

**Advocacy Training and Resource Center (ATRC)**

Financial Statements  
for the year ended 31 December 2020

and  
Independent Auditor's Report

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## INDEPENDENT AUDITORS REPORT

To the Board of Directors and management of Advocacy Training and Resource Center (“ATRC”)

### Opinion

We have audited financial statements of ATRC (the Organization), which comprises the statement of financial position as at 31 December 2020, and the income statement, statement of changes in fund balance and cash flow statement for the years 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 31 December 2020 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 Zeka  
Statutory Auditor



Baker Tilly Kosovo  
Prishtine Kosovo

24 March 2021

**Advocacy Training and Resource Center**

**Statement of Financial Position**

As at 31 December 2020

(all amounts are in Euro)

As at 31 December	Notes	2020	2019
<b>Assets</b>			
Property, plant and equipment	4	10,383	15,011
<b>Total non-current assets</b>		<b>10,383</b>	<b>15,011</b>
Cash and Cash equivalents	5	45,824	147,766
Advances for grantees	6	1,575	45,762
Accounts Receivable	7	7,576	3,249
<b>Total current assets</b>		<b>54,975</b>	<b>196,777</b>
<b>Total assets</b>		<b>65,358</b>	<b>211,788</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable	8	3,465	36,236
Deferred Revenues	9	51,510	161,230
Donor Liabilities		10,383	14,322
<b>Total current liabilities</b>		<b>65,358</b>	<b>211,788</b>
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>65,358</b>	<b>211,788</b>

These financial statements were authorized for issue by the Board of Directors on 02 March 2021 and signed on their behalf by:

  
  
**Kushtrim Kaloshi**  
 Executive Director

  
**Fidan Çerkini**  
 Finance and Administration Manager

**Advocacy Training and Resource Center**

**Statement of Income**

For the year ended 31 December 2020

(all amounts are in Euro)

<b>For the year ended 31 December</b>		<b>2020</b>	<b>2019</b>
	<b>Notes</b>		
Income	10	752,672	1,238,731
<b>Total Income</b>		<b>752,672</b>	<b>1,238,731</b>
<b>Expenses</b>			
Payroll expenses	11	(289,671)	(310,812)
Operating expenses	12	(44,085)	(41,094)
Project expenses	13	(379,188)	(777,769)
In-kind contributions	14	(39,728)	(109,056)
<b>Total expenses</b>		<b>(752,672)</b>	<b>(1,238,731)</b>
<b>Surplus/(Deficit) for the year</b>		<b>-</b>	<b>-</b>

**Advocacy Training and Resource Center**

**Statement of Cash Flows**

For the year ended 31 December 2020

(all amounts are in Euro)

<b>For the year ended 31 December</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from (used in) operating activities</b>		
<i>Adjustments for:</i>		
Depreciation	4,695	8,462
Asset cost correction	2,279	-
Increase/(decrease) in receivables	(4,326)	(2,049)
Increase/(decrease) in advances for grantees	44,187	(8,879)
Increase/(decrease) in payables	(32,770)	(2,208)
Increase/(decrease) in deferred Revenues	(109,720)	22,466
Increase/(decrease) in donor liabilities	(3,939)	(6,250)
<b>Cash generated from operations</b>	<b>(106,569)</b>	<b>3,080</b>
<b>Net cash from (used in) operating activities</b>	<b>(99,594)</b>	<b>11,542</b>
<b>Cash Flows from investing activities</b>		
Payments for property, plant and equipment	(2,347)	123
<b>Net cash used in by investing activities</b>	<b>(2,347)</b>	<b>123</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(101,941)</b>	<b>11,665</b>
Cash and cash equivalents at the beginning of the year	147,766	136,101
<b>Cash and cash equivalents at the end of the year</b>	<b>45,824</b>	<b>147,766</b>

## **Advocacy Training and Resource Center**

### **Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)*

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

### **1. Organization**

The Advocacy Training and Resource Center (hereinafter "ATRC") is a non-profit organization established in accordance with Regulation no. 1999 /22 of the United Nations Interim Administration Mission in Kosovo, and then in accordance with the Law on Freedom of Association in Non-Governmental Organizations, with registration number 5200095-5 as of 11 June 2003, PBS 6001014-5 as well as with fiscal number 600254594.

