



Youth Initiative for Human Rights - Kosovo
Independent Auditor's Report and Individual Financial Statements
for the year ended December 31, 2020

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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 Youth Initiative for Human Rights - Kosovo, which comprise the statement of financial position as at December 31, 2020 and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Youth Initiative for Human Rights – Kosovo as of December 31, 2020, results of its operation and the cash flow for the year then ended in conformity with actual laws.

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 Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have 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 these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error.

For the financial statements preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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

total, 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 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.

Astrit Musa
Astrit Musa – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosovo
March, 2021



Youth Initiative for Human Rights – Kosovo
Statement of Financial Position
For the year ended December 31, 2020

| | | 31 December 2020 (in EUR) | 31 December 2019 (in EUR) |
|---|---|---------------------------------|---------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | 3 | 164,001 | 65,604 |
| Advances to partners | 4 | 27,165 | - |
| Total current assets | | <u>191,165</u> | <u>65,604</u> |
| TOTAL ASSETS | | <u><u>191,165</u></u> | <u><u>65,604</u></u> |
| FUND BALANCE AND LIABILITIES | | | |
| Current liabilities: | | | |
| Trade payable accounts and other | 5 | 3,989 | 5,475 |
| Deferred revenue | 6 | 187,176 | 60,226 |
| Total current liabilities | | <u>191,165</u> | <u>65,701</u> |
| Fund Balance | | | |
| Accumulated surplus | | - | - |
| Surplus/(Deficit) for the year | | - | (96) |
| Total Fund Balance | | <u>-</u> | <u>(96)</u> |
| TOTAL FUND BALANCE AND LIABILITIES | | <u><u>191,165</u></u> | <u><u>65,604</u></u> |

The financial statements have been signed on March 2021 by:

Marigona Shabiu

M. Shabiu
 Executive Director



Enis Selimi

Enis Selimi
 Finance and Administration Manager

The accompanying notes from 1 to 11 form an integral part of these financial statements

Youth Initiative for Human Rights – Kosovo
Statement of Profit or Loss
For the year ended December 31, 2020

| | | 31 December 2020 | 31 December 2019 |
|---|--------------|-----------------------------|-----------------------------|
| | Notes | (in EUR) | (in EUR) |
| Incomes | | | |
| Incomes | 7 | 274,482 | 140,362 |
| Total incomes | | 274,482 | 140,362 |
| Expenses | | | |
| Payroll expenses | 8 | 97,843 | 37,887 |
| Other operating expenses | 9 | 176,638 | 102,571 |
| Total expenses | | 274,482 | 140,458 |
| Net (deficit)/surplus for the year | | - | (96) |

The accompanying notes from 1 to 11 form an integral part of these financial statements

Youth Initiative for Human Rights – Kosovo
Statement of Changes in Funds Balance
For the year ended December 31, 2020

| | Accumulated Surplus/Deficit |
|--|--|
| Statement of Surplus/Deficit of Funds | |
| Balance at 01 January, 2019 | - |
| Deficit/Surplus for the year | (96) |
| Balance as at 31 December, 2019 | <u>(96)</u> |
| | |
| Balance at 01 January, 2020 | (96) |
| Deficit/Surplus for the year | 96 |
| Balance as at 31 December, 2020 | <u>-</u> |

The accompanying notes from 1 to 11 form an integral part of these financial statements

Youth Initiative for Human Rights – Kosovo
Statement of Cash Flows
For the year ended December 31, 2020

| | 31 December 2020 | 31 December 2020 |
|--|-----------------------------|-----------------------------|
| | (in EUR) | (in EUR) |
| Cash flows from operating activities: | | |
| Net surplus(deficit)for the year: | - | (96) |
| Adjustments for: | | |
| Change in advances to partners | (27,165) | - |
| Change in accounts payable | (1,486) | 4,930 |
| Change in deferred revenue | 126,950 | 40,137 |
| Change in residues | 96 | - |
| Net cash from operating activities | 98,396 | 44,971 |
| Net increase in cash and cash equivalents | 98,396 | 44,971 |
| Cash and cash equivalents at 1 January | 65,604 | 20,633 |
| Cash and cash equivalents at 31 December | 164,001 | 65,604 |

The accompanying notes from 1 to 11 form an integral part of these financial statements

Youth Initiative for Human Rights – Kosovo

Notes to the Financial Statements

For the year ended December 31, 2020

1. INTRODUCTION

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

In 2011 it has been registered as local NGO with the legal name Youth Initiative for Human Rights-Kosovo and was issued new NGO number 5113352-8.

