



**Balkan Sunflowers  
Kosova-BSFK**

Independent Auditor's Report and financial statements  
for the year ended December 31, 2018

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Board of Directors of the Balkan Sunflowers Kosova**

#### ***Opinion***

We have audited the accompanying financial statements of the Balkan Sunflowers Kosova (from now on referred to as BSFK), which comprise the statement of financial position as at December 31, 2018, 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, except for the below mentioned issues, the presented financial statements present fairly, in all material respects, the financial position of BSFK as of December 31, 2018 and the results of its operation for the year then ended in conformity with International Financial Reporting Standards.

#### ***Basis for qualified opinion***

##### ***VAT***

The organization is registered to the Tax Administration of Kosovo and regularly declares Value Added Tax. The total amount of the Value Added Tax declared as of 31<sup>st</sup> December 2018 is EUR 49,127.04. This amount is not presented in the balance sheet.

#### ***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.



ACA – Audit & Consulting Associates  
 Armend Osaj - Statutory Auditor  
 Prishtine, Kosovo  
 February 2019

**BALKAN SUNFLOWERS KOSOVA**  
**Statement of Financial Position**  
**For the year ended December 31, 2018**

	Notes	December 31, 2018 (in EUR)	December 31, 2017 (in EUR)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	16,539	22,373
Total non-current assets		16,539	22,373
<b>Current assets</b>			
Accounts Receivable	6	65	53
Cash and bank balances	7	26,790	117,353
Prepayments		140	-
Total current assets		26,995	117,407
<b>TOTAL ASSETS</b>		<b>43,534</b>	<b>139,780</b>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Accounts payable	8	1,908	231
Deferred Revenue	9	41,628	139,549
Total current liabilities		43,534	139,780
<b>Reserves</b>			
Opening Balance Equity		-	-
Retained surplus		-	-
Amount carried forward		-	-
Total reserves		-	-
<b>TOTAL LIABILITIES AND RESERVES</b>		<b>43,534</b>	<b>139,780</b>

The financial statements have been signed in February, 2019 by:


Muhamet Arifi



Executive Director



Donjeta Krasniqi



Finance coordinator

The accompanying notes from 1 to 20 form an integral part of these financial statements

**BALKAN SUNFLOWERS KOSOVA**  
**Statement of Revenue and Expenditures**  
**For the year ended December 31, 2018**

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		End Year 31 December 2018 (In EUR)	End Year 31 December 2017 (In EUR)
	Note		
<b>Incomes</b>			
Incomes	10	372,676	412,490
<b>Total income</b>		<b>372,676</b>	<b>412,490</b>
<b>Expenses</b>			
Payroll expenses	11	215,275	222,802
Operations expenses	12	105,380	112,082
Utility expenses	13	3,373	5,375
Maintenance expenses	14	4,940	12,734
Fuel and travel expenses	15	8,817	6,485
Communication expenses	16	3,648	5,261
Activity expenses	17	25,409	41,917
Depreciation expense		5,834	5,834
<b>Total expenses</b>		<b>372,676</b>	<b>412,490</b>
<b>Amount carried forward</b>		<b>-</b>	<b>-</b>

The accompanying notes from 1 to 20 form an integral part of these financial statements

**BALKAN SUNFLOWERS KOSOVA**  
**Statement of Changes in Equity**  
**For the year ended December 31, 2018**

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	<b>Retained surplus (in EUR)</b>	<b>Net deficit/ surplus (in EUR)</b>	<b>Total Equity  (in EUR)</b>
<b>Balance as at January 01, 2018</b>			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance as at December 31, 2018</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance as at January 01, 2018</b>			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance as at December 31, 2018</b>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes from 1 to 20 form an integral part of these financial statements

**BALKAN SUNFLOWERS KOSOVA**  
**Statement of Cash Flows**  
**For the year ended December 31, 2018**

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	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the year	-	-
Adjustment for:		
Depreciation	5,834	5,834
Amortizimi	-	-
	-	-
Change in receivables	(12)	(53)
Change in prepayments	(140)	-
Change in payables	1,677	(4,269)
Change in deferred revenue	(97,921)	1,066
<b>Net cash from operating activities</b>	<b>(90,564)</b>	<b>2,577</b>
<b>Cash flows from investing activities</b>		
Acquisition of property and equipment	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(90,564)</b>	<b>2,577</b>
Cash and cash equivalents at 1 January	117,354	114,776
<b>Cash and cash equivalents at 31 December</b>	<b>26,790</b>	<b>117,354</b>

The accompanying notes from 1 to 20 form an integral part of these financial statements



**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2018**

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**1. INTRODUCTION**

Balkan Sunflowers Kosova (hereafter called the “Organization” or “BSFK”), is a non-for-profit organization established in accordance with Regulation No. 1999/22 of 04/L-057 on freedom of Association in Non-Governmental Organizations, approved from the Kosovo Assembly on 2011, under the registered number 5111260-1 and Fiscal number 600055207.

