

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

YOUTH INITIATIVE FOR HUMAN RIGHTS-KOSOVO

FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

To the Management of Youth Initiative for Human Rights–Kosovo

Opinion

We have audited the accompanying financial statements of the Youth Initiative for Human Rights (the "Organization"), which comprise the statement of financial position as of 31 December 2022, the statement of comprehensive income, statement of changes in fund balance and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of the Organization as of 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies and procedures as described in note 2 to the financial statements.

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 *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Kosovo, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of the Organization as at and for the year ended 31 December 2021, were audited by another auditor who expressed an unmodified opinion on those statements on 22 March 2022

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the basis of accounting as described in note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that is free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related 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.

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Auditor's Responsibilities for the Audit of the Financial statements

Our Objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Kosovo Sh.p.k.

RSM Kosovo Sh.p.k

Prishtina, Kosovo

8 June 2023

A handwritten signature in blue ink, appearing to read 'Sadik Berisha'.

Sadik Berisha

Statutory Auditor

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

	Notes	2022 (in EUR)	2021 (in EUR)
ASSETS			
Current Assets			
Cash and cash equivalents	3	297,118	167,694
Advances to partners	4	19,319	30,494
TOTAL ASSETS		316,437	198,188
LIABILITIES			
Current Liabilities			
Deferred income – Grants	5	313,468	191,737
Other liabilities	6	2,969	6,451
Total Liabilities		316,437	198,188
RESERVS			
Opening Balance		-	-
Net(deficit)/Surplus for the year		-	-
Total Reserves		-	-
TOTAL LIABILITY AND RESERVS		316,437	198,188

These financial statements have been approved by the Management on 25 May 2023 and signed on its behalf by:

Marigona Shabiu
 Executive Director



Enis Selimi
 Finance and Administration Manager



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 (in EUR)	2021 (in EUR)
Income from Grants	7	529,456	420,917
TOTAL FUNDS		529,456	420,917
Salary and other benefits	8	154,327	151,260
Other operating expenses	9	375,129	269,657
Total Project Expenses		529,456	420,917
Surplus/(Deficit) for the year		-	-

STATEMENT OF CHANGES IN FUNDS BALANCE FOR THE YEAR ENDED 31 DECEMBER 2022

	Total reserves - retained surplus (in EUR)
Balance as at 1 January 2022	-
Net surplus for the year	-
Total surplus for the year	-
Balance as at 31 December 2022	-
Balance as at 1 January 2021	-
Net surplus for the year	-
Total surplus for the year	-
Balance as at 31 December 2021	-

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 (in EUR)	2021 (in EUR)
OPERATING ACTIVITIES			
Surplus for the year		-	-
Adjustments for:			
The Increase/Decrease in Accounts Receivable and other		11,175	(3,330)
The Increase/Decrease in Accounts Payable		(3,482)	2,462
The Increase/Decrease in Deferred Income-Grants		121,731	4,561
Net Cash Flow (use in) Operating Activities		129,424	3,693
NET CHANGE IN CASH AND CASH EQUIVALENTS		129,424	3,693
Cash and cash equivalents at the beginning of the year		167,694	164,001
CASH AND CASH EQUIVALENTS AT YEAR END	3	297,118	167,694

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND INFORMATION

The organization was founded under the name Youth Initiative by 11 founders in Belgrade on 1 November 2003. The Youth Initiative was registered in the legal form of an association at the Serbian Ministry for Human and Ethnic Minorities' Rights on 13 November 2003. On October 2004 the NGO was re-registered in Belgrade under the new name Youth Initiative for Human Rights (YIHR).

Youth Initiative for Human Rights Country Office in Prishtina is registered as non-governmental organization with the Ministry of Public Administration of the Republic of Kosovo under the number 5300445-8 dated 13 November 2004.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with the concept of historical cost convention. Measurement basis of each type of asset, liability, revenue and expense are described in detail within this Note.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates are based on the information available as at the date of the financial statements and actual results could differ from those estimates.

