SIT
Center for Counseling, Social Service and Research

Financial statements
2020

Final

Content

Final

Independent Auditor's Report on the Audit of Financial Statements

SIT - Center for Counseling, Social Services and Research

Board and Assembly of Shareholders
Fehmi Agani H-1, Nr.16
Prishtina

Opinion

We have audited the financial statements of the **Center for Consulting, Social Services and Research-SIT**, respectively the statement of financial position as at 31 December 2020, the statement of income, the statement of changes in equity and the statement of cash flows, for the year ended on that date, and notes to the financial statements, including a summary of the most important accounting policies.
In our opinion, the financial statements present correctly, in all material aspects, the financial position of the **Center for Counseling, Social Services and Research-SIT**, as at 31 December 2020, of the financial performance for the year ended on that date and are in compliance with International Standards of Financial Reporting for Small and Medium Enterprises.

Opinion basis

The audit was performed in accordance with International Standards on Auditing.
Our responsibilities are described in the Auditor Responsibilities section in auditing the financial statements of this report.
We confirm independence from the organization in accordance with the Code of Ethics for Professional Accountants of the International Board of Standards of Ethics together with the requirements that are relevant when auditing financial statements in Kosovo, and we have fulfilled our ethical responsibilities in accordance with these requirements.
We believe that the audit evidence obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Responsibilities of management and persons responsible for financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with IFRS-SMEs and for controls that management deems necessary to enable the preparation of financial statements without material defects, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the organization's ability to follow through on the going concern hypothesis, disclosing, if applicable, issues related to the going concern hypothesis and using the accounting basis on a going concern basis. intended to liquidate or discontinue the activities of the organization, or there is no alternative but to do so.

The persons in charge of governance are responsible for overseeing the organization's financial reporting process.

Auditor responsibilities in auditing financial statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that an audit performed in accordance with the standards will always reveal material anomalies if they exist. Anomalies may arise as a result of fraud or error and are considered to be material if, individually or in combination, they can reasonably influence the decision of users based on these financial statements.
As part of auditing in accordance with the standards, we have exercised professional judgment while maintaining professional skepticism throughout the audit.

We are also responsible for:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-disclosure of material misstatement due to fraud is higher than that caused by errors, as fraud may involve collusion, forgery, intentional non-involvement, misinterpretation or circumvention of controls.

- We gain knowledge of internal controls that are relevant to the audit in order to plan audit procedures that are appropriate to those circumstances, but not in order to give an opinion on the effectiveness of the organization's internal controls.

- Assess the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the relevant disclosures by management.

- Conclude on the appropriateness of the going concern hypothesis used by management and based on the audit evidence obtained, if there is any material uncertainty about the events or conditions that may cast significant doubt on the organization's ability to continue to exist. If we conclude that there is material uncertainty, we are required to pay attention to the audit report, the relevant disclosure of the financial statements, or in the event that such disclosure is insufficient, we modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.
- However, future events and conditions may cause the organization to discontinue its activities.

Final

- Assess the overall presentation, structure and content of the financial statements, including disclosures, if the financial statements represent relevant transactions and events in order to realize a fair presentation.
- We have communicated with the persons in charge of governance, inter alia, regarding the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during our audit.

Prishtina 26.02.2021.

Audit Office Shpk
Ulpiana D1/7 H-8
Shaban Muharremi,
Statutory Auditor
044 112-036.

SIT - Center for Counseling, Social Services and Research

Comprehensive income statement

01. janary - 31. december

Në €	Note	Explanation	2020	2019
Income				
Donations	1		86,345	67,649
Total Income			**86,345**	**67,649**
Expenses				
Admin. And operational expenses	2		95,192	67,649
Total Expenses			**95,192**	**67,649**
Operating Profit/Loss			**-8,847**	**-**
Net Operating Profit/Loss			**-8,847**	**-**