Balkan Sunflowers is an international grassroots organisation, founded in 1999 to aid the Kosovar refugees. Volunteers from around the world saw the TV images of the war and refugee emergency. They wanted to help in ways that money could not. They believed that person-to-person contact with aid workers who came to work as friends and neighbors, might help restore community life in ways that emergency aid and political support alone could not. Balkan Sunflowers Kosova (BSFK) on the other hand is a local NGO registered on 18th January 2007, taking over responsibilities from international Balkan Sunflowers’ Kosovo program. Balkan Sunflowers Kosova believes that volunteers – international and local – participating in community life, crucially promotes the ideals of a caring and open society.

**Curent Balkan Sunflowers Kosova programs are:** Learning Centers Network Program, School Mediation Program, KOSINT project, Kosovo Education and Employment Network project (KEEN), Education through Dialogue and Integration (EDI phase 2), Activating Cohesion and Tolerance (ACT), EU Support for the Implementation of Roma, Ashkali and Egyptian Strategy Phase 2- Education for Integration (EU SIMRAES 2), Integration of Socially Excluded Persons in Pilot Localities, Improving the Health Situation of Children and Adults from Roma, Ashkali, and Egyptian Communities. Balkan Sunflowers Kosova primary focus areas are Community, Human Dignity, and Children and Youth. Balkan Sunflowers Kosova, through the support of our donors, provided more than 100,000 hot meals to children participating in our Learning Centers Network program to date.

**BALKAN SUNFLOWERS KOSOVA** (BSFK) builds activist lives for social change. We inspire and engage in community action for human rights and dignity, working in education, health, culture, citizenship, employment, and respect for diversity.

**Scope of work:**

The protection of human rights; the social, emotional and intellectual development of all people in Kosovo; and the promotion of community empowerment - through developing and implementing programs for education, research, advocacy, arts, culture and other humane activities.

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2018

**2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**2.1 Standards and Interpretations effective in the current period**

Below are presented the amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee which are effective for the current period:

Standard	Description	Effective date
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations-Changes in methods of disposal	beginning on or after 1 January 2016
IFRS 7	Financial Instruments: Disclosures-Servicing Contracts and Applicability of the offsetting disclosures to condensed interim financial statements	beginning on or after 1 January 2016
IFRS 14	Regulatory Deferral Accounts	beginning on or after 1 January 2016
Amendment to IFRS 10	Consolidated Financial Statements	beginning on or after 1 January 2016
Amendment to IFRS 11	Joint Arrangements	beginning on or after 1 January 2016
Amendment to IFRS 12	Disclosure of Interests in other Entities	beginning on or after 1 January 2016
Amendment to IAS 1	Presentation of Financial Statements	beginning on or after 1 January 2016
Amendment to IAS 16	Property, Plant and Equipment	beginning on or after 1 January 2016
Amendments to IAS 19	Employee Benefits	beginning on or after 1 January 2016
Amendment to IAS 27	Separate Financial Statements	beginning on or after 1 January 2016
Amendment to IAS 28	Investments in Associates and Joint Ventures	beginning on or after 1 January 2016
IAS 34	Interim Financial reporting-Disclosure of Information elsewhere in the interim	beginning on or after 1 January 2016

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

	financial report	
Amendment to IAS 38	Intangible Assets	beginning on or after 1 January 2016
Amendment to IAS 41	Agriculture-Bearer Plants	beginning on or after 1 January 2016
Amendment to different standards	Improvements to IFRS (2012-2014 Cycle)-resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to remove inconsistencies and clarifying wording	annual periods beginning on or after January 1, 2016
Amendment to different standards	Improvements to IFRS (2010-2012 Cycle) - The annual project resulting from improvements in quality of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to remove inconsistencies and clarifying wording	beginning on or after 1 July 2014
Amendment to different standards	Improvements to IFRS (2011-2013 Cycle)-resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to remove inconsistencies and clarifying wording	annual periods beginning on or after July 1, 2014

## 2.2 Standards and interpretations in issue not yet effective

In these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

Standard	Description	Effective date
IFRS 2	Classification and Measurement of Share-based Payment transactions	beginning on or after 1 January 2018

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

IFRS 9	Financial Instruments	beginning on or after 1 January 2018
IFRS 15	Revenue from Contracts with Customers	beginning on or after 1 January 2017
IFRS 16	Leases	beginning on or after 1 January 2019
Amendment IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	beginning on or after 1 January 2017
Amendment IAS 7	Disclosure Initiative	beginning on or after 1 January 2017

The entity has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the entity in the period of initial application.