Youth Initiative for Human Rights – Kosovo
Notes to the Financial Statements
For the year ended December 31, 2020

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the Organization have been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

2.2 Currency of presentation

The functional currency of the Organization is the European Union currency unit Euro ("EUR"). The business financial statements are presented in Euro.

2.3 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.

2.4 Trade payables

The amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the business or not.

2.5 Taxes

The organization was established as a non-governmental organization, therefore it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

2.6 Revenue recognition

Grant revenues are recognized as revenue in the period in which they are paid. At the end of the year the excess amount of income in addition to expenses is treated as a balance carried forward to the next period.

2.7 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

Youth Initiative for Human Rights – Kosovo

Notes to the Financial Statements

For the year ended December 31, 2020

2.8 Employee benefits

The Organization, in the normal course, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

Youth Initiative for Human Rights – Kosovo
Notes to the Financial Statements
For the year ended December 31, 2020

3. CASH AND CASH EQUIVALENTS

| | 31 December 2020 (in EUR) | 31 December 2019 (in EUR) |
|-------------------------------------|--|--|
| Cash at bank-ProCredit | 163,881 | 65,604 |
| Cash on hand | 119 | - |
| Total cash and bank balances | 164,001 | 65,604 |

4. ADVANCES TO PARTNERS

| | 31 December 2020 (in EUR) | 31 December 2019 (in EUR) |
|---|--|--|
| NGO Reconciliation Empowering Communities (REC) | 4,226 | - |
| NGO Center for Peace and Tolerance (CPT) | 4,261 | - |
| NGO Eye Vision | 2,770 | - |
| NGO Active Youth of Gjakova | 2,323 | - |
| NGO Walk differently | 2,537 | - |
| NGO Initiative for Progress | 2,366 | - |
| NGO Community Building Mitrovica (CBM) | 2,757 | - |
| YIHR Serbia | (20) | - |
| NGO Integra | 5,945 | - |
| Total advances to partners | 27,165 | - |

5. ACCOUNTS PAYABLE

| | 31 December 2020 (in EUR) | 31 December 2019 (in EUR) |
|---|--|--|
| Accounts payable | 2,940 | 4,690 |
| Tax and Payroll Liabilities | 471 | 207 |
| Other liabilities | 578 | 578 |
| Total trade payable accounts and other | 3,989 | 5,475 |

Youth Initiative for Human Rights – Kosovo
Notes to the Financial Statements
For the year ended December 31, 2020

6. DEFERRED REVENUE

| | Deferred Revenue 2019 (in EUR) | Received in 2020 (in EUR) | Expenses incurred during 2020 (in EUR) | Profit/Loss realized 2020 (in EUR) | Deferred revenues for the next period (in EUR) |
|--------------------------------|-----------------------------------|------------------------------|---|---------------------------------------|---|
| UNDP Empowering Communities | - | 4,617 | 771 | - | 3,846 |
| UNDP Swiss Partnership | - | 16,650 | - | - | 16,650 |
| NED 2021 | - | 23,693 | - | - | 23,693 |
| UNMIK | - | 10,788 | 1,764 | - | 9,024 |
| Swiss Embassy 2021 | - | 49,994 | 2,395 | - | 47,599 |
| INL Improve Access to Justice | - | 26,629 | 10,642 | - | 15,987 |
| GIZ | - | 29,000 | 28,586 | - | 414 |
| Kosova 2.0 | - | 8,120 | 7,530 | - | 590 |
| Erasmus Plus | 7,242 | 15,831 | 1,679 | - | 21,394 |
| NED | 10,596 | 16,600 | 27,147 | - | 48 |
| USAID - Kosovo Youth Dialogue | 5,664 | 71,949 | 61,726 | - | 15,886 |
| Youth Artists for Change | 1,965 | 5,057 | 66 | - | 6,955 |
| INL | 22,742 | 110,886 | 124,015 | - | 9,613 |
| Shared Narratives YIHR Croatia | 1,164 | - | - | - | 1,164 |
| UNRESTRICTED FUNDS | 6,508 | 11,619 | 8,159 | - | 9,967 |
| ECMI (EU Project) | 3,315 | - | - | - | 3,315 |
| PYN - USD | 1,030 | - | - | - | 1,030 |
| Total deferred revenue | 60,226 | 401,432 | 274,482 | - | 187,176 |

