

DokuFest

**Financial Statements and the Independent Auditor's
Report
End of 2019**

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Independent Auditor's report on the audit of financial statements



Independent Auditor's report on the audit of financial statements

DokuFest
To Board of Directors
Marin Barleti
Prizren

Opinion

We audited the financial statements of DokuFest, namely the statement of financial position as of December 31, 2019, the statement of income, the statement of changes in equity and the statement of cash flow, for the year ended on that date, and the notes of financial statements, including one summary of the most important accounting policies.

In our opinion, the financial statements represent, in all material terms, the financial position of the organizations as of December 31, 2019, the financial performance for the year ended on that date and are in line with International Financial Reporting Standards for Small and Medium Enterprises. and Law 06 / L-043, "On freedom of association in non-governmental organizations".

Basis of opinion

The audit is conducted in accordance with International Auditing Standards.

Our responsibilities are described below in the Auditor Responsibilities section in the audit of the financial statements of this report.

We confirm independence from the organization in accordance with the Code of Ethics for Professional Accountants of the Interim Interim Standards Board on Ethics together with the requirements that are relevant when auditing financial statements in Kosovo, and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a reasonable basis for opinion.

Going Concern

The financial statements have been prepared on the basis of continuity/going concern, the management does not intend to liquidate or terminate its activity for the next 12 months.

The audit did not identify the existence of events or conditions which raise doubts about the organization's ability to continue.

Emphasis on the issue

We draw attention to the Disclosure "Principle of Going Concern" (p. 19) and "Events after the end of the reporting period" (p. 25) of the financial statements, which describe the effects of the spread of COVID-19 pandemic following current activities of the organization and in future reporting periods.

We also draw attention to the Disclosure "Cash and its equivalents" p.21, which has to do with the funds in the bank account "PAYPAL" (8,935,54€) which is blocked and the funds are not available, at the moment, for the organization.

Our opinion is not affected by these issues.

Management Responsibilities for Financial Statements

The management is responsible for the preparation and proper presentation of financial statements in accordance with IFRS-LTD, Law 06 / L-043, "On freedom of association in non-governmental organizations" and for controls that the management considers necessary to enable preparation of financial statements without material anomalies, either due to fraud or error.

In preparing financial statements, management is responsible for assessing the organization's ability to proceed according to the going concern principle, revealing, if applicable, issues related to going concern and using continuity-based accounting unless the management has intended to liquidate or discontinue the Company's activities, or there is no alternative but to act accordingly.

Those in charge of governance are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities in auditing financial statements

Our objectives are to gain reasonable security if financial statements, as a whole, do not contain material anomalies, either due to fraud or error and to provide a report that includes our opinion. Reasonable security is a high level of security, but there is no guarantee that auditing performed according to standards will always reveal material anomalies if they exist. Abnormalities can arise as a result of fraud or error and are considered to be material if, individually or jointly, they can reasonably influence the decision made by users based on these financial statements.

As part of the audit in accordance with the standards, we have exercised professional judgment while maintaining professional skepticism throughout the audit.

We are also responsible for:

- Identify and assess the risk of material anomalies of financial statements, whether due to fraud or error, design and conduct audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide us with a basis for opinion. The risk of non-disclosure of material anomalies due to fraud is higher than that caused by errors, as fraud may include covert agreements, falsification, intentional non-inclusion, misinterpretation or omission of controls.
- We gain knowledge on internal controls that are important for auditing so that plan audit procedures that are appropriate to those circumstances, but not in order to provide an opinion on the effectiveness of the organization's internal controls.
- Evaluate the appropriateness of the accounting policies used, the reasonableness of the accounting estimates and the relevant disclosures from the management.
- We conclude on the appropriateness of the going concern principle used by management and based on the obtained audit evidence, if there is any material uncertainty regarding events or conditions that may cast significant doubt on the organization's ability to continue to exist. If we conclude that there is material uncertainty, we are required to draw attention to the audit report, to the relevant disclosure of the financial statements, or in the event that such disclosure is insufficient,

to modify our opinion. Our conclusions are based on audit evidence obtained by the date of the auditor's report.

However, future events and conditions may cause the organization not to continue its activities.

-Evaluate the overall presentation, structure and content of the financial statements, including disclosure, if the financial statements represent the respective transactions and events in order to achieve the fair presentation.

We have communicated with government officials, including the planned scope, audit time and significant audit findings, including any significant deficiencies in internal control identified during our audit.

Prishtina 08.07.2020.

Audit Office Shpk

Ulpiana D1/7 H-8, Prishtina

Shaban Muharremi, Statutory Auditor

044 112-036.