### **3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Statement of compliance**

The financial statements have been prepared in accordance with the International Financial Reporting Standards.

#### **3.2 Basis of preparation**

Financial Statements are prepared for reporting purposes in accordance with applicable International Financial Reporting Standards, and represent the entire picture that occurred in “BSFK” during 2018. Financial Statements are prepared on cash basis, based on which revenues and expenses are recognized at the time when either received or paid. The organization uses QuickBooks for preparation of financial statements.

#### **3.3 Currency of presentation**

The reporting currency of BSFK is the European Union currency unit Euro (“EUR”). The organization has five bank accounts, four in Pro Credit Bank whereas accounts in Raiffeisen Bank are closed during 2018.

#### **3.4 Significant accounting policies**

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

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**3.4.1 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.

**3.4.2 Foreign currencies**

The organization does not perform transactions in foreign currencies.

**3.4.3 Revenue recognition**

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses is treated as balance carried forward to the next period.

**3.4.4 Property and equipment**

BSFK presents all purchased made in 2016 assets in Statement of Financial position. Therefore they are capitalized and depreciated.

**3.4.5 Expenses recognition**

Expenses incurred for generation incomes are recognized in that period in cash basis.

**3.4.6 Taxation**

BSFK is established as a nongovernmental organization, therefore has responsibility and operates as an NGO under applicable Kosovo Laws.

**3.4.7 Employee benefits**

The organization makes no provision for and has no obligation for employee pensions over and above the contributions paid into the Kosovo Pension Savings Trust.

**3.4.8 Critical judgments in applying the organization's accounting policies**

In the process of applying the Organization's accounting policies, which are described in note 3 above, management has made no judgments that have significant effect on the amounts recognized in the financial statements.

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

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**5. PROPERTY AND EQUIPMENT**

The organization has started registering purchase of assets in 2016. Therefore, the assets that are bought in 2018 are capitalized and depreciated.

	<u>Vehicles</u>	<u>Total</u>
At 1 January 2017	-	-
Depreciation charge for the year	5,834	5,834
Disposals	-	-
<b>At 31 December 2017</b>	<b><u>5,834</u></b>	<b><u>5,834</u></b>
At 1 January 2018		-
Depreciation charge for the year	5,834	5,834
Disposals	-	-
<b>At 31 December 2018</b>	<b><u>5,834</u></b>	<b><u>5,834</u></b>
<b>At 31 December 2018</b>	<b><u>16,539</u></b>	<b><u>16,539</u></b>
<b>At 31 December 2017</b>	<b><u>22,373</u></b>	<b><u>22,373</u></b>

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

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**6. ACCOUNTS RECEIVABLES**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Accounts receivable	65	53
<b>Total Accounts Receivable</b>	<b>65</b>	<b>53</b>

**7. CASH AND BANK BALANCES**

During this period "BSFK" had four bank accounts in Pro Credit Bank. All bank accounts are in Euro currency.

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Cash on Hand	51	120
Cash on Bank	26,738	117,233
<b>Total Cash and Cash Equivalents</b>	<b>26,790</b>	<b>117,353</b>

**8. ACCOUNTS PAYABLE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Accounts Payable	16	231
Taxes and pension contribution	1,892	-
<b>Total Accounts Payable</b>	<b>1,908</b>	<b>231</b>

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

**9. DEFERRED REVENUES**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Porticus	5,644	17,312
Royal Norwegian Embassy	194	14,121
GIZ	3,865	10,681
KOSINT	7,137	2,718
Crowdrise	1,147	1,147
Teres des Homes	(4)	(50)
Solidar Swiss	(0)	(0)
Diakonia	(14,889)	112
ADA-Edi 2	4,091	68,479
EU-SIMRAES II	22,532	(15,907)
Unicef	(0)	(0)
KEEN	11,195	40,870
ISSA	74	74
PIN	3,305	500
PRECEDE	(3,086)	(3,086)
Other	397	2,521
<b>Total Deferred Revenue</b>	<b>41,602</b>	<b>139,549</b>

In the table below are presented incomes that are recognized in 2018 and the unspent amount is represented as a deferred revenue.

