



Advocacy Training and Resource Center

Independent Auditor's Report and financial statements
for the year ended December 31, 2012

ADVOCACY TRAINING AND RESOURCE CENTER

TABLE OF CONTENTS	PAGE
AUDITORS' REPORT	
BALANCE SHEET	1
STATEMENT OF REVENUE AND EXPENDITURE	2
STATEMENT OF CHANGES IN NET ASSETS	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5 - 14



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Advocacy Training and Resource Centre

We have audited the accompanying financial statements of Advocacy Training and Resource Centre (ATRC), which comprise the balance sheet as at December 31, 2012, and the statement of revenue and expenditure, statement of changes in net assets and cash flow statement for the year then ended, and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Kosovo Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ATRC as of December 31, 2012 and the results of its operation for the year then ended in conformity with accounting principals generally accepted in Kosovo.

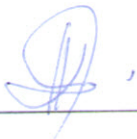
Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosovo
March 2013



ADVOCACY TRAINING AND RESOURCE CENTER
Balance Sheet
For the year ended December 31, 2012

	Note	2012	2011
Assets			
Cash and cash equivalents	4	2,095	1,849
Accounts Receivable	5	3,000	-
Advances to grantees	6	180	2,375
Total current assets		5,274	4,224
Property and equipment	7	6,121	8,475
Intangible assets	8	-	-
Total non-current assets		6,121	8,475
Total assets		11,396	12,699
Liabilities and fund balance			
Deferred revenue	9	11,513	4,337
Accounts Payable	10	4,596	2,176
Total current liabilities		16,109	6,513
Fund balance		-4,713	6,186
Total liabilities and fund balance		11,396	12,699

The financial statements set out on pages 1 to 14 were authorized for issue by the management on 29 March, 2013 and were signed on its behalf by:



Kushtrim Kaloshi
Executive Director



Gani Asllani
Financial and Administrative
Manager

The accompanying notes from 1 to 18 form an integral part of these financial statements

ADVOCACY TRAINING AND RESOURCE CENTER
Statement of Revenue and expenditures
For the year ended December 31, 2012

	Note	2012	2011
Income from grants	11	161,726	172,444
Other income	12	41,179	53,885
Total income		202,905	226,329
Program expenses	13	(189,205)	(206,100)
Administrative expenses	14	(24,600)	(43,274)
Total expenses		(213,804)	(249,374)
Forex			
Net (deficit)/surplus for the year		(10,899)	(23,045)

The accompanying notes from 1 to 18 form an integral part of these financial statements

ADVOCACY TRAINING AND RESOURCE CENTER
Statement of Changes in Net Assets
For the year ended December 31, 2012

	EUR
Balance at 1 January 2011	29,231
Surplus for the year	(23,045)
Balance at 31 December 2011	6,186
Balance at 1 January 2012	6,186
Deficit for the year	(10,899)
Balance at 31 December 2012	(4,713)

The accompanying notes from 1 to 18 form an integral part of these financial statements

ADVOCACY TRAINING AND RESOURCE CENTER**Statement of Cash Flows****For the year ended December 31, 2012**

	2012	2011
Cash flows from operating activities		
(Deficit)/surplus for the year	(10,899)	(23,045)
Adjustment for:		
Depreciation	3,495	5,106
Amortization	-	-
Change in advances	2,196	(2,125)
Change in receivables	(3,000)	4,962
Change in payables	2,419	(9,617)
Change in deferred revenue	7,176	(3,983)
Net cash from operating activities	1,388	(28,702)
Cash flows from investing activities		
Acquisition of property and equipment	(1,142)	(609)
Net cash used in investing activities	(1,142)	(609)
Net increase in cash and cash equivalents	246	(29,311)
Cash and cash equivalents at 1 January	1,849	31,160
Cash and cash equivalents at 31 December	2,094	1,849

The accompanying notes from 1 to 18 form an integral part of these financial statements

ADVOCACY TRAINING AND RESOURCE CENTER

Notes to the Financial Statements

For the year ended December 31, 2012

1. INTRODUCTION

Advocacy Training and Resource Center (hereafter called the “Organization” or “ATRC”), a non-profit organization is established as a foundation, founded in accordance with Regulation No. 1999/22 of the United Nations Interim Administration Mission in Kosovo and after that in accordance with **Law on freedom of Association in Non-Governmental Organizations, approved from the Kosovo Assembly in 2009**, under the registered number 5200095-5, PBS 6001014-5 and Fiscal number 600254594.

Advocacy Training and Resource Center (ATRC) focused on increasing citizen and civil society participation in decision-making, as a prerequisite for a developed democratic society and regional stability.

ATRC works with representatives of NGOs, civic initiatives, public administration, political institutions and media regardless of religion, political affiliation, ethnicity, age, gender, capability and sexual orientation.

ATRC accomplishes its goals through four main programs: Grant Administration, Advocacy, Capacity Building, Information exchange and networking in and out of Kosovo.

Since its establishment in 2001, ATRC in Prishtina has assisted numerous NGOs in Kosovo to professionalize their work, articulate their demands, and advocate to government structures about issues affecting Kosovo society.