Statement of Comprehensive Income

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01. janary - 31. december

In €	Note	Explanation	2019	2018
Të hyrat				
Donations	1	23	399,648	478,969
Commercial	2		127,441	144,349
Other Income	3		12,653	3,440
Total income			539,742	626,758
Expenses				
Direct project expenses	4	24	234,588	251,638
Admin and Op. expenses	5	20,23,24	320,225	271,597
Depreciation	9	20	6,386	11,254
Total expenses			561,199	534,489
Operating Profit/Loss			-21,457	92,269
Tax on commercial income			183	-
Net operating profit/loss			-21,639	92,269

Statement of financial position

On 31 December

Assets €	Notes	Explanations	2019	2018
I Assets				
A Current Assets				
Cash	6	21	79,119	82,049
Accounts receivable	7	20	-	13,809
Other Assets	8	20	6,813	3,683
Total current assets			85,932	99,541
B Non-Current Assets				
Property Plant and Equipment	9	20	18,865	20,006
Total Non-Current Assets			18,865	20,006
Total Assets A+B			104,798	119,547
III Liabilities				
A Current Liabilities				
Accounts Payable	10	20	14,546	11,470
Accrual liabilities	11		4,290	476
Total Current Liabilities			18,836	11,946
B Non-Current Liabilities				
Total liabilities A+B			18,836	11,946
III Equity				
		21		
Transferred from previous period	12		107,601	15,332
Surplus-absence of the year			-21,639	92,269
Total equity			85,962	107,601
Total Equity and Liabilities			104,798	119,547

Linda Llulla - Gashi

Drejtores Ekzekutive

Erol Shporta

Përf. ligjor i autorizuar

Arind Kiraftani

Menaxher i financave



Statement of changes in equity

Balance on 1 JANARY 2018

Surplus / lack of funds
Differences from foreign exchange
translations
Dividends
Additional capital deposits
Reserve allocation

Share capital	Deferred Income	Other Income	Total
15,332	-	-	15,332
		92,269	92,269
			-
			-
			-
			-

Balance on 31 December 2018

Surplus / lack of funds
Differences from foreign exchange
translations
Dividends
Additional capital deposits
Reserve allocation

15,332	-	92,269	107,601
		-21,639	-21,639
			-
			-
			-
			-

Balance On 31 December 2019

15,332	-	70,630	85,962
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Statement of Cash Flow

	2019	2018
Cash Flow from Operating Activities:		
Deferred Income +/-	-21,639	92,269
Adjustments for non-cash items of expenditure and revenue		
Depreciation of property, plant and equipment	6,386	11,255
Damage to property, equipment and plants	-	-
Depreciation of intangible assets	-	-
Impairment losses on intangible assets	-	-
Changing the value of the investment property	-	-
Financial income	-	-
Financial costs	-	-
(Profit) / loss from sale of property, plant and equipment +/-	-	-
Income tax expense	-	-
	6,386	11,255
Changes in assets and operating liabilities		
(Increase) / decrease in accounts receivable trading and other	13,809	-5,190
(Increase) / decrease in stocks	-	-
(Increase) / decrease in other assets	-3,130	-
Increase / (decrease) in accounts payable and other trade	2,217	-35,946
Increase / decrease in other liabilities	3,814	5,274
	16,710	-35,862
Profit tax paid	-	-
Interest paid	-	-
I Net cash flow from Operating activities	1,457	67,662
II Cash Flow from Investing ACTIVITIES		
Payments for purchases of property, equipment and plants	-4,387	-17,919
Receipts for sales of property, plant and equipment	-	-
Payments for the purchase of intangible assets	-	-
Receipts for the sale of intangible assets	-	-
Interest received	-	-
Dividends collected	-	-
II Net cash flow from Investing activities	-4,387	-17,919

Cash flow statement - continued

	2019	2018
III Cash Flow from Financing Activities		
Additional capital deposits	-	-
Dividends paid	-	-
Receipts from loans and credits	-	-
Loan and loan repayment	-	-
Financial leasing payments	-	-
III Net cash flow from Financing Activities	-	-
INCREASE / (DECREASE) NET Cash AND Cash EQUIVALENTS	-2,930	49,743
Cash and Cash Equivalents at the beginning of the year	82,049	32,306
Cash and Cash Equivalents at the end of the year	79,119	82,049