EUR	GIZ	Solidar Swiss	Porticus	Royal Norwegian	Diakonia	ADA-EDI 2	EU-SIMRAES II	Unicef	KEEN	ISSA	PIN	KOSINT	Crowdrise	PRECEED	Teres des Homes	Other	Total
Balance at 31 December 2017	10,681	(0)	11,478	14,121	112	68,479	(15,907)	(0)	40,870	74	500	2,718	1,147	(3,086)	(50)	8,355	139,493
Additions in 2018	94,589	9,000	-	-	15,000	20,736	87,477		888		4,377	25,634			3,046	14,029	274,775
Income recognized in 2018	(101,405)	(9,000)	(5,834)	(13,927)	(30,000)	(85,124)	(49,039)		(30,563)		(1,573)	(21,215)			(3,000)	(21,987)	(372,666)
<b>Balance at 31 December 2018</b>	<b>3,865</b>	<b>(0)</b>	<b>5,644</b>	<b>194</b>	<b>(14,889)</b>	<b>4,091</b>	<b>22,532</b>	<b>(0)</b>	<b>11,195</b>	<b>74</b>	<b>3,305</b>	<b>7,137</b>	<b>1,147</b>	<b>(3,086)</b>	<b>(4)</b>	<b>397</b>	<b>41,602</b>



**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
**For the year ended December 31, 2018**

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**10. INCOMES**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Portiucs	5,844	35,678
People in need	1,573	70,328
Royal Norwegian Embassy	13,927	23,482
Diakonia	30,000	17,177
ADA-Edi 2 Project	85,124	50,892
EU-SIMRAES II	49,039	40,592
Unicef	-	19,632
Terres des homes	3,000	1,793
KEEN	30,563	37,352
KOSINT 2020	21,215	21,512
Crowdrise	-	2,092
Solidar Suisse	9,000	14,842
GIZ	101,405	69,172
Other incomes	21,987	7,946
<b>Total grant income</b>	<b>372,676</b>	<b>412,490</b>

**11. PAYROLL EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Salaries	215,275	222,802
<b>Total payroll expenses</b>	<b>215,275</b>	<b>222,802</b>

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2018

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**12. OPERATING EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Rent	15,246	13,989
Supplies	8,786	15,270
Program expenses	22,035	47,709
Refreshments	27,250	19,076
Auditing	1,500	4,050
Other operations expenses	30,564	11,988
<b>Total operations expenses</b>	<b>105,380</b>	<b>112,082</b>

**13. UTILITIES EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Electricity, water	3,331	2,577
Heating	41	2,798
<b>Total utility expenses</b>	<b>3,373</b>	<b>5,375</b>

**14. MAINTENANCE EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Office	4,940	9,440
Vehicle	-	3,294
<b>Total maintenance expenses</b>	<b>4,940</b>	<b>12,734</b>

**BALKAN SUNFLOWERS KOSOVA**  
**Notes to the Financial Statements (continued)**  
For the year ended December 31, 2018

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**15. FUEL AND TRAVEL EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Fuel	5,333	2,403
Taxi	527	1,264
Airplane ticket	2,957	2,819
<b>Total fuel and travel expenses</b>	<b>8,817</b>	<b>6,485</b>

**16. COMMUNACATION EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Telephone Land Line/Fax	1,437	2,724
Internet	1,309	1,480
Web Maintenace	902	1,057
<b>Total communication expenses</b>	<b>3,648</b>	<b>5,261</b>

**17. ACTIVITY EXPENSE**

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	<b>(in EUR)</b>	<b>(in EUR)</b>
Education materials	17,088	35,284
Children's activity	8,321	6,633
Surveys	-	-
<b>Total Activity expenses</b>	<b>25,409</b>	<b>41,917</b>

## **18. RELATED PARTY DISCLOSURE**

For the purposes of these financial statements, parties are considered to be 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 as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

## **19. RISK MANAGEMENT**

### ***19.1 Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. BSFK is not exposed to credit risk in respect of Grant receivable from its Donors.

### ***19.2 Interest rate risk***

The organization is not exposed to interest rate risk as they do not have any borrowings or placements.

### ***19.3 Foreign exchange risk***

BSFK is not exposed to foreign exchange risk as transactions are undertaken in local currency. BSFK does not speculate in or engage in the trading of derivative financial instruments.

### ***19.4 Liquidity risk***

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. BSFK is committed monitor its liquidity on a periodic basis in order to manage its obligations as and when they shall become due.

## **20. SUBSEQUENT EVENTS**

There are no subsequent events that would require either adjustments or additional disclosures in the financial statements.