See attached explanations for assets and liabilities

Final

SIT - Center for Counseling, Social Services and Research

Statement of financial position

On 31. December

In €	Note	Explanation	2020	2019
I Asset				
A Current Assets				
Cash	3		2,281	27,138
Other Receivables	4		8,847	-
Total Current Assets			**11,128**	**27,138**
B Non-Current Assets			-	-
Total Assets A+B			11,128	27,138
II Liabilities				
A Current Liabilities				
A/Payable	5		11,080	3,589
Deferred income	5		-	23,502
Total Current liabilities:			11,080	27,091
B Non-Current Liabilities			-	-
Total Liabilities A+B			11,080	27,091
III Equity			48	48
Total Equity and Liabilities			11,128	27,138

See attached explanations for assets and liabilities

Kadri Gashi

Executive Director

QENDRA PER KESHILLIM SHERBIME SOCIALE DHE HULUMTIME
SIT
PRISHTINE

Agon Osaj

Finance and Administration Manager

SIT - Center for Counseling, Social Services and Research

Statement of Changes in Equity

For the year ending on 31.December 2020

	Capital	Deferred Income	Other Reserves	Total
Balance on 1 JANARY 2019	48			48
				-
Increase/decrease in deferred income, other liabilitities		27,091		27,091
Differences from foreign exchange				-
Dividends				-
Additional Capital deposits				-
Allpocation of reserves				-
Balance on 31 December 2019	48	27,091	-	**27,138**
Increase/decrease in deferred income, other liabilitities				**-16,011**
Differences from foreign exchange				-
Dividends				-
Additional Capital deposits				-
Allpocation of reserves				-
Balance on 31 December 2020	**48**	**11,080**	-	**11,128**

See attached explanations for assets and liabilities

Final

SIT - Center for Counseling, Social Services and Research

Cash flow statement

	2020	2019
I Cash Flow from operating activities:		
Deferred Income +/-	-23,502	23,502
Adjustments for non-cash items of expenditure and revenue		
	-	-
Changes in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	-8,847	-
Increase / (decrease) in trade and other accounts payable	7,491	3,589
Increase / (decrease) in other liabilities	-	-
	-1,356	3,589
I Net cash flow from Operating Activities	-24,858	27,091
II Cash Flow from Investing Activities		
II Net Cash flow from investing Activities	-	-
III CASH FLOW FROM FINANCING ACTIVITIES		
III Net Cash Flow From Financing Activities	-	-
Net Increase/(Decrease) of Cash and Cash Equivalents	-24,858	27,091
Cash and Cash Equivalents at the beginning of the year	27,138	48
Cash and Cash Equivalents at end of the year	2,281	27,138

See attached explanations for assets and liabilities

SIT - Center for Counseling, Social Services and Research

Accompanying notes to the financial statements

	2020	2019
1.Donations:		
D4D	1,200	-
DRC	2,500	-
Kosovo 2.0 - Gazetaria Transfor	10,000	-
UNMIK	8,973	-
Young Men Initiative (YMI), CARE International në Balkan	4,499	26,075
Ministry of Education, Science and Technology	-	20,000
Regional Youth Cooperation Office	-	15,862
Kosovo Civil Society Foundation	-172	14,570
Ministry of Agriculture, Forestry and Rural Development	11,667	10,603
Municipality of Prishtina	3,900	2,000
Other	276	2,040
Total Donations:	**62,843**	**91,150**

2. Expenses by natyre

	2020	2019
2/1 Personnel expenses	**54,776**	**32,459**
Salaries (gross+5% c.from Employer)	54,776	32,459
2/2 Other operating and administrative expenses	**40,416**	**35,190**
Office,printing, copying expenses	4,896	856
Equipment	1,491	5,960
Rent, rent tax	5,604	4,286
Memberships	186	90

SIT - Center for Counseling, Social Services and Research

Accompanying notes to the financial statements- Continued

	2020	2019
Telephone, internet,ptt	1,504	760
Maintenance,	-	1,318
Electricity,water, cleaning, heating	1,110	264
Bank commission	390	276
Transport,travel, fuel	5,542	2,673
Actitivies,promoting,meetings	15,773	17,883
Professional services (Auditim, translations, legal, trainings)		
2,918		600
Other	-	223
	95,192	**67,649**