Accompanying notes on Statements

Total resources in €	2019	2018
1. Donations:		
NED-National Endowment for Democracy	39,708	28,986
Procredit Bank	25,000	30,000
ATRC	-	3,215
French Embassy	1,500	2,000
American Embassy	6,414	10,631
KK Prizren	38,385	10,000
Ministry of culture	20,000	30,000
UNDP	9,040	6,155
Austrian embassy	10,425	4,266
Swedish embassy	1,806	2,355
German embassy	4,050	4,000
Royal Netherlands Embassy	2,300	-
USAID-Cardno	17,920	-
Rockefeller Brothers Fund	30,582	30,429
FDFA	30,000	8,203
President's office	10,000	10,000
Frutex	3,593	-
GIZ	13,875	25,198
KCSF	62,173	73,548
Stichting Prince Claus Fund	13,955	30,255
People in Need	-	11,353
Swiss Embassy	-	35,832
Western Balkans Fund	918	-
Qendra Multimedia-Cult.for Change	8,000	14,000
Taiwan Institute	-	7,600
CHWB	1,000	-
Pravo Ljudski Aktive	25,904	-
Primeminister's office	-	20,000
Mieke Lavooji Kamere Nikon	3,734	-
OSCE	6,000	-
Jugendfilmtage	830	-
Bucaj	6,500	-
KIVO	1,600	-
IPKO	60	-
Czech Embassy	1,700	-

Accompanying notes on statements - continued

	2019	2018
Princ Clause FUND	2,677	-
PPSE	-	22,920
Hacking urban Space	-	16,352
Donations under 5,000	-	41,672
Total Donations	399,648	478,969
2.From Commercial Activities:		
From sale Dokukino shop tickets 18%	36,983	20,473
Application for participation in the festival	-	13,565
Realization Dokufest without VAT	24,986	17,079
Dokufest invoice 18%	63,803	91,012
Use of the hall	1,669	2,220
Total commercial	127,441	144,349
3.Other Income		
Other Income	-	3,440
Settlement of liabilities-LLP	12,653	-
Total other income	12,653	3,440
4. Program Expenses		
Festival	223,387	237,706
CGS	11,200	13,932
Total i projekteve	234,588	251,638
5. Expenses by nature	320,224	271,597
5/1 Personnel Costs	185,431	169,486
Net Salaries	176,684	161,591
Pension Contributions	8,746	7,895
5/2 Other operating and administrative expenses	118,304	81,688
Office expenses	6,667	16,271
Equipment under 1000 € and maintenance	8,384	-
Rent, rent tax	12,084	15,791
Insurance, registration and maintenance of vehicles	1,361	-
Telephone, internet, ptt	1,114	637
Maintenance	342	-
Electricity, water, utilities	4,480	-

Accompanying notes on statements - continued

	2019	2018
Bank commission	4,038	3,283
Transport, Travel	15,830	24,454
Auditing, accounting, professional services	5,145	4,400
Not deductible	46,643	16,594
Shkyerja e kërkesave-LLA	12,216	-
Tax	-	258
5/3 Marketing	16,490	20,423
Marketing dhe propagande	11,380	7,692
Web designer	5,110	4,122
Printing	-	8,609

6. Cash and Cash equivalents

	12/31/2019	12/31/2018
PCB -0185	9,369.86	27,111.36
PCB -0122	-	61.00
PCB -0176	32,286.90	6,760.58
PCB -0158	2,352.53	6,839.20
PCB -0149	1,167.17	1,051.15
PCB -0179	6,863.74	826.70
PCB -0140	998.55	2,806.04
PCB -Paypall	8,935.54	10,074.11
PCB -1120-1237-8206-0131	16,938.34	24,121.86
Arka	206.80	2,397.00
Totali i parasë:	79,119.43	82,049.00

7. Accounts Receivable

-	13,809
-	13,809

8. Other assets - Prepayments

	6,813	3,683
VAT	4,733	904
Insurance/Registrations	86	358
Inventory (Dokukino)	1,844	2,421
Advances given	150	-

Accompanying notes on statements - continued

9. Assets and Liabilities

costs	Cinema equipment	Vehicles	Total
31.december 2017	123,846	14,153	137,998
Purchase	22,219		22,219
Sale	4,300	-	4,300
31-Dec-18	141,765	14,153	155,917
Purchase	4,387	-	4,387
Transferred costs corrections	-1,334	2,193	859
31-Dec-19	144,817	16,346	161,163
Depreciation			
31-Dec-17	115,621	9,036	124,657
Depreciation for the year	12,114	-	12,114
sale	-860	-	-860
31. december 2018	126,875	9,036	135,912
Depreciation of the year	4,666	1,720	6,386
31-Dec-19	131,541	10,756	142,297
Net amount			
31. december 2018	14,890	5,117	20,006
31. december 2019	13,275	5,590	18,865

