

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
Prishtina, Kosovo**

**FINANCIAL STATEMENT
For the year ended 31 December 2023**

**and
INDEPEDENT REPORT AUDITOR'S**

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INDEPENDENT AUDITORS REPORT

To: The Advocacy Training and Resource Center (ATRC) Management

Opinion

We have audited financial statements of 'The Advocacy Training and Resource Center' which comprises the Statement of Financial Position As at 31 December 2023 and the Statement of Income, Statement of Changes in Net Assets and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Advocacy Training and Resource Center (the organisation), for the year ended December 31, 2023, are prepared in all material respects, in accordance with generally accepted accounting policies described in the Note 2. and requirements of the 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 and fair presentation of financial statements in accordance with International Financial Reporting Standards 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
22 March 2024


Baker Tilly
Baker Tilly Kosovo L.L.C.
Prishtinë

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ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(All amounts are in Euro unless otherwise stated)

		At 31 December 2023	At 31 December 2022
	Notes		
Assets			
Property, plant and equipment	3	7,408	6,645
Total non-current assets		7,408	6,645
Cash on hand and at banks	4	451,045	30,494
Advances for grantees	5	17,619	14,308
Trade and other accounts receivable	6	47,063	10,955
Total current assets		515,726	55,757
Total assets		523,134	62,402
Accounts Payable	7	2,512	181
Grants Payable	8	47,063	12,350
Deferred revenues	9	466,151	43,226
Donor Liabilities		7,408	6,645
Total current liabilities		523,134	62,402
Total liabilities and fund balance		523,134	62,402

These financial statements are approved and signed on 13 March 2024 on behalf of the management by:

Kushtrim Kaloshi

Executive Director



Fidan Çerkini

Director of Finance and
Administration

The accompanying notes 1 to 14 of the financial statements are an integral part of them.

**ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
STATEMENT OF COMPREHENSIVE INCOME**

As at 31 December 2023

(All amounts are in Euro unless otherwise stated)

For the year ended		At 31 December 2023	At 31 December 2022
	Notes		
Income			
Funding from Donors	10	775,414	482,231
Total income		775,414	482,231
Expenses			
Payroll expenses	11	(296,077)	(164,246)
Operating expenses	12	(89,364)	(61,532)
Project expenses	13	(388,081)	(254,791)
In-kind contributions	14	(1,892)	(1,661)
Total expenses		(775,414)	(482,231)
Surplus/(Deficit) for the year		-	-

The accompanying notes 1 to 14 of the financial statements are an integral part of them.

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
STATEMENT OF CASH FLOW
For the year ended 31 December 2023
(All amounts are in Euro)

For the year ended	At 31 December 2023	At 31 December 2022
	Notes	
Cash flow from operating activities		
<i>Adjustments for:</i>		
Depreciation	1,892	1,661
(Increase)/decrease in trade accounts receivable	(36,108)	852
(Increase)/ decrease in advance	(3,311)	9,679
Increase /(decrease) in trade accounts payable and others	37,043	12,383
Increase /(decrease) in deferred revenues	422,925	(25,846)
Increase /(decrease) in donor liabilities	763	(1,661)
Cash generated from operating activities	421,313	(4,594)
Increase/(decrease) in deferred revenues	-	-
Increase/(decrease) in donor liabilities	-	-
Net cash from operating activities	423,205	(2,932)
 Cash flows from investing activities		
Equipment purchases	(2,655)	-
Net cash used in by investing activities	(2,655)	-
 Cash flows from financial activities		
Net cash used in by financial activities	-	-
Net (decrease)/increase in cash and cash equivalents	420,550	(2,932)
Cash and cash equivalents at the beginning of the year	30,495	33,427
Cash and cash equivalents at the end of the year	451,045	30,495

The accompanying notes 1 to 14 of the financial statements are an integral part of them.

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2023

(All amounts are in Euro)

Summary of significant accounting policies and general information

1. Introduction

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.

ATRC works in 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 and institutions.

ATRC achieves its goals through four main programs: Grant Administration, Advocacy, Capacity Building, and Exchange of Information in Kosovo. 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 during 2023 are:

- GLOBAL COMMUNITY ENGAGEMENT AND RESILIENCE FUND (GCERF),
- US AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) – JUSTICE ACTIVITY
- EUROPEAN COMMISSION / EUROPEAN UNION OFFICE IN KOSOVO
- THE WORLD BANK
- SMART BALKANS – (Norwegian Ministry of Foreign Affairs / Centar za promociju civilnog drustva)

2. Accounting Policies

2.1. Summary of accounting policies

The organization keeps its accounting records on the accrual basis. Grant revenue is recognized when earned rather than received and expenses are recognized when incurred rather than paid. In addition, deferred grant liability, prepayments and other liabilities are recorded under the accrual basis of accounting.