These financial statements are prepared as at and for the years ended 31 December 2022 and 2021. Current and comparative data stated in these financial statements are expressed in Euros, which is the Organizations functional and reporting currency in Republic of Kosova, unless otherwise stated. Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current year.

NOTES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2.2 REVENUE RECOGNITION

Rendering from grants

Grants that compensate the Organization for expenses incurred are recognized in profit or loss on a systematic basis in the same periods in which the expenses are recognized.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2.3 OPERATING EXPENSES

Operating expenses are recognised when incurred.

2.4 TAXATION

The Organization was established as a non-profit organization and was granted public benefit status. Based on the laws in force in Kosovo, it is exempted from taxation.

2.5 EMPLOYEE BENEFITS

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due. The Organization makes compulsory social security contributions that provide pension benefits for employees upon retirement. The local authorities are responsible for providing the legally set minimum threshold for pensions in Kosovo under a defined contribution pension plan. The Organization does not pay any insurance for its employees and has no legal or constructive obligation to make pension or similar benefit payments beyond these contributions.

2.6 GRANTS RELATED TO EXPENSES AND RECEIVABLE DONATIONS

Grants that compensate the Organization for expenses incurred are recognized in profit or loss on a systematic basis in the same periods in which the expenses are recognized.

A grant or donation that is compensation for expenses or losses already incurred, or for which there are no future related costs, is recognized in profit or loss in the period in which it becomes receivable.

Operating grants are recognized as income over the period required to link them to costs which are intended to be offset, on a systematic basis. Marked grants for the acquisition of assets are deferred and recognized as incurred during the time of use of the property.

2.7 FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than Euro 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 rates prevailing at the statement of financial position date. Non – monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

2.8 TRADE AND OTHER RECEIVABLES

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.9 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

2.10 RESERVES

Funds are initially created by founders' contributions made in monetary and/or in-kind assets carried at their fair values. Subsequently, funds are increased/decreased through additional founders' contributions, and results (surplus/deficit) from operations during the periods.

NOTES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2.11 TRADE AND OTHER LIABILITIES

These amounts represent liabilities for goods and services provided to the organisation prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

2.12 COMMITMENTS AND CONTINGENCIES

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.

The amount of a contingent loss is recognized as a provision if it is probable that future events will confirm that, a liability incurred as at the statement of financial position date and a reasonable estimate of the amount of the resulting loss can be made

2.13 TRANSACTIONS WITH RELATED PARTIES

Related parties consist of founders and directors of the Organization, together with entities which they control, who can exert significant influence over the operations and management of the Organization. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

2.14 EVENTS AFTER REPORTING DATE

Post-year-end events that provide additional information about Organization position at the statement of financial position (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3 CASH AND BANK BALANCES

	2022 (in EUR)	2021 (in EUR)
Cash at bank	296,736	167,563
Cash on hand	382	131
	297,118	167,694

4 ADVANCES TO PARTNERS

	2022 (in EUR)	2021 (in EUR)
Mlada Aktivna	7,695	7,695
NGO Center for Peace and Tolerance (CPT)	6,138	6,138
NGO Active Youth of Gjakova	5,039	5,039
NSI	-	5,737
KRCT	-	5,562
Advances to Staff	336	208
NGO Integra	114	118
Prepayments to Individuals	17	17
YIHR Serbia	(20)	(20)
	19,319	30,494

NOTES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 DEFERRED INCOME – GRANTS