ATRC is well known for providing a platform for discussion on the most pressing issues concerning the civil society and ordinary citizens by organizing and facilitating public dialogues and roundtables. ATRC has designed and implemented more than 100 roundtable/public discussion forums, participated in major electoral reforms, organized a number of advocacy campaigns as well, organized number of Town Hall meetings for different issues, such are: election, legalization of illegal buildings, census of population etc.

ATRC donors and supporters

1. United Nations High Commissioner for Refugees (UNHCR)
2. Olof Palme International Center (OPIC)
3. The Balkan Trust for Democracy (BTD)
4. Norwegian Embassy
5. Friedrich Ebert Stiftung (FES)
6. Public International Law and Policy Group (PILPG)
7. Other Donors

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The accompanying financial statements have been prepared in accordance with Kosovo Accounting Standards ("KAS").

2.2 Functional and presentation currency

The financial statements are presented in Euro ("EUR"), the local currency in Kosovo. Revenues are received in EUR and in US Dollar ("USD"), expenditures are made only in EUR. The EUR is the Organization's measurement currency as it reflects the economic substance of the underlying events and circumstances of the Organization.

2.3 Advances to Grantees

Advances to grantees are funds disbursed from the Organization to the grantees relating to projects yet to be implemented in the following year. Advances are measured at cost.

2.4 Fixed Assets

Fixed assets are presented at their historical cost net of accumulated depreciation, which is calculated on a straight-line basis over their estimated useful lives. Annual depreciation rates are as follows:

	In %
Computer equipment	20
Office equipment	20
Vehicles	16.66

2.5 Liabilities

Liabilities are carried at cost.

2.6 Income

The donors' funds are recognized as deferred income when received. Subsequently, when the projects are implemented the funds are recognized as income.

2.7 Foreign Currency transaction

Transactions in foreign currencies are translated into EUR at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to EUR at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of activities. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the date of the transaction.

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

3. Taxation

The ATRC was established as a non-profit organization with beneficiary status under Kosovo Regulations for Non Governmental Organizations no. 2009/03-L-134.

4. CASH and bank BALANCES

	31-Dec-12	31-Dec-11
Cash on hand	182	12
Cash at banks	1,913	1,837
Total cash and cash equivalents	2,095	1,849

The Organization maintains all of its bank accounts at Pro Credit Bank of Kosovo, which are separated in accounts as per donor.

5. ACCOUNTS RECEIVABLE

	31-Dec-12	31-Dec-11
NGO -	3,000	-
Total accounts receivable	3,000	-

In 2011 there were no receivable. 2012 Receivables are for the services offered to SHVPD, due to be paid in 2013.

6. OTHER RECEIVABLE

	31-Dec-12	31-Dec-11
Other advances	180	2,375
Total advances to grantees	180	2,375

Other receivables are related to payroll taxes and pension contributions that are double-paid by mistake in November 2011 are corrected on January 2012, and there is a remaining receivable for 2013.

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

7. PROPERTY AND EQUIPMENT

Fixed assets of the Organization are composed of computers, office equipments and vehicles.

	Computers	Office equipment	Vehicles	Total
<i>Cost</i>				
At 1 January 2011	22,896	16,778	41,795	81,469
Additions	609	-	-	609
Disposals	-	-	-	-
At 31 December 2011	23,505	16,778	41,795	82,078
At 1 January 2012	23,505	16,778	41,795	82,078
Additions	-	-	1,142	1,142
Disposals	-	-	-	-
At 31 December 2012	23,505	16,778	42,937	83,220
<i>Accumulated depreciation</i>				
At 1 January 2011	18,176	13,925	36,395	68,496
Depreciation charge for the year	2,460	979	1,667	5,106
Disposals	-	-	-	-
At 31 December 2011	20,636	14,905	38,062	73,603
At 1 January 2012	20,636	14,905	38,062	73,603
Depreciation charge for the year	1,329	500	1,667	3,495
Disposals	-	-	-	-
At 31 December 2012	21,965	15,405	39,729	77,098
<i>Carrying amount</i>				
At 1 January 2011	4,720	2,853	5,400	12,973
At 31 December 2011	2,869	1,873	3,733	8,475
At 1 January 2012	2,869	1,873	3,733	8,475
At 31 December 2012	1,540	1,373	3,208	6,122

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

8. INTANGIBLE ASSETS

	Software	Total
<i>Cost</i>		
At 1 January 2011	1,739	1,739
Additions	-	-
At 31 December 2011	1,739	1,739
At 1 January 2012	1,739	1,739
Additions	-	-
At 31 December 2012	1,739	1,739
<i>Accumulated amortization</i>		
At 1 January 2011	1,739	1,739
Charge for the year	-	-
At 31 December 2011	1,739	1,739
At 1 January 2012	1,739	1,739
Charge for the year	-	-
At 31 December 2012	1,739	1,739
<i>Carrying amount</i>		
At 1 January 2011	-	-
At 31 December 2011	-	-
At 1 January 2012	-	-
At 31 December 2012	-	-

Total Grant incomes received during the year of 2012 are EUR 121,108. All these funds, together with outstanding funds received last year, have been used to cover the operating expenses of this fiscal year.