7. INCOME

| | Funds received 2020 (in EUR) | Funds released through income 2020 (in EUR) | Funds received 2019 (in EUR) | Funds released through income 2019 (in EUR) |
|-------------------------------|---------------------------------|--|---------------------------------|--|
| INL | 137,515 | 134,657 | 105,689 | 102,903 |
| USAID - Kosovo Youth Dialogue | 71,949 | 61,726 | 8,751 | 3,087 |
| Swiss Embassy | 49,994 | 2,395 | 1,360 | - |
| NED | 40,292 | 27,147 | 11,409 | 813 |
| GIZ | 29,000 | 28,586 | - | - |
| UNDP Swiss Partnership | 16,650 | - | - | - |
| Erasmus Plus | 15,831 | 1,679 | 7,916 | 674 |
| UNRESTRICTED FUNDS | 11,619 | 8,159 | 17,919 | - |
| UNMIK | 10,788 | 1,764 | - | - |
| Kosova 2.0 | 8,120 | 7,530 | - | - |
| Youth Artists for Change | 5,057 | 66 | 7,228 | 5,262 |
| UNDP Empowering Communities | 4,617 | 771 | - | - |
| ECMI (EU Project) | - | - | 15,594 | 12,075 |
| YIHR-RS (EU Regional Project) | - | - | 2,403 | - |
| Other income | - | - | - | 15,548 |
| Total income | 401,432 | 274,482 | 178,269 | 140,362 |

Youth Initiative for Human Rights – Kosovo
Notes to the Financial Statements
For the year ended December 31, 2020

8. PAYROLL EXPENSES

| | 31 December 2020 (in EUR) | 31 December 2019 (in EUR) |
|-------------------------------|--|--|
| Payroll Expenses | 93,184 | 36,083 |
| Pension contributions | 4,659 | 1,804 |
| Total payroll expenses | 97,843 | 37,887 |

9. OTHER OPERATING EXPENSES

| | 31 December 2020 (in EUR) | 31 December 2019 (in EUR) |
|---------------------------------------|--|--|
| Project activities | 127,645 | 74,322 |
| Office and other operating expenses | 30,756 | 19,450 |
| Consultants | 18,238 | 6,570 |
| Other expenses | - | 2,229 |
| Total other operating expenses | 176,638 | 102,571 |

Youth Initiative for Human Rights – Kosovo
Notes to the Financial Statements
For the year ended December 31, 2020

10. COMMITMENTS AND CONTINGENCIES

Litigations

As mentioned in previous audit report and correspondence with the organization's officials, a litigation dated June 24th 2010 is still pending. The same one is pending as of 31 December 2020. The estimated Euro equivalent of the legal proceedings raised against the Organization amounts to EUR 285 thousand. The Organization has been sued on June 24th 2010 by plaintiff (TV Chanel) for defamation and requested a material compensation on lost revenue from marketing contracts, in the amount of EUR 235,000, and for reputation damage in amount of EUR 50,000. The Basic Court in Prishtina has ruled in favor of YIHR on April 26th 2018 and has rejected the lawsuit by the plaintiff based on lack of evidence that the damage has been made. The plaintiff has appealed the case to the Court of Appeals.

No liabilities have been anticipated from these proceedings, as professional advice indicates that it is unlikely that any significant loss will arise.

11. SUBSEQUENT EVENTS

There are no post-reporting events that require disclosures in the organization's financial statements.

