

DokuFest

**Financial Statements and Independent Auditors'
Report
End of 2020**

DokuFest International Documentary and Short Film Festival

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Independent Auditor's Report on the Audit of Financial Statements

DokuFest

Board of Directors

Marin Barleti

Prizren

Opinion

We have audited the financial statements of **DokuFest**, namely the statement of financial position as at 31 December 2020, the statement of income, the statement of changes in equity and the statement of cash flows for the year ended on that date, and the notes to the financial statements, including a summary of the most important accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the organizations as at 31 December 2020, the financial performance for the year ended on that date and are in accordance with International Financial Reporting Standards for SME and Law 06 / L-043, "On freedom of association in non-governmental organizations"

Opinion Basis

The audit was performed in accordance with International Standards on Auditing.

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

We confirm independence from the organization in accordance with the Code of Ethics for Professional Accountants of the International Board of Standards of 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 our opinion.

Going Concern

The financial statements have been prepared on a going concern basis, the management does not intend to liquidate or discontinue its operations for the next 12 months.

The audit did not identify any events or conditions that gave rise to doubts about the organization's ability to continue.

Emphasis of Matter

We draw attention to the Disclosures "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 COVID-19 pandemic on the continuation of current activities of the organization and in future reporting periods. Our opinion has not been influenced by these issues.

Responsibilities of management and persons in government for financial statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards for Small and Medium-sized Enterprises, Law 06 / L-043, "On Freedom of Association in Non-Governmental Organizations" and for controls for which management considers that they are necessary to enable the preparation of financial statements without material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to follow through on the going concern hypothesis, disclosing, if applicable, issues related to the going concern principle and using the accounting basis on a going concern basis. intends to liquidate or discontinue the activities of the company, or there is no alternative but to do so.

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

Auditor responsibilities in auditing financial statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to provide a report that includes our opinion. Reasonable assurance is a high level of assurance, but there is no guarantee that auditing performed to the standards will always reveal material anomalies if they exist. Anomalies may arise as a result of fraud or error and are considered material if, individually or in combination, they can reasonably influence the decision made by users based on these financial statements.

As part of the audit in accordance with International Standards on Auditing, we have exercised professional judgment and maintained professional skepticism throughout the audit.

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to these risks and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of non-disclosure of material misstatement due to fraud is higher than that caused by errors, as fraud may involve collusion, forgery, intentional non-involvement, misinterpretation or circumvention of controls.

- Gain knowledge of internal controls that are relevant to the audit so that plan audit procedures that are appropriate to those circumstances, but not in order to give an opinion on the effectiveness of the organization's internal controls.

-Assess the adequacy of the accounting policies used, the reasonableness of the accounting estimates and the relevant disclosures by management.

- Conclude on the appropriateness of the continuity hypothesis used by management and based on the audit evidence obtained, if there is any material uncertainty about events or conditions that could cast significant doubt on the organization's ability to continue to exist. If we conclude that a material uncertainty exists, we are required to draw attention to the audit report, the relevant disclosure of the financial statements, or in the event that such disclosure is insufficient, we modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report.

However, future events and conditions may cause the organization to discontinue its activities.

-Assess the overall presentation, structure and content of the financial statements, including disclosures, if the financial statements represent relevant transactions and events in order to achieve a fair presentation.

We have communicated with the persons in charge of governance, including the planned scope, audit timing and significant audit findings, including any significant internal control deficiencies identified during our audit.

Prishtina 26.03.2021.

Audit Office Shpk

Ulpiana D1/7 H-8, Prishtina

Shaban Muharremi, Statutory Auditor

044 112-036.



DokuFest

Statement of Comprehensive Income

01. january - 31. december

In €	Note	2020	2019
Income			
Donations	1	370,438	399,648
Commercial	2	60,208	127,441
Other Income		-	12,653
Total Income		430,646	539,742
Expenses			
Direct project expenses	4	166,166	234,588
Op. and Admin. Expenses	5	257,576	320,224
Depreciation	9	7,640	6,386
Total Expenses		431,382	561,199
Operating Profit/Loss		-736	-21,457
Tax on commercial income		-	183
Net operating profit/loss		-736	-21,639

See attached explanations for assets and liabilities

DokuFest
Statement of Financial Position
ON 31. December

In€	Note	2020	2019
I Assets			
A Current Assets			
Cash	6	141,095	79,119
Account receivables	7	4,497	-
Other Assets	8	20,856	6,813
Total Current Assets		166,448	85,932
B Non-Current Assets			
Property Plant and Equipment	9	25,867	18,865
Total non-Current Assets		25,867	18,865
Total Assets A+B		192,315	104,798
II Liabilities			
A Current Liabilities			
Accounts payable	10	3,668	14,546
Deferred income		100,874	-
Accrual liabilities	11	2,546	4,290
Total current Liabilities		107,089	18,836
B Non-Current Liabilities			
		-	-
Total Liabilities A+B		107,089	18,836
III Equity			
Transferred from previous year	12	85,962	107,601
Surplus-shortage for the year	13	-736	-21,639
Total Equity		85,226	85,962
Total Liabilities + Equity		192,315	104,798