3. Cash and Cash equivalents

	31.12.2020	31.12.2019
RBKO - 2009	-	13.73
RBKO - 11815	-	6,923.96
RBKO - 2203	-	13,959.50
RBKO - 243	1,589.75	5,304.92
Arka	690.84	936.38
Total Cash:	**2,280.59**	**27,138.49**

4. Other receivables	8,847	-
From Donations	8,847	-

5. Current Liabilities

Final

SIT - Center for Counseling, Social Services and Research

Accompanying notes to the financial statements-Continued

	2020	2019
Accounts payable for services	-	209
Loans	11,080	3,380
Total current liabilities	**11,080**	**3,589**

6. Beginning balance on01.01.

6/1 Cash		**27,138**
Banks		27,138

7. Deferred income-loss of the year	-	23,502
Deferred revenue	-	23,502

Final

General information and governance structure

The **Center for Consulting, Services and Research-SIT**, is registered as a non-governmental organization according to Law no. 06 / L-43 “Freedom of Association in NGOs”, with NF 60720818 from 24. January 2008.

The full name is "**Center for Counseling, Services and Research" abbreviation "SIT**".

The highest governing body is the Assembly of Members which has the highest responsibility for policy and financial matters.

The organization as the governing body has the Executive Board as the highest executive body for directing and controlling the work and safeguarding of assets.

Specific activities and areas of examination

SIT - Center for Counseling, Social Services and Research is a non-governmental organization whose mission is to promote and create an equal society for all. Therefore, SIT addresses some of the most challenging human rights issues in our society that prevent us from achieving equality, peace and development, including Domestic Violence and Gender-Based Violence. We aim to achieve this by including people of all backgrounds, regardless of their gender, sexual orientation and any other category of identity. The SIT envisions creating an inclusive society where everyone feels safe, equal and can reach their potential regardless of their social identities.

Equal society for all

At SIT, promoting and creating an equal society for all is a cause we truly believe in. SIT has been a community ally for more than 13 years, since 2008. SIT is headquartered in Pristina and is active in all regions of Kosovo.

The organization aims to serve and be active in these three areas:

- Counseling Center;
- Social Services;
- Research.

Some of the activities implemented during 2020 are:

- Counseling sessions with perpetrators and those who had a predisposition to be violent;
- Promotion of human rights through the Young Men Initiative (YMI) project, in high schools and in public and private universities;
- Lecture on gender equality through workshops in high schools, universities and various events;
- Organizing various campaigns for the prevention of any kind of violence in the community;
- Promoting positive parenting and the inclusion of boys and men in gender equality by organizing various events, as well as debates to prove parental leave and healthy cohabitation;
- Promotion of sexual and reproductive rights through the network of local organizations in Kosovo;
- Promoting mental health and sexual health;
- Piloting the program for prevention of extremism and violent radicalization among young people, through workshops, activities and organization of summer camps;
- Various researches related to socio-economic fields.

Amendments to IFRS 3 Definition of a Business

Amendments to IFRS 3 Definition Changes to IFRS 3 were effectively mandatory for reporting periods beginning on or after 1 January 2020.

The entity as an NGO considered the revised definition of a business for acquisitions occurring on or after 1 January 2020 in determining whether an acquisition is accounted for in accordance with IFRS 3 Business Combinations. The amendments do not allow the entity to reassess whether purchases made before 1 January 2020 met the revised definition of a business.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Reference Reform" - IBOR Phase 2.

These changes to some IFRS standards are effectively mandatory for reporting periods beginning on or after 1 January 2021, however, the entity as an NGO has reviewed them before coming into force, ie for the current reporting period. These amendments modify the specific hedge accounting requirements to allow hedge accounting to continue for hedges affected during the period of uncertainty before hedged items or hedging instruments affected by current interest rate references are changed as a result of ongoing reference reforms of the interest rate.

The changes are not significant to the entity as it does not apply hedge accounting for interest rate exposures.