10. Accounts payable

Furnitorët

14,546

11,470

14,546

11,470

11. Accrual liabilities

Salaries

4,290

3,583

Pension Contributions

-

444

Tax withheld on salaries

1,121

1,576

Tax withheld on rent

870

1,061

VAT

-

401

OTHER (TAK)

2,207

99

Received advances

-57

200

150

-

Accompanying notes on statements - continued

	2019	2018
12. Beginning balance on 01.01		119,547
12/1 cash		82,049
12/2 assets and equipment		20,006
12/3 accounts receivable		13,809
12/4 other assets		3,683
13. Deferred income-loss / profit of the year	-21,639	92,269
Profit / Loss of the year	- 21,639	92,269

Explanations on Statements

General information and governing structure

DokuFest is registered as a non-governmental organization under Law no. 06 / L-43 "Freedom of Association in NGOs", with No. 5102107-0 and NF 600230255 based in Prizren.

DokuFest has the status of NGO with benefited public status with no.5102107-0 from 25.07.2019. The full name is "DokuFest" and the abbreviation "DocuFest".

The organization is governed by the Assembly of Members composed of all members, as the highest governing body responsible for the organization's policy and financial affairs.

The Assembly elects and supervises the Board of Directors.

An authorized representative of the organization, appointed by the Assembly of Members, is the Executive Director.

Specific activities and examination areas

The aim of the organization is to promote art, culture and education through the organization of cultural events, such as: International Documentary and Short Film Festival, photo exhibition "Doku-photo", children's workshop-Dokukids, workshops and masterclass on topics film and culture etc.

The aim is to make some of these activities traditional and international in nature, and thus to help build a tolerant society based on the principles of nonviolent action and respect for human rights.

In order to ensure self-sustainability it will engage in commercial activities in accordance with the Law.

The organization will aim to ensure cooperation with local and foreign institutions during the activities, with the same goals as professional organizations and universities.

Adoption of New or Revised Reporting Standards (IFRS) and Interpretations

Applying amendments to existing effective standards for the reporting period

- **IFRS 16 "Rent"** - (effective for annual periods beginning on or after 1 January 2019). According to IFRS 16 a lessee recognizes an active right to use and a lease obligation. The assets of the right of use are treated similarly to other non-financial assets and are depreciated accordingly. The lease liability is initially measured at the present value of the lease payments paid during the lease term, deducted at the implied rate of rent if this can be easily determined. If this rate cannot be easily determined, the lessee uses their rising borrowing rate. As with the predecessors of SNRF 16, IAS 17, landlords classify rents as operational or financial in nature. A lease is classified as a financial lease if it transfers in full all the risks and accidental benefits to the ownership of a underlying asset. Otherwise a rent is classified as operating rent. For financial leases, a lessor recognizes income from financing during the lease term, based on a model that reflects a periodic rate of return on net investment. A lessor recognizes operating lease payments as income on a linear basis or, on another systematic basis.
- **Amandements in IFRS 9 "Financial Instruments"** – Characteristics of prepayment with negative compensation approved from the EU on 22nd March 2018(effective for yearly periods starting on or after 1st January 2019).
- **Amandements in IAS 19 "Employee Benefits - Change, Prohibition or Resolution Plan** - approved by the EU on 13 March 2019 (effective for annual periods beginning on or after 1 January 2019)
 - **Amendments to IAS 28 "Investments in Joint Ventures and Joint Ventures"** - Long-term Interests in Joint Ventures and Joint Ventures - Adopted by the EU on 8 February 2019 (effective for annual periods beginning on or after 1 January 2019)
 - **Changes to different standards due to "Improvements to IFRS (2015-2017 cycle)"** arising from the IFRS Annual Improvement Project (IFRS 3, IFRS 11, IAS 12 and IAS 23) mainly for the purpose of removing inconsistencies and Clarification of wording - approved by the EU on 14 March 2019 (effective for annual periods beginning on or after 1 January 2019),
- **IFRIC 23 "Uncertainty over Income Tax Treatments"** - adopted by the EU on 23 October 2018 (effective for annual periods beginning on or after 1 January 2019).

The adoption of these new standards, changes in existing standards and interpretation have not led to material changes in the financial statements of the organization.

Adoption of New or Revised Reporting Standards (IFRSs) and Interpretations-continued

Standards and changes in existing standards issued by the IASB and approved by the EU but still ineffective

On the date of authorization of these financial statements, the following changes to existing standards were issued by the IASB and approved by the EU and are not yet effective.