See Attached explanations for assets and liabilities

Linda Llulla - Gashi

Executive Director



Eroll Shporta

Authorized legal representative




Arlind Kirajtani

Finance Manager



DokuFest**Statement of Changes in Equity**

For the Year ending on 31.12.2020

	Share Capital	Deferred Income	Other Reserves	Total
Balance on January 1 2019	107,601	-	-	107,601
Surplus / lack of funds			-21,639	-21,639
Differences from foreign exchange translations				-
Dividends				-
Additional capital deposits				-
Allocation of reserves				-
Balance on 31 December 2019	107,601	-	-21,639	85,962
Surplus / lack of funds			-736	-736
Differences from foreign exchange translations				-
Dividends				-
Additional capital deposits				-
Allocation of reserves				-
Balance on 31 December 2020	107,601	-	-22,375	85,226

See attached explanations for assets and liabilities

DokuFest

Statement of Cash Flow

	2020	2019
I CASH FLOW FROM OPERATING ACTIVITIES:		
Deferred Income		
59 +/-	-736	-21,639
Adjustments for non-cash items of expenditure and revenue		
60 Depreciation of property, plant and equipment	7,640	6,386
61 Damage to property, equipment and plant	-	-
62 Depreciation of intangible assets	-	-
63 Impairment losses on intangible assets	-	-
64 Changing the value of investment property	-	-
65 Financial income MINUS MINUS	-	-
66 Financial costs	-	-
67 (Profit) / loss from sale of property, plant and equipment +/-	-	-
68 Income tax expense	-	-
	7,640	6,386
Changes in operating assets and liabilities		
69 (Increase) / decrease in accounts. of commercial and other cash registers	-4,497	13,809
70 (Increase) / decrease in stocks	-	-
71 (Increase) / decrease in other assets	-14,043	-3,130
72 Increase / (decrease) in trade and other accounts payable	-10,877	2,217
73 Increase / (decrease) in other liabilities	99,131	3,814
	69,713	16,710
74 Profit tax paid	-	-
75 Interest Paid	-	-
I Net Cash Flow from Operating activities	76,617	1,457
II Cash flow from Investing Activities		
76 Payments for the purchase of property, equipment and plant	-14,642	-4,387
77 Receipts for sales of property, plant and equipment	-	-
78 Payments for the purchase of intangible assets	-	-
79 Receipts for the sale of intangible assets	-	-
80 Interest received	-	-
81 Dividends collected	-	-
II Net Cash flow from Investing Activities	-14,642	-4,387

DokuFest**Cash flow statement-continuation**

	2020	2019
III Cash Flow from Financing Activities:		
Additional capital deposits	-	-
Dividends paid	-	-
Receipts from loans and credits	-	-
Repayment of loans and loans	-	-
Financial leasing payments	-	-
III Net Cash Flow from Financing Activities	-	-
INCREASE / (DECREASE) NET MONEY AND MONEY EQUIVALENTS	61,976	-2,930
MONEY AND MONEY EQUIVALENTS AT THE BEGINNING OF THE YEAR	79,119	82,049
MONEY AND MONEY EQUIVALENTS AT THE END OF THE YEAR	141,095	79,119

See attached explanations for assets and liabilities

DokuFest**Accompanying notes to the statements**

	2020	2019
1. Donacionet:		
EU How do I see you	118,579	-
GIZ	49,280	13,875
FDFA	40,640	30,000
NED-National Endowment for Democracy	40,596	39,708
KCSF	31,735	62,173
Rockefeller Brothers Fund	31,685	30,582
Ministraia e kulturës	30,000	20,000
KK Prizren	22,500	38,385
OSCE	21,000	6,000
Procredit Banka	20,000	25,000
Stichting Prince Claus Fund	18,424	13,955
KFOS	18,000	-
Zyra e presidentit	10,000	10,000
Kurzfilmtage Winterthur Austri	7,303	-
Ambasada Austriake	5,017	10,425
Fondi i Ballkanit Perendimor	2,750	918
Ambasada Franceze	1,000	1,500
Ambasada Gjermane	1,000	4,050
Axel Hoershlmaann	1,000	-
Ambasada Amerikane	-	6,414
UNDP	-	9,040
Ambasada Suedeze	-	1,806
Royal Netherlands Embassy	-	2,300
USAID-Cardno	-	17,920
Frutex	-	3,593
Qendra Multimedia-Cult.for Change	-	8,000
CHWB	-	1,000
Pravo Ljudski Aktive	-	25,904
Mieke Lavooji Kamere Nikon	-	3,734
Jugendfilmtage	-	830
Bucaj	-	6,500
KIVO	-	1,600
IPKO	-	60
Ambasada Ceke	-	1,700
Princ Clause FUND	-	2,677
Donacionet deri në 5,000	1,776	-
Totali i donacioneve:	472,284	399,648