Amendments to IFRS 16 "Lease Concessions Related to COVID-19"

As of June 1, 2020, IFRS 16 was amended to provide an appropriate practical tool for renters who account for lease concessions arising directly from the COVID-19 pandemic and meet the following criteria:

a) The change in rent payments results in a revised rent consideration that is substantially the same as, or less than, the rent payment immediately prior to the change;

b) The reduction in rent payments affects only payments that were originally paid on or before June 30, 2021; AND

c) There is no substantial change in the other terms and conditions of the lease.

Lease concessions that meet these criteria can be calculated in accordance with the practical purpose, which means that the lessee does not assess whether the lease concession meets the definition of a lease modification. Landlords apply other requirements to IFRS 16 in accounting for concessions.

The entity as an NGO has chosen to use the appropriate practical tool for all lease concessions that meet the criteria. The practical improvement has been implemented retrospectively, which means that it has been applied to all lease concessions that meet the criteria, which in the case of the entity, occurred from March 2020 to June 2020.

Accounting for lease concessions as lease modifications would have resulted in the entity remeasuring the lease liability to reflect the revised amount using a revised rate.

of the discount, with the effect of the change in the lease obligation recorded on property with the right of use.

By applying the appropriate practical remedy, the entity is not required to set a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition giving rise to the lease concession occurs. The entity did not have any lease concessions arising directly from the COVID-19 pandemic and therefore the change in IFRS 16 had no effect on the entity's financial statements.

Other Standards
The new standards that have been adopted in the annual financial statements for the year ended 31 December 2020 but have not had a material effect on the entity are:
• IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Material Definition); AND
• Conceptual Framework for Financial Reporting.

New standards, interpretations and changes still not effective
There are a number of standards, changes in standards and interpretations that have been published by the IASB that are effective in future accounting periods that the entity as an NGO has decided not to adopt yet.

- The following changes are effective for the period beginning on 1 January 2022:
- High Load Contracts - Contract Fulfillment Cost (Amendments to IAS 37);
- Property, plant and equipment: Revenue before intended use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); AND
- References in the Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that the current or non-current classification is based on whether an entity has the right to defer settlement of the liability for at least twelve months after the reporting period at the end of the reporting period. The amendments also clarify that 'settlement' involves the transfer of cash, goods, services or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of the equity instrument of a composite financial instrument. The amendments were initially effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was extended to annual reporting periods beginning on or after 1 January 2023.

The entity is currently assessing the impact of these new accounting standards and changes. The entity does not believe that the amendments to IAS 1 will have a material impact on the classification of its liabilities, as the convertible feature in its convertible debt instruments is classified as an equity instrument and therefore does not affect the classification of its liabilities. its convertible debt as a non-current liability.

Other
The entity as an NGO does not expect any other standard published by the IASB, but not yet effective, to have a material impact on it.

Objective and qualitative characteristics of financial statements

Identification and objectives of financial statements

The financial statements are clearly identifiable and distinguishable from other information.
Name of reporting unit, individual unit covered, period covered, reporting currency
and rounding of amounts in euros, are prominently presented and repeated when necessary for the correct understanding of the information presented.
Page titles and abbreviated titles are presented in the columns of each page in the financial statements.
The financial effects of transactions and other events by grouping them into broad classes according to their economic characteristics.
All items of income and expense recognized during the period are included in profit or loss.
We have no extraordinary items of income or expense, either in the income statement or in the notes.
Material items of income and expense are presented separately by nature and amount.
The financial statements provide sufficient information about the financial position, financial result and changes in financial position that are beneficial to users in making economic decisions, meet the needs of most users and reflect management's care for the resources available to them. trusted.
They are understandable to users with a reasonable knowledge of the organization, operations and accounting.

Statements on compliance and significant accounting policies

In the absence of a Standard or Interpretation applicable specifically to a transaction, event or other condition, management has used its judgment in developing and enforcing accounting policies that have resulted in information that is reliable.
To meet the obligations required by the Accounting Standards, we have assessed that it is not necessary to disclose information about all claims.
We are able to provide additional information if compliance with any specific requirements of Accounting Standards is insufficient. If necessary, we have are able to disclose the nature and amount of the change in accounting estimate that has effects in the current period or when it is expected to have effect in future periods, except in the case of disclosure of effect for future periods when it is inapplicable to assess this effect.

