



Balkan Sunflowers
Volunteers for Social Reconstruction

Balkan Sunflowers
Kosova-BSFK

Independent Auditor's Report and financial statements
for the year ended December 31, 2019

TABLE OF CONTENTS

PAGE

AUDITORS' REPORT

STATEMENT OF FINANCIAL POSITION

1

STATEMENT OF REVENUE AND EXPENDITURE

2

STATEMENT OF CHANGES IN NET ASSETS

3

STATEMENT OF CASH FLOWS

4

NOTES TO THE FINANCIAL STATEMENTS

5 - 14



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, 2019, 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, 2019 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 31st December 2019 is EUR 50,991.22 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
August 2020

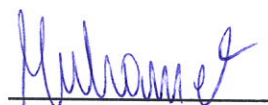


BALKAN SUNFLOWERS KOSOVA
Statement of Financial Position
For the year ended December 31, 2019

	Notes	December 31, 2019 (in EUR)	December 31, 2018 (in EUR)
ASSETS			
Non-current assets			
Property and equipment	4	10,705	16,539
Total non-current assets		<u>10,705</u>	<u>16,539</u>
Current assets			
Accounts Receivable		-	65
Cash and bank balances	5	11,658	26,790
Prepayments		214	140
Total current assets		<u>11,872</u>	<u>26,995</u>
TOTAL ASSETS		<u><u>22,577</u></u>	<u><u>43,534</u></u>
LIABILITIES AND RESERVES			
Current liabilities			
Accounts payable	6	3,127	1,908
Deferred Revenue	7	19,451	41,628
Total current liabilities		<u>22,577</u>	<u>43,534</u>
Reserves			
Opening Balance Equity		-	-
Retained surplus		-	-
Total reserves		<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND RESERVES		<u><u>22,577</u></u>	<u><u>43,534</u></u>

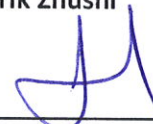
The financial statements have been signed in August, 2020 by:

Muhamet Arifi



Executive Director

Lorik Zhushi



Finance coordinator

The accompanying notes from 1 to 17 form an integral part of these financial statements

BALKAN SUNFLOWERS KOSOVA
Statement of Revenue and Expenditures
For the year ended December 31, 2019

	Note	End Year 31 December 2019 (In EUR)	End Year 31 December 2018 (In EUR)
Incomes			
Incomes	8	312,654	372,676
Total income		312,654	372,676
Expenses			
Payroll expenses	9	207,486	215,275
Operations expenses	10	75,058	110,321
Utility expenses	11	1,447	3,373
Fuel and travel expenses	12	4,714	8,817
Communication expenses	13	4,333	3,648
Activity expenses	14	13,782	25,409
Depreciation expense		5,834	5,834
Total expenses		312,654	372,676
Retained Surplus		-	-

The accompanying notes from 1 to 17 form an integral part of these financial statements

BALKAN SUNFLOWERS KOSOVA
Statement of Changes in Equity
For the year ended December 31, 2019

	Retained surplus (in EUR)	Net deficit/ surplus (in EUR)	Total Equity (in EUR)
Balance as at January 01, 2018			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
Balance as at December 31, 2018	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at January 01, 2019			
Balance carried forward	-	-	-
Net deficit/surplus for the year	-	-	-
Balance as at December 31, 2019	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes from 1 to 17 form an integral part of these financial statements

BALKAN SUNFLOWERS KOSOVA
Statement of Cash Flows
For the year ended December 31, 2019

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Cash flows from operating activities		
(Deficit)/surplus for the year	-	-
Adjustment for:		
Depreciation	5,834	5,834
Change in receivables	65	(12)
Change in prepayments	(74)	(140)
Change in payables	1,218	1,677
Change in deferred revenue	(22,175)	(97,921)
Net cash from operating activities	(15,131)	(90,564)
Cash flows from investing activities		
Acquisition of property and equipment	-	-
Net cash used in investing activities	-	-
Net increase in cash and cash equivalents	(15,131)	(90,564)
Cash and cash equivalents at 1 January	26,790	117,353
Cash and cash equivalents at 31 December	11,658	26,790

The accompanying notes from 1 to 17 form an integral part of these financial statements

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements
For the year ended December 31, 2019

1. INTRODUCTION

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 (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, 2019

2. REGULATORY FRAMEWORK

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 1	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IAS 28	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IFRS 15	Revenue from Contracts with Customers	Beginning on or after January 2018
IFRS 9	Financial Instruments	Beginning on or after January 2018
IAS 40	Transfers of Investment Property (Amendments to IAS 40)	Beginning on or after January 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	Beginning on or after January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Beginning on or after January 2018
IFRS 16	Leases	Beginning on or after January 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Beginning on or after January 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Beginning on or after January 2019
IAS 12, IAS 23, IFRS 3 and IFRS 11	Annual Improvements to IFRS 2015-2017 Cycle	Beginning on or after January 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Beginning on or after January 2019

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

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
CF	Conceptual Framework for Financial Reporting	Beginning on or after January 2020
IFRS 3	Definition of a Business (Amendments to IFRS 3)	Beginning on or after January 2020
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Beginning on or after January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	Beginning on or after January 2020
IFRS 17	Insurance Contracts	Beginning on or after January 2021
Practice Statement 2	Making Materiality Judgements	No effective date as non-mandatory guidance

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.

