Net deficit/ surplus (in EUR) | Total Equity (in EUR) |
|--|---------------------------------|-------------------------------------|--------------------------|
| Balance as at January 01, 2022 | | | |
| Balance carried forward | - | - | - |
| Net deficit/surplus for the year | - | - | - |
| Balance as at December 31, 2022 | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance as at January 01, 2023 | | | |
| Balance carried forward | - | - | - |
| Net deficit/surplus for the year | - | - | - |
| Balance as at December 31, 2023 | <u>-</u> | <u>-</u> | <u>-</u> |

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS**Statement of Cash Flows****For the year ended December 31, 2023**

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| (Deficit)/surplus for the year | - | - |
| Adjustment for: | | |
| Depreciation | 4,766 | 4,861 |
| Change in receivables | 14,509 | (15,757) |
| Change in payables | (2,150) | 5,410 |
| Change in deferred revenue | (6,475) | (2,846) |
| Net cash from operating activities | 10,650 | (8,332) |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | - | - |
| Net cash used in investing activities | - | - |
| Net increase in cash and cash equivalents | 10,650 | (8,332) |
| Cash and cash equivalents at 1 January | 87,184 | 95,516 |
| Cash and cash equivalents at 31 December | 97,833 | 87,184 |

The accompanying notes from 1 to 14 form an integral part of these financial statements

ARTPOLIS

Notes to the Financial Statements

For the year ended December 31, 2023

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, 2023

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Financial Statements are prepared for reporting purposes in accordance with applicable International Standards on Auditing (with the application of ISA 700), and represent the entire picture that occurred in Artpolis during 2023. Financial Statements are prepared on modified cash basis principle. The organization uses QuickBooks for preparation of financial statements.

2.2 Currency of presentation

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

2.3 Foreign currency exchange

The organization does not perform transactions in foreign currencies.

2.4 Property, plant and equipment

Artpolis presents all purchased made in 2023 as equipment expenses in the statement of financial position.

2.5 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.

2.6 Taxes

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

2.7 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, 2023

2.8 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

2.9 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

ARTPOLIS**Notes to the Financial Statements**

For the year ended December 31, 2023

3. PROPERTY, PLANT AND EQUIPMENT

| | <u>Vehicle</u> | <u>Computers and Equipment</u> | <u>Total</u> |
|----------------------------------|----------------|--|---------------|
| Cost | | | |
| At 1 January 2022 | 15,500 | 7,414 | 22,914 |
| Additions | - | - | - |
| At 31 December 2022 | 15,500 | 7,414 | 22,914 |
| At 1 January 2023 | 15,500 | 7,414 | 22,914 |
| Additions | - | - | - |
| At 31 December 2023 | 15,500 | 7,414 | 22,914 |
| Accumulated depreciation | | | |
| At 1 January 2022 | 6,199 | 3,986 | 10,185 |
| Depreciation charge for the year | 3,100 | 1,761 | 4,861 |
| At 31 December 2022 | 9,299 | 5,747 | 15,046 |
| At 1 January 2023 | 9,299 | 5,747 | 15,046 |
| Depreciation charge for the year | 3,100 | 1,666 | 4,766 |
| At 31 December 2023 | 12,399 | 7,414 | 19,812 |
| At 31 December 2023 | 3,101 | - | 3,101 |
| At 31 December 2022 | 6,201 | 1,666 | 7,868 |

4. ACCOUNTS RECEIVABLE

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|----------------------------------|---|---|
| CFD | 4,627 | 5,000 |
| EU HLC | - | 15,380 |
| UNMasc | 1,445 | - |
| UNFPA | 712 | 913 |
| Total Accounts Receivable | 6,784 | 21,293 |

ARTPOLIS**Notes to the Financial Statements****For the year ended December 31, 2023**

5. CASH AND CASH EQUIVALENTS

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|--|----------------------------------|----------------------------------|
| Cash on hand | 399 | 2,935 |
| Cash at bank | 97,434 | 84,248 |
| Total Cash and Cash Equivalents | 97,833 | 87,184 |

6. ACCOUNTS PAYABLE

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|-------------------------------|----------------------------------|----------------------------------|
| Taxes and pensions payable | 6,383 | 8,533 |
| Total Accounts Payable | 6,383 | 8,533 |

7. DEFERRED REVENUE

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|-------------------------------|----------------------------------|----------------------------------|
| Deferred income | 101,337 | 107,812 |
| Total Deferred Revenue | 101,337 | 107,812 |

ARTPOLIS**Notes to the Financial Statements****For the year ended December 31, 2023**