There have been no changes in accounting estimates that represent an adjustment in respect of an increase in an asset or liability that arises as a result of new information or new developments that are not error corrections.
Assets and liabilities, income and expenses are reported separately.
The organization uses the dual-entry application (Quick books), from which the information for compiling financial reports is derived.

Statements on compliance and significant accounting policies

Declaration of Conformity

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Enterprises ("IFRS for SMEs") approved by the KCFR.
The operating cycle is a period of 12 months.
Accounting policies have been applied consistently throughout the periods presented in these financial statements and have been applied consistently.

Use of evaluations and judgments

Preparation of financial statements in accordance with and International Financial Reporting Standards for small and medium-sized enterprises requires management to make judgments, estimates and assumptions which affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Actual results may differ from these estimates.
Estimates and assumptions are constantly reviewed. Accounting revisions are recognized in the period in which the estimate is revised and in future periods if they are affected.
Information on important elements in assessing uncertainties and critical judgments about the application of accounting policies that have a material effect on the carrying amounts in the financial statements is provided in the Summary of Significant Accounting Policies.

Recognition-inclusion in the balance sheet or income statement of a transaction is made when it has been probable that any future economic benefits associated with the transaction will flow to / or from the entity and the transaction cost or value that can be measured reliably.

Measurement is the process of determining the monetary amounts by which they will be recognized and carried in the balance sheet and income statement.
This includes choosing a specific evaluation basis.
As a measure of the position in the Financial Statements is the historical cost.

Reporting Net Basis

Gains and losses arising from a set of similar transactions are reported on a net basis, gains and losses on exchange rates or gains and losses on financial instruments held for trading.
However, such gains and losses when they are material are reported separately.

Classification of activities and liabilities

Activities and liabilities are presented according to the short-term-long-term principle;
The financial liability to be settled within twelve months from the balance sheet date, for which the organization has not had any unconditional right to defer its settlement for at least twelve months from the balance sheet date, is classified as a short-term liability.

Accounting on the basis of established rights and obligations

Statements on compliance and significant accounting policies-follow-up

The organization has prepared financial statements, using accounting on the basis of established rights and obligations.

Materiality and union
There was no absence or misstatement of items that are material, if individually or collectively can influence the economic decisions of users, decisions made on the basis of financial statements.
Each material class of similar items is presented together in the financial statements. Items that are not of the same nature or function are presented separately unless they are intangible.
The item that is not individually material is joined to other items in the relevant statement and is explained in the notes.

Compensation
Assets and liabilities, income and expenses are not reimbursed unless this was required or permitted by a Standard or an Interpretation.

Accrual principle (moment of occurrence of the transaction)
The financial reports are prepared according to the accrual principle, this means that the funds are recognized at the time of receipt, while the expenses are recognized at the time of occurrence, in most cases the moment of occurrence is identical to the moment of payment.
The accrual principle makes it possible for the effects of change, whether the increase or decrease of wealth, to be recognized from the moment of their occurrence, regardless of the moment of entry or exit of money.

Going concern assumption The financial statements have been prepared on the assumption that the organization has the capacity and intent to continue and will continue to operate in the near future and has no plans to liquidate or reduce its activities.
Since the outbreak of the COVID-19 epidemic, the Organization closely monitors the development of the situation at the local, national, regional and global levels. Furthermore, the Organization monitors and implements the measures proposed by the Government of the Republic of Kosovo and its respective institutions, as well as undertakes additional preventive measures to protect its employees, suppliers and the ongoing processes of the organization.
Despite the planned crisis scenarios and the Organization's continuity plans, the pandemic spread of COVID-19 could have negative consequences on the organization's activity, mainly in terms of closing down certain of its activities. Employees affected by this closure, free movement of people and supplies, government measures will have an effect on the economy as a whole, including the civil society sector. Given the dynamics of the spread of this pandemic and the dynamic measures that have been taken to prevent and manage it, we expect it to have an impact on the results of our organization, but it is currently impossible to assess the financial impact.