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

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 2019. 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 in Pro Credit.

3.4 Significant accounting policies

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

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 assets in Statement of Financial position. Therefore, they are capitalized and depreciated.

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

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, 2019

4. PROPERTY AND EQUIPMENT

The organization has started registering purchase of assets in 2016. Therefore, the assets that are bought in 2019 are capitalized and depreciated.

	<u>Vehicles</u>	<u>Total</u>
At 1 January 2018	29,250	29,250
Additions	-	-
Disposals	-	-
At 31 December 2018	<u>29,250</u>	<u>29,250</u>
At 1 January 2019	29,250	29,250
Additions	-	-
Disposals	-	-
At 31 December 2019	<u>29,250</u>	<u>29,250</u>
At 1 January 2018	6,877	6,877
Depreciation charge for the year	5,834	5,834
Disposals	-	-
At 31 December 2018	<u>12,711</u>	<u>12,711</u>
At 1 January 2019	12,711	12,711
Depreciation charge for the year	5,834	5,834
Disposals	-	-
At 31 December 2019	<u>18,545</u>	<u>18,545</u>
At 31 December 2019	<u>10,705</u>	<u>10,705</u>
At 31 December 2018	<u>16,539</u>	<u>16,539</u>

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

5. CASH AND BANK BALANCES

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

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Cash on Hand	10	51
Cash on Bank	11,648	26,738
Total Cash and Cash Equivalents	11,658	26,790

6. ACCOUNTS PAYABLE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Accounts Payable	-	16
Taxes and pension contribution	2,404	1,892
Other liabilities	723	-
Total Accounts Payable	3,127	1,908

7. DEFERRED REVENUES

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Porticus	-	5,644
Royal Norwegian Embassy	-	194
GIZ	-	3,865
KOSINT	-	7,137
Crowdrise	1,147	1,147
Teres des Homes	-	(4)
Diakonia	-	(14,889)
ADA-Edi 2	-	4,091
EU-SIMRAES II	-	22,532
KEEN	-	11,195
ISSA	-	74
PIN	-	3,305
PRECEDE	-	(3,086)
Other	18,304	397
Total Deferred Revenue	19,451	41,602

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

8. INCOMES

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Porticus	5,834	5,844
People in need	-	1,573
Royal Norwegian Embassy	-	13,927
Diakonia	30,001	30,000
ADA-Edi 2 Project	46,585	85,124
EU-SIMRAES II	43,016	49,039
Terres des homes	-	3,000
KEEN	41,715	30,563
KOSINT 2020	21,208	21,215
Solidar Suisse	7,503	9,000
GIZ	87,624	101,405
Other incomes	29,167	21,987
Total grant income	312,645	372,676

9. PAYROLL EXPENSE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Salaries	207,486	215,275
Total payroll expenses	207,486	215,275

10. OPERATING EXPENSE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Rent	19,491	15,246
Supplies	3,806	8,786
Program expenses	12,845	22,035
Office	2,642	4,940
Vehicle	-	-
Refreshments	9,516	27,250
Auditing	1,500	1,500
Other operations expenses	25,256	30,564
Total operations expenses	75,058	110,321

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

11. UTILITY EXPENSE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Electricity, water	1,052	3,331
Heating	395	41
Total utility expenses	1,447	3,373

12. FUEL AND TRAVEL EXPENSE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Fuel	3,573	5,333
Taxi	455	527
Airplane ticket	686	2,957
Total fuel and travel expenses	4,714	8,817

13. COMMUNICATION EXPENSE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Telephone Land Line/Fax	1,001	1,437
Internet	840	1,309
Web Maintenance	2,493	902
Total communication expenses	4,333	3,648

BALKAN SUNFLOWERS KOSOVA
Notes to the Financial Statements (continued)
For the year ended December 31, 2019

14. ACTIVITY EXPENSE

	December 31, 2019	December 31, 2018
	(in EUR)	(in EUR)
Education materials	8,693	17,088
Children's activity	5,089	8,321
Total Activity expenses	13,782	25,409

15. 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.

16. RISK MANAGEMENT

16.1 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.

16.2 Interest rate risk

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

16.3 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.

16.4 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.

17. SUBSEQUENT EVENTS

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