	As at January 01	Grant received during the year	Released during the year	Balance at the end
	(in Euro)	(in Euro)	(in Euro)	(in Euro)
UNDP Empowering Communities	(235)	-	-	(235)
UNDP Swiss Partnership	18,500	-	17,849	651
NED 2021	15,926	58,209	63,598	10,537
UNMIK	1,293	-	-	1,293
Swis Embassy 2021	38,611	919	39,530	-
INL Improve Access to Justice	5,738	-	-	5,738
Erasmus Plus	27,127	6,682	152	33,657
NED	49	-	-	49
USAID - Kosovo Youth Dialogue	(5,423)	138,132	114,763	17,946
Youth Artists for Change	11,059	-	-	11,059
INL	31,913	153,475	164,337	21,051
Shared Narratives YIHR Croatia	1,164	-	-	1,164
UNRESTRICTED FUNDS	14,626	21,948	29,290	7,284
ECMI (EU PROJECT)	(418)	-	-	(418)
PYN - USD	1,030	-	-	1,030
UNMIK 22	17,438	12,081	26,079	3,440
Ministry of Culture	10,000	-	-	10,000
Helsinki Comitte	1,020	-	1,360	(340)
SIDA	(718)	79	-	(639)
CMB USAID	3,037	31,409	29,311	5,135
CoE	-	4,794	5,560	(766)
CRD	-	20,390	19,928	462
EU Commision	-	152,758	230	152,528
EULEX	-	7,148	1,007	6,141
NED 23	-	28,086	8,249	19,837
UNMIK 23	-	15,078	8,214	6,864
	191,737	651,188	529,456	313,468

6 OTHER LIABILITIES

	2022 (in EUR)	2021 (in EUR)
Trade payables	2,181	2,181
Personal income tax and salary contribution payable	207	3,573
Other payables	581	697
	2,969	6,451

NOTES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 INCOME FROM GRANTS

Financed by	2022 (In EUR)		2021 (In EUR)	
	Funds received	Funds released through income	Funds received	Funds released through income
UNDP Empowering Communities	-	-	3,078	7,160
UNDP Swiss Partnership	-	17,849	1,850	-
NED 2021	58,209	63,598	-	-
UNMIK	-	-	33,276	21,811
Swis Embassy 2021	919	39,530	34,994	43,981
GIZ	-	-	14,730	15,144
Erasmus Plus	6,682	152	8,205	2,472
NED	-	-	39,745	47,512
USAID - Kosovo Youth Dialogue	138,132	114,763	85,576	106,885
Youth Activists for Change	-	-	4,119	15
INL	153,475	164,337	149,994	137,944
Unrestricted funds	21,948	29,290	13,657	8,999
UNMIK 22	12,081	26,079	-	-
Ministry of Culture	-	-	10,000	-
Helsinki Committee	-	1,360	1,266	247
SIDA	79	-	7,875	8,593
CMB USAID	31,409	29,311	20,732	17,695
CoE	4,794	5,560	-	-
CRD	20,390	19,928	-	-
EU Commission	152,758	230	-	-
EULEX	7,148	1,007	-	-
NED 23	28,086	8,249	-	-
UNMIK 23	15,078	8,214	-	-
Australian Embassy	-	-	2,460	2,460
	651,188	529,456	431,557	420,917

8 SALARIES AND OTHER BENEFITS

	2022 (in EUR)	2021 (in EUR)
Salary expenses	154,327	151,260
	154,327	151,260

NOTES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9 OTHER OPERATING EXPENSES

	2022 (in EUR)	2021 (in EUR)
Project activities expenses	225,304	195,912
Consultants and contract services	95,339	36,187
Other operations expenses	41,082	37,558
Travel and transport expenses	13,404	-
	375,129	276,860

10 COMMITMENTS AND CONTINGENCIES

Litigations

As of the Statement of financial position date, the organization has no legal proceedings. The YIHR Management regularly analyses potential risks resulting from losses regarding legal proceedings, if any.

11 RELATED PARTIES

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related party's transactions are carried out on normal commercial terms and conditions and at market prices. The Organization compensates the key management as per its policies and procedures and these are considered as the only related party transactions.

12 SUBSEQUENT EVENTS

There are no significant events after the statement of financial position date that may require adjustment or disclosure in the financial statements.