2.2. Base of preparation

The financial statements have been prepared on the basis of historical cost in accordance with the requirements of law no. 06/L-043 On Freedom of Association in Non-Governmental Organizations and International Accounting Standards in Kosovo.

2.3. Functional currency and transactions in foreign currencies

The "Advocacy Training and Resource Center" organization records transactions in Euros. All amounts reported in the Statement of Financial Position and changes in net assets are reported in Euros.

Transactions in foreign currencies are recorded at the exchange rates in effect on the date of the transaction. Monetary assets and monetary liabilities in foreign currencies are converted according to the exchange rate at the Balance Sheet date. The profit or loss as a result of the exchange is recorded in the Income Statement.

2.4. Income Tax

The organization is a Non-Governmental organization (NGO) whose received donations in the reporting year have been implemented for the humanitarian purposes. According to law no 06/L-105 on Corporate Income Tax, NGO's whose total income was used for their public benefit purposes are tax exempted.

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts are in Euro)

2. Summary of significant accounting policies and general information (continued)

2.5. Property, plant and equipment

The organization does not use a policy on the capitalization of non-current assets, but debits them through the annual comprehensive income (expenses) statement. The organization recognizes non-current assets as an expense for the year as incurred, but also maintains a list of specific assets by donor.

2.6. Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash deposited in bank.

2.7. Foreign currency transactions

Foreign currency transactions are recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign currency differences arising on retranslation are recognized in profit or loss.

2.8. Revenues

The income of the organization represents the donations received from the donors. Revenues are recognized when they are earned rather than received and expenses are recognized when they are incurred rather than when they are paid. Revenues are recognized at the level of incurred expenses and treated according to IAS 20. The remaining part is presented as deferred income or as funds kept available for future use.

2.9. Expenses

The organization recognizes expenses at the time of occurrence. Expenses are recorded on an accrual basis. The organization's expenses consist of personnel expenses, operational and administrative expenses, programmatic and other general expenses.

2.10. Accounts Payable

Pension contribution, payroll taxes and other accrued liabilities, have been disposed on the financial statements as accounts payable.

2.11. Deferred Income

Deferred income is an income/donation for which the cash has been collected by the organization, but have yet to be expensed. Consequently this liability occurs when 'ATRC receives payment in advance for a project to be implemented in future.

2.12. Deficit of revenues over expenses

The negative balance (deficit) is a result of donations and implemented project costs until end of the year.

2.13. Employee benefits

The Organization makes contributions for the benefit of employees to the Kosovo Pension Saving Trust (KPST). The contributions are expensed as incurred.

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
 NOTES TO FINANCIAL STATEMENTS
 For the year ended 31 December 2023
 (All amounts are in Euro)

3. Property, plant and equipment

	Computers	Office Equipment	Motor Vehicle	Software	Total
<i>Cost:</i>					
At 31 December 2021	59,433	25,919	51,367	2,635	139,107
Additions	-	-	-	-	-
Correction	-	-	-	-	-
At 31 December 2022	59,433	25,919	51,367	2,635	139,107
Additions	2,655	-	-	-	2,655
Correction	-	-	-	-	-
At 31 december 2023	62,089	25,919	51,367	2,635	141,762
<i>Accumulated depreciation:</i>					
At 31 December 2021	54,675	22,719	51,317	2,337	130,800
Charge for the year	952	640	10	60	1,661
Eliminated on disposal	-	-	-	-	-
At 31 december 2022	55,627	23,359	51,327	2,396	132,462
Charge for the year	1,292	512	40	48	1,892
Eliminated on disposal	-	-	-	-	-
At 31 December 2023	56,919	23,871	51,367	2,444	134,354
<i>Net book value:</i>					
At 31 December 2022	3,806	2,560	40	239	6,645
At 31 December 2023	5,169	2,048	-	191	7,408

4. Cash and cash equivalents

	At 31 December 2023	At 31 December 2022
Cash in bank	451,004	30,492
Cash on hand	41	2
Total	451,045	30,494

5. Advances for grantees

	At 31 December 2023	at 31 December 2022
Peer Educators Network	-	735
BIRN	8,260	13,573
CBM	9,359	-
Total	17,619	14,308