- **IFRS 17 "Insurance Contracts"** (effective for annual periods beginning on or after 1 January 2021),
- **Amendments to IFRS 3 "Business Combinations"** - Definition of a business (effective for business combinations for which the acquisition date is on or after the start of the first annual reporting period beginning on or after 1 January 2020 and for acquisitions of assets occurring in or after the commencement of that period)
- **Amendments to IFRS 9 "Financial Instruments"**, IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" - Interest Rate Standard Reform - adopted by the EU on 15 January 2020 (effective for annual periods) starting on or after January 1, 2020),
- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Joint Ventures and Joint Ventures"** - Sale or Contribution of Assets between an Investor or its Entrepreneur or Joint Venture and other changes (effective date) infinitely postponed until the research project in the net capital method is completed).
- **Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Assessments and Errors"** - Determining Materiality - approved by the EU on 29 November 2019 (effective for annual periods beginning on or after 1 January 2020)
- **Amendments to the Conceptual Framework References to IFRS Standards adopted by the EU on 29 November 2019** (effective for annual periods beginning on or after 1 January 2020).

The organization has chosen not to adopt these standards, reviews and interpretations before their effective date.

The organization predicts that the adoption of these new standards and changes to existing standards will not have a material impact on the financial statements in the initial application period.

The objective and qualitative characteristics of financial statements

Identification and objectives of financial statements

Financial statements are clearly identified and distinguished from other information. The name of the reporting unit, the individual unit covered, the covered period, the reporting currency and the rounding of amounts in euros, are clearly presented and repeated when necessary for the correct understanding of the information presented. Page titles and abbreviated titles are presented in the columns of each page in the financial statements. The financial effects of transactions and other events are presented by grouping them into broad classes according to their economic characteristics.

All items of income and expenses recognized during the period are included in profit, loss or deferred income. We have not and have not presented extraordinary items of income or expenditure, neither in the income statement nor in the explanatory notes. The material items of income and expenses are presented separately by nature and amount. The financial statements provide sufficient information about the situation, the outcome and changes in the financial situation that are beneficial to the users in making economic decisions, meet the needs of the users and reflect the care shown by the management for the funds entrusted to them. They are understandable to users with reasonable knowledge of the organization, activity and accounting.

Comparative information

There have been no changes in the presentation of amounts in the financial statements, so there has been no need to reclassify the comparative amounts and provide explanatory information. The way articles are presented and classified in the financial statements is consistent, it is the same from one period to the next, and a policy policy is consistently used that applies to each category. The reporting period includes the 12-month period ending December 31 of each year.

Statements on compliance and important accounting policies

In the absence of a Standard or Interpretation that applies specifically to a transaction, event or other condition, management has used its judgment in developing and enforcing accounting policies that have resulted in information that is reliable. To meet the obligations required by Accounting Standards, we have assessed that it is not necessary to disclose information on all requirements. We are able to provide additional information if compliance with any specific requirements of Accounting Standards is insufficient.

If necessary, we can provide explanatory information on the nature and amount of the change in the accounting assessment that has effects in the current period or when it is expected to have an effect in future periods, except in the case of providing explanatory information of the effect for future periods when inapplicable assessment of this effect.

There have been no changes in the accounting estimates that represent an adjustment in relation to an increase in an asset or liability that arises as a result of new information or new developments that are not error corrections. Assets and liabilities, income and expenses are reported separately.

Statements on compliance and important accounting policies- continued

The organisation has engaged a professional company for keeping accounting evidence and financial reporting.

Compliance Statements

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium Enterprises approved by the NCRF and Law 06 / L-43 "On Freedom of Association in Non-Governmental Institutions".

The operating cycle is a 12-month period. Accounting policies have been continuously applied in all periods presented in these financial statements.

Use of assessments and judgments

The preparation of financial statements in accordance with the IFRS requires that management conduct judgments, valuations and assumptions that affect the application of reported policies and amounts of assets and liabilities, income and expenses. Current results may be different from these estimates.

Valuations and assumptions are reviewed continuously. Reviews of accounting valuations are recognized in the period in which the valuation is reviewed and in future periods if they are affected. Information on important elements in the assessment of uncertainties and critical judgments on the application of accounting policies that have material effect on accounting values in the financial statements is given in the Summary of Important Accounting Policies.

Financial reports are prepared in accordance with International Accounting Standards and International Financial Reporting Standards for Small and Medium Enterprises.