The Advocacy Training and Resource Center (ATRC) is focused on increasing civic participation 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 affiliation, ethnicity, age, gender, ability and sexual orientation

ATRC achieves its goals through four main programs: Grant Administration, Advocacy, Capacity Building, and Exchange of Information in Kosovo and abroad. Since its foundation in 2001, ATRC has assisted numerous NGOs in Kosovo to professionalize their work, articulate their demands, and advocate in governmental structures for issues that impact Kosovo society.

Donors and supporters of ATRC during 2020 are:

- Kosovo | U.S. Agency for International Development - USAID
- Save the Children International Office in Kosovo (SCIK)
- European Union / Partner with Business Association and Consultants BOB Kreacija Skopje
- European Commission / Partner with Institute for Habitat Development - Co-PLAN Tirana.
- Global Community Engagement and Resilience Fund (GCERF)
- The Kingdom of the Netherlands Embassy in Kosovo / MATRA Program

### **2. Basis for presentation**

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.



## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2020

(all amounts are 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 Property and equipment

Property, plant and equipment are presented at historical cost deducted for accumulated depreciation. Historical cost includes costs that are directly attributable to the appropriated items. The cost of self-constructing assets includes the cost of raw materials, direct labor, and a certain proportion of pendant production costs.

Subsequent purchases are included in the carrying amount of the asset or are presented as a separate asset, respectively, only when there is a likelihood of the entity's future economic outflow of the relevant item and when the value of the item can be measured fairly. Impairment of property, plant and equipment is calculated using the straight-line method of cost allocation or deemed cost to their residual value over their useful life, as follows:

Office equipment	20 %
Vehicles	16.6 %
Computers	20 %

#### 3.5 Profit Tax

The organization is exempt from profit tax (Law No. 06 / L-105 on Corporate Income Tax)

#### 3.6 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.

#### 3.7 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.

**Advocacy Training and Resource Center**

**Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)*

**3.8 Trade and other payables**

Other payables and trades are recognized at fair value and subsequently measured at amortization costs using the effective interest method.

**3.9 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.

Advocacy Training and Resource Center

Notes to Financial Statements

For the year ended 31 December 2020

(all amounts are in Euro)

4. Office Equipment

	Computers	Office Equipment	Motor Vehicle	Software	Total
<b>Cost:</b>					
<b>As at 31 December 2018</b>	<b>62,260</b>	<b>22,965</b>	<b>51,550</b>	<b>2,511</b>	<b>139,286</b>
Additions	-	4,173	306	-	4,479
Disposals	(4,726)	-	-	-	(4,726)
<b>As at 31 December 2019</b>	<b>57,535</b>	<b>27,137</b>	<b>51,856</b>	<b>2,511</b>	<b>139,039</b>
Additions	2,347	-	-	-	2,347
Correction	(449)	(1,218)	(489)	124.01	(2,031)
<b>As at 31 December 2020</b>	<b>59,433</b>	<b>25,919</b>	<b>51,367</b>	<b>2,635</b>	<b>139,107</b>
<b>Accumulated depreciation:</b>					
<b>As at 31 December 2018</b>	<b>45,572</b>	<b>19,473</b>	<b>48,631</b>	<b>2,014</b>	<b>115,566</b>
Charge for the year	6,041	752	1,669	124	8,462
<b>As at 31 December 2019</b>	<b>51,613</b>	<b>20,225</b>	<b>50,300</b>	<b>2,138</b>	<b>124,028</b>
Charge for the year	1,873	1,694	1,005	124	4,695
<b>As at 31 December 2020</b>	<b>53,486</b>	<b>21,919</b>	<b>51,305</b>	<b>2,262</b>	<b>128,724</b>
<b>Net book value:</b>					
<b>As at 31 December 2019</b>	<b>5,922</b>	<b>6,912</b>	<b>1,556</b>	<b>373</b>	<b>15,011</b>
<b>As at 31 December 2020</b>	<b>5,948</b>	<b>4,001</b>	<b>62</b>	<b>373</b>	<b>10,383</b>

5. Cash and cash equivalents

The following amounts comprise the balance as of 31 December 2020 and 2019

<b>As at 31 December</b>	<b>2020</b>	<b>2019</b>
Cash in bank	45,820	147,640
Cash on hand	5	125
<b>Total</b>	<b>45,824</b>	<b>147,766</b>

## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2020

(all amounts are in Euro)

#### 6. Advances for grantees

The following amounts comprise the balance as of 31 December 2020 and 2019:

<b>As at 31 December</b>	<b>2020</b>	<b>2019</b>
RADC	1,575	-
BIRN	-	3,003
ANIBAR	-	2,605
CEL	-	2,946
Communication for Social Development	-	2,174
D4D	-	2,514
Developing together	-	2,131
DSK	-	3,016
FKMNS	-	1,637
ICDC	-	4,001
INDEP	-	3,762
Women 4 Women	-	2,177
Qendra për studime të avancuara FIT	-	1,791
Rinia Aktive e Gjakovës	-	17
Teacher for Kosovo	-	1,912
TOKA	-	430
Democracy plus	-	5,985
KCBS	-	1,579
Kipred	-	2,073
SPRC	-	-
<b>Total</b>	<b>1,575</b>	<b>45,762</b>

#### 7. Receivables

<b>As at 31 December</b>	<b>2020</b>	<b>2019</b>
Receivables from donors	7,576	3,249
<b>Total</b>	<b>7,576</b>	<b>3,249</b>

## Advocacy Training and Resource Center

### Notes to Financial Statements

For the year ended 31 December 2020

(all amounts are in Euro)

#### 8. Accounts payable

As at 31 December	2020	2019
CSGD	-	511
Forumi Kosovar i Aftësisë së Kufizuar	-	64
HandiKos Peja	-	2,925
QKSGJ	-	2,801
Riinvest	-	1,166
Others	3,465	28,768
<b>Total</b>	<b>3,465</b>	<b>36,236</b>

#### 9. Deferred Revenues

Deferred revenues are revenues received but not yet recognized through income statement.

As at 31 December	2020	2019
Save the Children	484	5,795
GCERF	24,547	47,320
MATRA	25,740	-
E4E	-	72,699
ENV.Net	-	14,683
ATRC	739	20,732
<b>Total</b>	<b>51,510</b>	<b>161,230</b>

#### 10. Income

For the year ended 31 December	2020	2019
Kosovo   U.S. Agency for International Development - USAID / E4E Program	390,424	732,899
Global Community Engagement and Resilience Fund (GCERF) WPKR Program	204,533	260,344
Save the Children International Office in Kosovo (SCIK) / Protect Child Program	47,493	42,664
The Kingdom of the Netherlands Embassy in Kosovo / MATRA Program	17,683	-
USAID/Chemonics Justice Activity	1,878	-
European Commission / Partner with Institute for Habitat Development - Co-PLAN Tirana.	20,333	38,972
European Union / Partner with Business Association and Consultants BOB	-	52,534
Kreacija Skopje	22,227	-
Other / In Kind	48,101	111,318
<b>Total</b>	<b>752,672</b>	<b>1,238,731</b>

**Advocacy Training and Resource Center**

**Notes to Financial Statements**

For the year ended 31 December 2020

(all amounts are in Euro)

**11. Personnel expenses**

<b>For the year ended 31 December</b>	<b>2020</b>	<b>2019</b>
Salary	275,877	296,157
Pension contributions	13,794	14,655
<b>Total</b>	<b>289,671</b>	<b>310,812</b>

**12. Operating expenses**

<b>For the year ended 31 December</b>	<b>2020</b>	<b>2019</b>
Rent Expenses	17,143	13,187
Audit	5,800	3,225
Vehicle expenses	1,208	1,633
Office supplies	3,078	2,110
Printing and Copying	2,948	6,878
Office Equipment	3,379	1,740
Phone expenses	2,069	2,557
Banking Commissions	1,324	2,069
Meeting expenses	-	93
Internet Expenses	650	1,317
Electricity expenses	1,309	768
Heating	942	519
Office security service	300	600
Water expenses	55	348
Web Site expenses	371	287
Per diem expenses	540	-
Garbage expenses	72	66
Other expenses	2,897	3,698
<b>Total</b>	<b>44,085</b>	<b>41,094</b>

**Advocacy Training and Resource Center**

**Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)*

**14. In-kind Contributions**

<b>For the year ended 31 December</b>	<b>2020</b>	<b>2019</b>
E4E - Contributions	35,033	100,469
E4E - Depreciations Expenses	-	6,249
GCREF - Depreciations Expenses	778	1,648
ATRC - Depreciations Expenses	3,918	690
<b>Total</b>	<b>39,728</b>	<b>109,056</b>

**15. Events after the reporting date**

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