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts are in Euro)

6. Trade Accounts receivable and other

	At 31 December 2023	At 31 December 2022
Advances	-	-
Receivables from donors	47,063	10,955
Total	47,063	10,955

7. Accounts payable

	At 31 December 2023	At 31 December 2022
Accounts payable	2,512	181
Total	2,512	181

8. Payable to grants

	At 31 December 2023	At 31 December 2022
BIRN	31,899	12,350
Internews Kosova	7,226	-
D4D	7,938	-
Total	47,063	12,350

9. Deferred revenues

	At 31 December 2023	At 31 December 2022
For the year ended		
GCERF - WBK-R1-02	4,196	28,020
European Union Office in Kosovo 2021/430 - 829	-	15,205
GCERF - WBK-R3-01	57,027	-
World Bank - TFOC2485	370,277	-
SMART BALKANS - RG 17/2023	30,283	-
ATRC	4,368	-
Total	466,151	43,226

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts are in Euro)

10. Income

	At 31 December 2023	At 31 December 2022
For the year ended		
USAID/CHEMONICS - Justice Activity	92,911	81,423
GCERF - WBK-R1-02	87,216	308,627
European Union Office in Kosovo 2021/430 - 829	266,443	90,487
GCERF - WBK-R3-01	242,429	-
European Union Office in Kosovo 2022/441-438	60,696	-
World Bank - TF0C2485	22,951	-
Other income	2,769	1,695
Total	775,414	482,231

11. Personnel expenses

	At 31 December 2023	At 31 December 2022
For the year ended		
Gross salary	215,054	117,415
Pension Contributions	12,239	7,864
External staff	64,586	36,440
Health Insurance	4,199	2,527
Total	296,077	164,246

Salary expenses of the main personnel for the year 2023 are in the amount of 215,054 Euros (2022; 117,415 Euros). Other salary expenses for 2023 in the amount of 64,586 Euros (2022; 36,440 Euros), represent the expenses of short-term personnel engaged during the implementation of projects developed by the organization.

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts are in Euro)

12. Operating expenses

For the year ended	At 31 December 2023	At 31 December 2022
Travel – Plane ticket	6,275	52
Travel - Other Expenses	94	
Per Diem	914	39
Transportation Expense	2,637	1,047
Travel - Mileage Personal Vehicle	832	338
Lodging	947	508
Office Vehicle Fuel	304	538
Office Furniture/Fixtures		102
Office Computer Hardware/Software	2,719	158
Office Supplies	707	88
Other Supplies	2,593	2140
Seminar/Conference	6,342	1254
Trainings & Workshops	11,453	15,171
Web Site Developments	2,543	463
Translation & Translation Equipment	1,149	1,386
Printing and Publications	5,906	5,616
Meetings	2,143	236
Promotion and Design	2,310	3,420
Taxes, License, and Fees	565	434
Bank/Wire Fees	1,690	969
Office Security & Insurance	300	439
Telephone	1,053	937
Internet	527	570
Repairs/Maint-Equipment	855	695
Repairs/Maint-Other	111	148
Postal service	52	
Office Rent	17,143	17,143
Office Printing Expenses	48	200
Subscriptions	187	
Advertising	596	590
Office Vehicle Expense	337	860
Cleaning Services	2,899	2,957
Electricity & Heating	3,059	2,280
Water & Sewage	133	153
Audit/accountancy	6,000	600
Other expenses	3,940	
Total	89,364	61,532

ADVOCACY TRAINING AND RESOURCE CENTER (ATRC)
NOTES TO FINANCIAL STATEMENTS
For the year ended 31 December 2023
(All amounts are in Euro)

13. Project expenses

For the year ended	At 31 December 2023	At 31 December 2022
Global Community Engagement and Resilience Fund (GCERF) WBK-R1-02	39,422	201,769
Global Community Engagement and Resilience Fund (GCERF) WBK-R3-01	96,424	
European Union Office in Kosovo - 2021/430-829	217,386	53,022
European Union Office in Kosovo 2022/441-438	34,850	-
Total	388,081	254,791

14. In-kind contributions

For the year ended	At 31 December 2023	At 31 December 2022
Depreciation expenses	1,892	1,661
Total	1,892	1,661

15. Contingencies and Commitments

Legal Issues

For the year ended December 31, 2023 and December 31, 2022, the organization has not been involved in any legal issues.

16. Subsequent events

There are no events subsequent to the date of Statement of Financial Position that require adjustments or disclosure in the Financial Statements.