

Center for Policy and Advocacy

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 Center for Policy and Advocacy

Opinion

We have audited the accompanying financial statements of Center for Policy and Advocacy, 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 Center for Policy and Advocacy as of December 31, 2020, results of its operation and the cash flow for the year then ended in conformity with actual lows.

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.


Armend Osaj – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
November 10, 2021



Center for Policy and Advocacy
Statement of Financial Position
For the year ended December 31, 2020


	Notes	December 31 2020 (in EUR)	December 31 2019 (in EUR)
Assets			
Current assets			
Accounts receivable		-	800
Cash and cash equivalents	3	18,873	8,780
Total current assets		18,873	9,580
Non-current assets			
Property and equipment		-	-
Total non-current assets		-	-
TOTAL ASSETS		18,873	9,580
LIABILITIES AND EQUITY			
Current liabilities			
Deferred revenues	4	18,873	9,580
Liabilities to donors		-	-
Total current liabilities		18,873	9,580
Equity			
Capital		-	-
Profit/Loss from the previous Year		-	-
Profit/Loss from the Year		-	-
Total equity		-	-
TOTAL LIABILITIES AND EQUITY		18,873	9,580

The financial statements have been signed on November 10, 2021 by:

Milaim Morina


Executive Director

Zgjim Asllani


Finance Manager

The accompanying notes from 1 to 9 form an integral part of these financial statements

Center for Policy and Advocacy
Statement of Profit or Loss
For the year ended December 31, 2020

		Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
	Notes		
Income			
Grant Income	5	72,907	77,064
Total Income		72,907	77,064
Expenditure			
Salaries and benefits	6	55,702	56,980
Administrative expense	7	8,192	6,454
Programme expense	8	9,014	13,630
Total expenditure		72,907	77,064
Net Surplus / (Deficit) for the year		<u>-</u>	<u>-</u>

The accompanying notes from 1 to 9 form an integral part of these financial statements

Center for Policy and Advocacy
Statement of Changes in Net Assets
For the year ended December 31, 2020

	Retained surplus (in EUR)	Total Reserves (in EUR)
Balance as of January 1, 2019	-	-
Net deficit/surplus for the year ended December 31, 2019	-	-
Balance as of December 31, 2019	-	-
Net deficit/surplus for the year ended December 31, 2020	-	-
Balance as of December 31, 2020	-	-

The accompanying notes from 1 to 9 form an integral part of these financial statements

Center for Policy and Advocacy
Statement of Cash Flows
For the year ended December 31, 2020

	Year ended December 31, 2020 (in EUR)	Year ended December 31, 2019 (in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the period	-	-
Adjustment for:		
Depreciation	-	-
Change in other receivables	800	(800)
Change in deferred revenues	9,292	8,760
Net cash from operating activities	10,092	7,960
Cash flows from investing activities		
Acquisition of property and equipment	-	-
Net cash used in investing activities	-	-
Net increase in cash and cash equivalents	10,092	7,960
Cash and cash equivalents at 1 January	8,780	820
Cash and cash equivalents at 31 December	18,873	8,780

The accompanying notes from 1 to 9 form an integral part of these financial statements

Center for Policy and Advocacy
Notes to the Financial Statements
For the year ended December 31, 2020

1. INTRODUCTION

Center for Policies and Advocacy (CPA) is a local non-governmental organization established in 2008. Since its inception CPA has worked closely with the community, target beneficiaries, and stakeholders to bridge the gap between institutions and citizens with special focus on decent work, environment, and lately also economic empowerment.