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

9. DEFERRED REVENUES

Deferred revenue as at 31 December 2012 represents the unspent funds donated in 2012 from the Organizations mentioned below. As per agreements between the ATRC and the donors the unspent funds in 2012 will be used during the year 2013 for program activities.

EUR	PILPG Grant	ATRC Funds	Total
Balance at 31 December 2011	2,676	1,661	4,337
Additions in 2012	33,452	42,422	75,873
Income recognized in 2012	(34,160)	(34,537)	(68,697)
Balance at 31 December 2012	1,968	9,545	11,513

10. ACCOUNTS PAYABLE

Payables relate to: Audit and utility expenses occurred in 2012, which were paid in 2013.

11. INCOME FROM GRANTS

Income from grants for the years ended 31 December 2012 and 2011 are comprised as follows:

Grand income	2012	2011
UNHCR	59,547	57,013
Olof Palme International Center	46,365	39,039
American Embassy	-	11,176
CSSP Funds	3,600	-
ISC- Funds	-	10,152
REA Funds	-	21,249
UNOPS	-	19,860
PILPG	34,160	13,955
BTD Fund	18,054	-
Total	161,726	172,444

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

12. OTHER INCOME

Other income for the year ended 31 December 2012 represents the income generated by ATRC, and are comprised as follows:

	2012	2011
Program Income	34,537	31,911
AED	-	14,094
FES	6,642	7,881
Total	41,179.27	53,885.15

13. PROGRAM EXPENSES

Program expenses are all expenses incurred by the Organization in implementing the projects financed by different donors. The Organization keeps records of expenses as per each donor respectively as per budget line approved by the donor. All of the funds received from the donors are used for program expenses except for the funds received from CSSP which are divided in program and administrative expenses

Program Expenses	2012	2011
Grants	-	-
Personnel	95,217	92,995
Training	61,837	78,223
Rent, utilities and maintenance	23,189	28,088
Travel and vehicles	3,296	4,432
Supplies and postage	4,946	1,862
Computer and office expenses	720	500
Total program expenses	189,205	206,100

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

14. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are mainly financed by CSSP and the Organization.

	2012	2011
Personnel	19,556	36,420
Audit	1,500	1,500
Depreciation	3,495	5,106
Bank charges	48	248
Other expenses	-	-
Total	24,600	43,274

During 2012 ATRC had 11 primary and 54 secondary employees (trainers, translators, filed coordinators etc)

15. FINANCIAL INSTRUMENTS

(ii) Credit risk

Financial instruments, which potentially subject the organization to concentrations of credit risk, consist primarily of receivables and advances given to NGO. The receivables and advances to NGO credit risk is controlled through approvals of receivables and budget expenditures that generate such receivables.

(iii) Foreign currency risk

The Organization is exposed to foreign currency risk as the funds except in EUR are received in USD also. Funds received in USD are translated in EUR, and are expensed only in EUR.

(iv) Fair value

The Organization has financial assets, which include receivables (advances to grantees) and cash and cash equivalents. The Organization has financial liabilities, which include payables and deferred revenue. The fair values of these financial instruments are not materially different from their stated value due to their short maturity and approximation of cash.

Trade and other receivables / payables

All group receivables / payables have a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

(v) Interest rate risk

The Organization's revenues and operating cash flows are substantially independent of changes in market interest rates. There are no interest-bearing borrowings.

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

(vi) Liquidity risk

The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

	2012	2011
	Pay-down expected to be made in 1-12 months	Pay-down expected to be made in 1-12 months
	EUR	EUR
Payables	4,596	2,176
Total	4,596	2,176

16. RELATED PARTY DISCLOSURE

A related party is any party that has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties include the main donor United Nations High Commissioner for Refugees (UNHCR), The Olof Palme International Center (OPIC), Board members and the Organization's executive officers.

A summary of the related party transactions for 31 December 2012 and 2011 are as follows:

	2012	2011
<i>Transactions with main donor</i>		
United Nations High Commissioner for Refugees (UNHCR)	59,547	57,013
The Olof Palme International Center (OPIC)	46,365	39,039
<i>Transactions with Board</i>		
Board members salary expenses		
<i>Transactions with management</i>		
Executive director salary expenses	22,098	21,075.11
Finance manager salary expenses	20,164	19,671.89
Travel and accommodation cost		-

17. COMMITMENT AND CONTINGENCIES

There are no known commitments and contingency for the year ended 31 December 2012 (31 December 2011: Nil).

18. EVENTS AFTER THE BALANCE SHEET DATE

ADVOCACY TRAINING AND RESOURCE CENTER
Notes to the Financial Statements (continued)
For the year ended December 31, 2012

Management is not aware of any events subsequent to the balance sheet date that may have an effect on or require disclosure in the Organization's financial statements as at 31 December 2012 (31 December 2011: Nil).