Important accounting policies-continued

Personnel

The staff is of different qualifications but they dominate in the fields related to the objective.

Evidence on staff, employment contracts, CVs and other personal documentation are archived in a separate register.

The responsibilities, rights and duties of staff are defined in the job description and are attached to employment contracts.

Contracts and personnel records are separate from other records.

Accounts receivable and accounts payable

Accounts Receivable and Accounts Payable and other payables are presented at their fair value.

Assets

Assets are recorded at the amount of cash or cash equivalents paid or at the fair value required to be acquired at the time of purchase.

The Financial Report does not represent the financial condition of the assets, as all purchases have charged the expenses of the year when they were purchased, and the organization has off-balance sheet records of inventories purchased from donations.

Depreciation

Depreciation is calculated using the straight-line method, once a year at different rates depending on the type of

property or equipment and depending on the duration of use in the current year.

There are no depreciation amounts included in expenses as all purchases charge current year expenses.

Intangible Assets

The organization has no assets classified in this category in the statement of financial position.

Capital

The organization has presented the statement of changes in equity between the two balance sheet dates showing the increase or decrease in its net assets during the period.

I provide information about the organization's capital because it is useful to users of general purpose financial statements.

Cash and cash equivalents

Cash is presented in fair value at the moment, starting with the physical presence at the checkout and those in the bank accounts.

Cash is generated from cash inflows and cash equivalents.

The organization has bank accounts with RBKO in Prishtina.

Payments and collections are made from these accounts and cash registers.

Important accounting policies-continued

Reporting currency

The reports of the organization and all financial reports issued are expressed in Eur (€) which is known as the reporting currency in Kosovo.

Foreign currency transactions, currency risk

Foreign currency transactions are exchanged in Euro (€), using the exchange rate of that to date, foreign exchange differences, whether profit or loss, are automatically presented in the income statement. At the end of the period, monetary positions were reported using the exchange rate valid at the last trading day.

The sources of the organization and all financial reports issued are expressed in €.

Currency risk presents the risk that the direct value or cash flow or any monetary assets will change in the future due to changes in exchange rates.

In cases where inflows of funds in currencies other than Euro are presented, the conversion is done by the bank using the current exchange rate of the bank.

Any exchange difference arising from the recognition of a monetary item at a different rate from that initially recognized during the period, or recognized in previous financial statements, is recognized in profit or loss.

Financial Risk

The organization does not use financial instruments, therefore the exposure to this risk is low. Alternatively, financial risk management includes policies and processes for accepting, measuring, monitoring and controlling risk, which include:

Structure and organization of risk management functions including handling independence and accountability;

Scope and nature of systems or risk measurement;

Processes for monitoring the continued effectiveness of these safeguards or mitigation measures.

Operational Risk

Reflected as a risk to the financial result and wealth of the organization due to personnel issues, insufficient procedures and insufficient management of information systems and due to unexpected external events. Organizations control these risks through strict oversight and appropriate risk response. Control means effective segregation of duties, limited access, authority, and staff training related to internal audit. The organization manages risk control through regular risk monitoring, establishing the right process and database, protecting information and security from theft and fraud.

Liquidity Risk

Represents the risk of inability to meet the current need for funding and compliance of short-term liabilities.

The risk that the organization will encounter difficulties in meeting the obligations related to the obligations due to the possibility (which can often be remote) that an entity may be required to pay its liabilities earlier than expected.

Final

Important accounting policies-continued
Short-term assets are equal to short-term liabilities.

Market Risk
Presents the risk of financial loss due to changes in the market caused by: changes in currency, instability of the financial system, reduced reliability of the bank,
financial instability of partners, maturity period, funds, duration of procedures, market research, competitive prices, variety of products.
As a market risk the organization considers the decrease of the real value or cash flows of a financial demand due to the change of market prices.
The organization does not have material information about risk exposure from very different economic environments.
The organization is exposed to only one type of market risk within a single economic environment, so it has not shown any specific information or sensitivity analysis to show the effect on profit or loss and equity.