The vision of the organization is to have thriving communities with inclusive participation in the social and economic sphere. CPA's mission is to improve socio-economic policies via a bottom-up approach. During 2019/20 CPA has implemented these projects:

- ✓ "For a safe and healthy workplace"
- ✓ "Decent work for women"
- ✓ "Strengthening the rule of law / Promoting workers' rights"
- ✓ "Social dialogue for social justice"
- ✓ "Monitoring the electoral process of the 2019 parliamentary elections "
- ✓ "Beyond employment: Occupational Safety and Health"
- ✓ "Surface water monitoring"
- ✓ "Safe worker - Healthy institutions"
- ✓ "Brief policy 'Improving safety and health in the workplace'"

CPA donors and supporters for the year 2019-20 included:

- Olof Palme International Center-OPIC
- Swedish International Development Cooperation Agency through UNOPS
- The State of the Netherlands (MATRA Program)
- USAID, German Embassy, Embassy of Switzerland through Democracy in Action
- EU Kosovo office through BIRN Kosova
- Advocacy Training and Resource Center
- Friedrich Ebert Stiftung Kosovo Office

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 Foreign currency exchange

Foreign currency transactions are exchanged into the functional currency using the exchange rates existing at the dates of the transactions. Foreign currency gains and losses arising from the adjustment of transactions such as the re-measurements of monetary items at the end of the year exchange rates are presented as profit or loss.

2.4 Trade receivables

Trade receivables are initially recognized at fair value and then carried at cost less provisions, if any. A provision is recognized when there is objective evidence that the Organization will not be able to collect all appropriate amounts under the original receivables terms. Examples of objective evidence may be the client's financial difficulties, the high probability that the client will go bankrupt, and the constant delays in payments.

2.5 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.

2.6 Contractual obligations

Contractual obligations represent the obligation of the organization to transfer goods or services to a customer and are recognized when a customer pays the consideration, or when the organization recognizes a receivable in order to reflect its unconditional right to review before the Organization have transferred goods or services to the customer.

2.7 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.

Center for Policy and Advocacy
Notes to the Financial Statements
For the year ended December 31, 2020

2.8 Revenue recognition

Revenues from grants are recognized as income on a straight-line basis over the period of the operation.

2.10 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.

2.11 Employee benefits

The Organization, in the normal course of business, 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.

Center for Policy and Advocacy
Notes to the Financial Statements
For the year ended December 31, 2020

3. CASH AND CASH EQUIVALENTS

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Cash in hand	-	-
Cash at banks	18,873	8,780
Total Cash and cash equivalents	18,873	8,780

4. DEFERRED REVENUES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
KOSOVO INITIATIVE- IKS	-	3,951
BALKAN NETWORK - BIRN	329	5,630
KOSOVO INITIATIVE - IKS - MATRA	12,092	-
UNOPS PRISHTINA	6,452	-
Total Deferred Revenues	18,873	9,580

5. INCOMES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Deferred revenues from last year	9,580	820
DEMOCRACY FOR DEVELO - D4D	-	2,400
BALKAN NETWORK - BIRN	-	5,000
KOSOVO INITIATIVE- IKS	1,987	8,968
BALKAN NETWORK - BIRN	18,000	12,000
KOSOVO DEMOCRATIC IN - KDI	-	22,233
ADVOCACY TRAINING - ATRC	-	7,200
OLOF PALMES INTERNATIONELLA CENTER - OPIC	28,417	28,024
FRIEDRICH EBERT STIF- FES	1,700	-
KOSOVO INITIATIVE - IKS - MATRA	16,587	-
UNOPS PRISHTINA	15,510	-
Deferred revenue	(18,873)	(9,580)
Total Income	72,907	77,064

Center for Policy and Advocacy
Notes to the Financial Statements
For the year ended December 31, 2020

6. STAFF SALARIES AND BENEFITS

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Gross salary	53,049	54,267
Pension Contribution	2,652	2,713
Total salaries and benefits	55,702	56,980

7. ADMINISTRATIVE EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Office Expenses	6,330	2,530
Travel	1,862	3,924
Total administrative expenses	8,192	6,454

8. PROGRAMME EXPENSES

	December 31, 2020 (in EUR)	December 31, 2019 (in EUR)
Conferences and meetings	1,806	549
Program activities	7,208	13,081
Total Programme expenses	9,014	13,630

Center for Policy and Advocacy
Notes to the Financial Statements
For the year ended December 31, 2020

9. SUBSEQUENT EVENTS

COVID-19

The period of several months of closure of the organization or reduction of activities may have an effect on the operations of the organization in the future.

At the time of preparation of the audit report, the organization has continued operations and has been able to meet its obligations, therefore the report is prepared using the basis of continuity.