8. GRANT INCOME

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|--------------------------------|----------------------------------|----------------------------------|
| Income from previous year | 107,812 | 110,658 |
| Income from Sponsorship | 89,689 | - |
| CFD | 80,627 | 68,491 |
| Ministry of Culture | 80,000 | 117,000 |
| EU Helsinki | 60,146 | - |
| CDF | 53,530 | 55,667 |
| KCSF | 43,894 | 38,749 |
| KTK | 40,433 | 41,744 |
| UNFPA 2 | 39,765 | 13,560 |
| KBFUS | 34,366 | - |
| UNFPA | 29,214 | 22,887 |
| US Embassy | 11,673 | - |
| Prishtina Municipality | 10,000 | 10,000 |
| Embassy of France | 7,057 | - |
| Bucaj | 4,479 | 25,521 |
| Global Albanians Foundation | 136 | 42,513 |
| Membership Income | 126 | 230 |
| FEMART | - | 5,567 |
| Urgent Action Fund For Women's | - | 32,530 |
| SDC | - | 25,309 |
| EU HLC | - | 38,189 |
| Ministry of Diaspora | - | 5,000 |
| Embassy of Luxembourg | - | 10,000 |
| Sigma | - | 2,000 |
| Other | - | 2,706 |
| Deferred revenue | (101,337) | (107,812) |
| Total grant income | 591,610 | 560,510 |

ARTPOLIS
Notes to the Financial Statements
For the year ended December 31, 2023

9. PAYROLL EXPENSES

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|-------------------------------|----------------------------------|----------------------------------|
| Salaries and remuneration | 291,842 | 253,733 |
| Per diem | 3,090 | 6,455 |
| Pension contribution | 2,535 | 13,675 |
| Total payroll expenses | 297,467 | 273,863 |

10. OPERATIONS EXPENSES

| | December 31, 2023 (in EUR) | December 31, 2022 (in EUR) |
|----------------------------------|----------------------------------|----------------------------------|
| Program expenses | 131,589 | 115,520 |
| Other operational expenses | 43,860 | 20,316 |
| Administrative Expenses | 37,923 | - |
| Travel expenses | 31,240 | 50,767 |
| Rent expenses | 17,489 | 24,668 |
| Refreshments | 12,567 | 49,245 |
| Office Expenses | 8,536 | - |
| Utilities | 2,459 | - |
| Maintenance expenses | 2,320 | 18,433 |
| Communication expenses | 1,393 | 2,838 |
| Total operations expenses | 289,377 | 281,787 |

ARTPOLIS

Notes to the Financial Statements For the year ended December 31, 2023

11. PROFIT AND LOSS STATEMENT BY DONORS

| | Notes | CFD (in EUR) | EU Helsinki (in EUR) | KCSF - EJA (in EUR) | MKRS (in EUR) | KTK (in EUR) | CDF (in EUR) | Other projects (in EUR) | Total (in EUR) |
|--|-------|-----------------|-------------------------|------------------------|------------------|-----------------|-----------------|----------------------------|-------------------|
| Income | | | | | | | | | |
| Incomes | 9 | 79,627 | 63,465 | 38,300 | 80,000 | 39,630 | - | 284,113 | 585,135 |
| Deferred Incomes from Previous Year | 8 | 1,000 | - | 5,594 | - | 803 | 55,228 | 45,187 | 107,812 |
| Deferred Incomes | 8 | - | (3,319) | - | - | - | (1,699) | (96,319) | (101,337) |
| Total income | | 80,627 | 60,147 | 43,894 | 80,000 | 40,433 | 53,530 | 232,980 | 591,610 |
| Expenditure | | | | | | | | | |
| Payroll Expense | 10 | 37,445 | 20,125 | 13,236 | 33,150 | 26,165 | 24,999 | 142,347 | 297,467 |
| Operation Expense | 11 | 43,182 | 40,022 | 30,658 | 46,850 | 14,268 | 28,531 | 85,867 | 289,377 |
| Depreciation Expense | 4 | - | - | - | - | - | - | 4,766 | 4,766 |
| Total expenditure | | 80,627 | 60,147 | 43,894 | 80,000 | 40,433 | 53,530 | 232,980 | 591,610 |
| Net (Deficit)/ surplus for the year | | - | - | - | - | - | - | - | - |

ARTPOLIS
Notes to the Financial Statements
For the year ended December 31, 2023

12. 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.

13. RISK MANAGEMENT

13.1 Credit risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of trade receivables and holdings of cash at bank. The Organization's credit risk is managed by placing its cash and cash equivalents with high quality financial institutions. The receivables credit risk is controlled through revised credit terms (maximum 15 days as credit limit), credit approvals, credit limits and monitoring procedures.

13.2 Interest rate risk

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

13.3 Foreign exchange risk

The organization pays liabilities in foreign currency within a short period of time thus reducing the risk that changes in foreign currency would result in significant losses.

13.4 Liquidity risk

Liquidity risk arises in the general funding of the Organization's activities and in the management of positions. It includes both the risk of being unable to fund assets at appropriate maturity and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate time frame to meet the liability obligations.

The organization monitors its liquidity on a periodic basis in order to manage its obligations as and when they fall due. As at December 31, 2023, the Organization's financial assets and liabilities have maturity less than 12 months.

14. SUBSEQUENT EVENTS

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