Donations, income from participation
During 2020, the organization has recognized funding from all sources, according to bank accounts, disclosed in the Notes.
Revenues are presented in the Income Statement in fair value at the date of receipt by the bank or cashier. These funds have been available for use and are in cash.
Donations are not fully recognized, so they are treated as deferred income that remains to be used for the next period. In 2020, the organization has shown a negative result, due to the non-acceptance of parts of donations in the amount of € 8,847.

Expenses
Expenditures are recognized in the statement of expense when a decrease in economic benefits associated with a decrease in an asset or an increase in a liability is created and when it has been measured reliably. Expenditures are grouped in the income statement according to their function. The recognition of expenses occurred simultaneously with the recognition of the increase in liabilities or the decrease in assets. Expenses are recognized at their historical cost, they are expressed in real amount when the expense occurred.
Staff benefits
The cost of staff is paid to employees and employees with service contracts at the completion of the laid out tasks. Payments are made through the bank account with transfers, after they have signed and presented the evidence on the time of engagement.
Pension contributions
Pensions are calculated according to the applicable law on pensions; 5% are paid by the employee and 5% by the organization.

Important accounting policies-continued

Payment and reporting deadlines have been met.
The organization does not have a pension fund or payment options in the form of shares, for employees, on this basis there are no liabilities identified on 31.12.

Payroll tax

Payroll tax was withheld and paid on time, on a monthly basis.

Administrative expenses

Administrative costs include the costs of running the organization, services executive, finances and administration, those of the office work process for the realization of the basic goals of the organization.

Banking provision is based on the bank statement.

Taxes (withholding tax)

The organization as a non-governmental organization, non-profit, registered as after the law 06 / L-43 "Freedom of association in non-governmental organizations" is subject to personal income tax in Kosovo Law 05 / L-028. The entity also respects the law L-03 / L-084, "On pensions in Kosovo", with the calculation and payment of personal income taxes.

The organization is not liable to Corporate Income Tax according to Law L-06 / L-105 "Corporate Income Tax" as it has not realized commercial income.

The organization respects and fulfills the obligation of Law no.05 / L-028 for withholding 9% of gross rent at the time of payment.

Related parties

As a related party transaction, where one party has the ability to control the other party or has significant influence over the other party in making financial and business decisions for the transfer of claims and liabilities (business contracts with employees and businesses affiliated with the directorate or with any joint ownership), have not occurred.

Loans

Loans are recognized at their face value plus associated costs such as fees, potential discounts and other loan related expenses. Loans denominated in currencies other than € are recorded at the historical exchange rate and retranslated at the last exchange rate of the reporting date.

Exchange differences are reflected in the income statement either as profit or loss.

Borrowing costs are recognized as an expense of the period in which it is incurred.

Interest expenses are recorded under the effective interest method and are included in financial expenses.

Loans payable are financial liabilities, different from short-term trade payables with normal (ordinary) loan terms.

The organization has no borrowing costs even though it has presented borrowings in its reports.

Final

Important accounting policies-continued

Reserves
The organization has not allocated financial reserves.

Dividends
The organization as a non-profit NGO, has not declared the amount of dividends known as net distribution during the period, as well as the respective value per share.

Commitments
There are no commitments related to capital expenditures, financial leasing or operating.

Contingent assets and liabilities
There are no evidenced court cases or deposits related to the organization, its directors or employees that may result in future liabilities of the organization.

Events after the end of the reporting period
Events after the end of the reporting period include all events up to the date of authorization of the financial statements for publication.
As an influential event that increases uncertainty and is happening, we consider the spread of the COVID-19 pandemic.
Despite the planned crisis scenarios and the Organization's continuity plans, COVID-19 can have negative consequences on the activity of the organization, mainly in terms of closing certain activities. Employees affected by this closure, free movement of people and supplies, government measures will have an effect on the economy as a whole, including the civil society sector. Given the dynamics of the spread of this pandemic and the dynamic measures that have been taken to prevent and manage it, we expect it to have an impact on the results of our organization, but it is currently impossible to assess the financial impact.

Final