Recognition - inclusion in the balance sheet or statement of income and expenses of a transaction is made when it has been realistic that any future economic benefits associated with this transaction will flow to or from the organization and the transaction has cost or value which can be reliably measured.

Measurement - is the process of determining the monetary amounts by which they will be recognized and carried in the balance sheet and statement of income and expenses, an element of the financial statements. This includes the appointment of a special valuation

This involves choosing a specific evaluation basis. As a measurement base of positions in PF is the historical cost. Assets and liabilities, income and expenses are reported separately.

Net reporting base

Profits and losses coming from a group of similar transactions are reported on a net basis, gains and losses from exchange rates or gains and losses from financial instruments held for trading. However such gains and losses when they are material are reported separately.

Statements on compliance and important accounting policies- continued

Classification of assets and liabilities

Assets and liabilities are presented according to the short-term principle;

Liabilities withheld for trading purposes are classified as short-term;

The financial obligation to be repaid within twelve months from the date of the balance sheet, for which the organization has not had any unconditional right to defer it for at least twelve months from the date of the balance sheet, is classified as a short-term liability.

Accounting on the basis of established rights and obligations

The organization has prepared financial statements, using accounting on the basis of established rights and obligations.

Materiality and aggregation

There was no lack or misrepresentation of items that are material, if individually or collectively may affect the economic decisions of users, these decisions taken on the basis of of financial statements.

Each material class of similar items is presented together in the financial statements. Items that are not of the same nature or function are presented separately unless they are immaterial.

The item that is not individually material is joined with other items in the relevant statement and clarified in the explanatory notes.

Compensation

Assets and liabilities, income and expenses were not compensated except when this was required or permitted by a Standard or Interpretation.

Accrual principle (moment of presentation of the transaction)

Financial reports are prepared according to the accrual principle, which means that the funds are recognized at the time of receipt, and the expenses are recognized at the time of occurrence, in most cases the moment of occurrence is identical to the moment of payment.

The accrual principle makes it possible for the effects of changes, whether the increase or decrease in wealth, to be recognized from the moment of their occurrence, regardless of the moment of entry or exit of money.

Principle of Going Concern

Financial reports have been prepared on the assumption that the organization has the ability and intention to continue and will continue to operate in the foreseeable future (at least 12 months) and the management has not noticed any difficulties nor does it intend or need to liquidate or materially shorten the scale of its operations. The possibility of continuity of organisations activities for another 12 months, in the basis of items available, active projects and managment plans- is not questionable.

Statements on compliance and important accounting policies- continued

It should be noted that at the time of authorization of financial statements to the public, we are at the time of the spread of COVID-19 pandemic so we are faced with a new and unknown situation so far, this has forced us to make organise work in a new way, so we organized the work from home, so the pandemic has caused us to restrict movement but we have not had damage to assets or interruption of activities as we have developed them online by maintaining regular contact with staff, donors and other organizations. Upon completion we will provide a suitable environment and schedule for the staff in order to ensure the proper social distance.

Personnel

The staff is of various qualifications.

Evidence on staff, employment contracts, CVs and other personal documentation, are archived in a special register in regular form.

The responsibilities, rights and duties of staff are defined in the job description and are attached to employment contracts.

Contracts and personnel records are separate from other records.

Accounts receivable and Accounts payable

Accounts Receivable and Accounts Payable and other payables are presented at their fair value.

The organization in its reports on 31.12 has not submitted receivables as it has made a decision that calculates from previous periods, obsolete in the amount of ,12,216.00 to settle-remove from the records and with that amount to charge the expenses of the year.

In the balance sheet of 31.12.2019 the accounts payable is in the amount of 14,546Eand they are expected to be paid in the following year.

The organization has taken a decision to settle - remove from the records, a part of the accounts payable from previous periods, obsolete in the amount of 15,754.06Eur and present that amount as revenues for the year, adjusted for accounts payable settled but not treated in 2018 in the amount of 3,100.96€.

Assets

Assets are recorded in the amount of cash or its equivalents paid or in the fair value needed to purchase the assets mentioned at the time of purchase.

The Financial Report presents the stock of assets at historical cost, less accumulated depreciation. Historical cost includes expenses that are directly attributable to the acquisition of the property.

In 2019 the organization had asset purchases, a hard drive and a solar system.

Property values are transferred to expenses for the value of the annual depreciation.

The organization has not had any sales or withdrawals from the use of assets, ie no recognition of profit-loss which would be reported on a net basis.

Asset revaluation has not been done, so there are no reflections from revaluation in the reports.

All assets are the undisputed property of the organization.

Statements on compliance and important accounting policies- continued

Depreciation

Depreciation is calculated on a straight-line basis over a period of one year depending on the type of property or equipment and the time of use of the property supplied in the current year.

Depreciation amounts are included in expenditures and account for 1.14% of total expenditures.

The annual depreciation-amortization rates are as follows:

Vehicles	20% 5 years
Cinema Equipment	20% 5 years

Intangible Assets

The organization has no assets classified in this category in the statement of financial position.

Capital

The organization has presented the statement of changes in net capital between the two balance sheet dates that show the increase or decrease in its net assets during the period.

The organization provides information about capital because it is useful to users of general purpose financial statements.

Presents the overview of changes in net capital between the two balance sheet dates that show the increase or decrease in net assets during the period.

Cash and Cash Equivalents

Cash is presented in fair value at present, starting from the physical presence at the cash register and those in the bank accounts.

Money is created from cash inflows and cash equivalents.

The organization has bank accounts with the PCB.

Payments and collections are made from this account and from the cash register.

The organization also has a "PAYPAL" Account which is blocked and funds are not available to the organization (8,935.54Eur), the last confirmed status is 24.06.2020. while the last change is dated 09.09.2019. These tools are expected to be unblocked after the formal information is adjusted.

The closing balance of funds in bank accounts and cash registers (Page 13 item 6 of the report) are reconciled with the bank statement, confirmation by banks and the cash registration commission at the cash register.

Reporting Currency

The reports of organizations and all financial reports issued are expressed in Eur (€) which is known as the reporting currency in Kosovo.

Foreign currency transactions, currency risk

Transactions with foreign currencies are exchanged in Euro (€), using the exchange rate of that date, the exchange differences of foreign currencies, whether profit or loss, are automatically presented in the income statement. At the end of the period, monetary positions were reported using the valid exchange rate on the last day of the exchange.

Statements on compliance and important accounting policies- continued

Sources of organizations and all financial reports issued are expressed in €.

Currency risk represents the risk that the direct value or cash flow or any monetary wealth in the future will change due to changes in exchange rates.

In cases where expenditures or inflows of funds in currencies other than the Euro are presented, the bank exchange rate of that day was used to convert them into euros.

Any exchange difference arising from the recognition of a monetary item at a rate different from that with which it was originally recognized during the period, or recognized in previous financial statements, is recognized in profit or loss.

Financial Risk

The organization does not use financial instruments, so exposure to this risk is

Low. Otherwise, financial risk management includes policies and processes for accepting, measuring, monitoring and controlling risk, which include:

The structure and organization of risk management functions including the treatment of independence and accountability;

The scope and nature of risk systems or measurements;

Risk protection or reduction policies, including collateral policies and procedures;

Processes for monitoring the continued effectiveness of these protective or reducing measures.

Operational Risk

It is reflected as a risk to the financial result and wealth of the organization due to personnel issues, insufficient procedures and insufficient management of information systems and due to unexpected external events.

The organization controls these risks through strict oversight and appropriate risk response. Control means effective division of tasks, limited access, authorizations, and staff training in relation to internal audit. The organization manages risk control through regular risk monitoring, proper process and database deployment, information protection and security against theft and fraud.

Rreziku i Likuiditetit

Represents the risk of not being able to meet the current need for funds and fulfilling short-term liabilities.

The risk that the Organization will face difficulties in repaying the obligations related to the financial obligations that come due to the possibility that it will be required to pay its obligations earlier than expected.

Short-term assets are significantly higher in value than current liabilities.

Market Risk

Represents the risk of financial loss due to changes in the market caused by: changes in the currency, volatility of the financial system, reduced bank confidence, financial instability of partners, maturity period, funds, duration of procedures, market research, prices competitive, product diversity etc.

Statements on compliance and important accounting policies- continued

As a market risk the organization considers the reduction of the real value or cash flows of a financial claim due to changes in market prices. The organization has no material information about exposure to risk from very different economic environments. The organization is exposed only to some kind of market risk within a single economic environment, so it has not shown any specific information or sensitivity analysis to show the effect on profit or loss and equity.

Commercial Revenues, Donations

During 2019, the organization has recognized funds from all sources, according to bank accounts, disclosed in Explanatory Notes on Pages 10,11 Point 1,2.

Revenues are presented in the Statement of Income and Expenses in fair value at the date of receipt by the bank or cashier. These funds have been available for use and are in cash.

Expenses

Expenditures are recognized in the statement of expenses when there has been a decrease in economic benefits associated with a decrease in an asset or an increase in a liability and when it has been possible to measure reliably. Expenses are grouped in the income statement according to their function. The recognition of expenses occurred simultaneously with the recognition of an increase in liabilities or a decrease in assets.

Expenditures are recognized at their historical cost, they are expressed in real terms when the expenditure occurred.

Costs are at the level of market prices.

Expenditures are supported by original documentation, such as receipts, invoices, contracts, payrolls and bank statements.

Some of the payments were made in cash by applying payment receipts.

Personnel

The cost of staff is paid to employees and employees with service contracts at the completion of the foreseen tasks. Payments are made through the bank account with transfers, after they have signed and presented the evidence on the time of commitment.

They make up 34% of the costs.

Pension contributions

Pensions are calculated according to the law applicable to pensions; 5% were paid by the employee and 5% by the organization.

Payment and reporting deadlines have been met.

The organization does not have its own pension fund or payment options in the form of shares, for employees, on this basis there are no liabilities identified on 31.12.

Income Tax

Salary taxes were withheld at source and paid on time, according to monthly rates.

Program Expenses

The cost of the programs is backed up by supplier invoices. Payment is supported by invoices and bank statements or cash document for cash payments.

Statements on compliance and important accounting policies- continued

Programs developed during the year are presented on Pg.12 point 4 of the Report and are new or continuation of those started in the previous year. The main project is the DokuFest International Short Documentary Film Festival.

Program costs account for 42% of costs.

Administrative expenses

Administrative costs include the cost of management work in the organization, executive services, finance and administration, those of the office work process for achieving the basic goals of organizations.

The bank audit is based on a bank statement.

Administrative expenses make up 57% of the total expenses.

Rent expenses

These costs are represented by office expenses in Prizren and short-term leases at the time of DokuFest development.

Maintenance Expenses

All maintenance costs are recognized to the income statement when incurred and include the costs incurred for the maintenance of the office, equipment and vehicles.

Taxes (withholding tax)

The organization as a non-governmental, non-profit organization, with the status of public beneficiary, registered as after law 06 / L-43 "Freedom of association in non-governmental organizations" is subject to personal income tax in Kosovo Law 05 / L-028. The entity also respects the law L-03 / L-084, "On pensions in Kosovo", with the calculation and payment of personal income tax.

The organization is liable for Corporate Income Tax according to Law L-05 / L-029 "Corporate Income Tax" as it has realized commercial income ($1,827.80 \times 10\% = 182.78$);

The organization respects and fulfills the obligation of Law no. 05 / L-028 on the retention of 9% of the gross rent at the time of payment and transfers to the specified account.

Related parties

As a related party transaction, where one party has the ability to control the other party or has significant influence over the other party in making financial and business transfer decisions of claims and obligations (business contracts with employees and businesses related to the management or with any joint ownership), have not occurred.

Loans

Loans are recognized at their face value plus associated costs such as fees, potential discounts and other loan related expenses. Loans that are expressed in different currencies from € are recorded with the historical exchange rate and revalued with the last exchange rate of the year-reporting date.

Statements on compliance and important accounting policies- continued

The exchange differences are reflected in the income and expenditure statement either as a gain or loss.

Borrowing costs are recognized as an expense of the period in which it is incurred.

Interest expenses are recorded under the effective interest method and are included in financial expenses.

Loans payable are financial liabilities, different from short-term trade payables with normal (ordinary) loan terms.

The organization had no borrowings during the year, as a result, there are no borrowing costs during this period.

Deferred provisions and liabilities

They are not presented in the statement of financial position

Reserves

The organization has not allocated financial reserves.

Dividends

The organization as a non-profit NGO, has not declared amounts of dividends known as net distribution during the period, as well as the respective value per share.

Commitments

There are no commitments related to capital expenditures, financial leasing or operating.

Contingent assets and liabilities

There are no evidenced court cases or deposits related to the organization, its directors or employees that may result in future liabilities of the organization.

Events after the end of the reporting period

Events after the balance sheet date include all events up to the date of authorization of the financial statements for publication.

As an event after the balance sheet date which is important and influential for the user and which should be disclosed is the rapid development of the Covid-19 virus and its social and economic impact in Kosovo. Globally it may result in assumptions and estimates requiring revisions that require material adjustments to the carrying amount of assets and liabilities within the next financial year. In particular, management expects that the assumptions and estimates used in determining the value of assets may require correction. However, at this stage the management is not able to reliably assess the impact as events are unfolding day by day. The long-term impact can have an impact on revenue and cash flow. However, at the date of these financial statements, the organization continues to meet its obligations and therefore continues to apply the basis for preparing the financial statements on a going concern basis.