DokuFest**Accompanying notes to the statements -Continued**

	2020	2019
2.From commercial activities:		
From selling Dokukino shop tickets 18%	3,751	36,983
Application for participation in the festival	27,695	-
Realization Dokufest without VAT	27,196	24,986
Dokufest invoice 18%	1,566	63,803
Use of Halls	-	1,669
Total commercial:	60,208	127,441
3.Other Income		
Repayment of obligations -LLP	-	12,653
Total Other Income	-	12,653
4.Program expenses		
Festival	108,055	223,387
CGS	2,553	11,200
Donations, Project "How do I see you"	55,558	-
Total of Projects	166,166	234,588
5. Expenses by nature	257,576	320,224
5/1 Personnel	178,026	185,431
Net Salaries	169,548	176,684
Pension Contributions	8,478	8,746
5/2 Other admin. and operating	73,573	118,304
Office Costs	2,324	6,667
Equipment under 1000€ and maintenance	12,094	8,384
Rent, Rent Tax	4,874	12,084
Insurance, registration and maintenance of vehicles	2,233	1,361
Telephone, internet, ptt	2,102	1,114
Maintenance	29	342
Maintenance Electricity, water, utilities	3,269	4,480
Bank commision	3,717	4,038

DokuFest**Accompanying notes to the statements -Continued**

	2020	2019
Transport, travel, fuel	6,430	15,830
Auditing, accounting, professional services	15,310	5,145
Not deductible	21,190	46,643
Settlement of claims-A/R	-	12,216
5/3 Marketing	5,977	16,490
Marketing and PR	5,977	11,380
Web designs	-	5,110

6. Cash and cash equivalents

	12/31/2020	12/31/2019
PCB -0185	61,676	9,370
PCB -0122-Urban Hacking	11,989	-
PCB -0176-NED	13,924	32,287
PCB -0158	1,661	2,353
PCB -0149	-	1,167
PCB -0179-Dokukino	138	6,864
PCB -0140	32,834	999
PCB -Paypall	-	8,936
PCB -131	5,027	16,938
PCB 113	13,600	-
Arka	246	207
Totali i parasë:	141,095	79,119

7. A/R

	4,497	-
Total A/R	4,497	-

8. Other Assets - Prepayments

VAT	12,164	4,733
Insurance-registrations	494	86
Inventory(Dokukino)	8,198	1,844
A	-	150
	20,856	6,813

DokuFest**Accompanying notes to the statements -Continued****9. Assets and equipment**

Cost	Equipment for Cinema	Vehicles	Total
31.December 2018	141,765	14,153	155,917
Purchase	4,387	-	4,387
Sale-settlement of assets	-1,334	2,193	859
31 December 2019	144,817	16,346	161,163
Purchase	14,642	-	14,642
Sale-settlement of assets	-	-	-
31 December 2020	159,459	16,346	175,805
Depreciation			
31 December 2018	126,875	9,036	135,911
Depreciation of the year	4,666	1,720	6,386
Sale-settlement of assets	-	-	-
31. December 2019	131,541	10,756	142,298
Depreciation of the year	5,920	1,720	7,640
31 December 2020	137,461	12,476	149,937
Vlera neto			
31. December 2019	13,275	5,590	18,865
31. December 2020	21,997	3,870	25,867

10. Accounts Payable **3,668** **14,546**
 Suppliers 3,668 14,546

11. Accrual liabilities **2,546** **4,290**
 Pension contributions 1,431 1,121
 withholding tax on salaries 932 870
 withholding tax on rent 33 -
 VAT - 2,207
 OTHER (TAK) - -57
 Advances received 150 150

12.Beginning Balance on 01.01. **104,798**

12/1 Cash **79,119**
12/2 Assets and Equipment **18,865**

DokuFest**Accompanying notes to the statements -
Continued**

	2020	2019
12/3 A/R		-
12/4 Other Assets		6,813
13. Deferred income-loss / profit for the year	-736	-21,639
Profit / loss of the year	- 736	- 21,639

General information and governance structure

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

DokuFest has the status of an NGO with public beneficiary status with no. 5102107-0.

The full name is "DokuFest" and the abbreviation "DocuFest".

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

The Assembly elects and oversees the Board of Directors.

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

Specific activities and areas of examination

DokuFest, established in 2002, is the most important documentary film festival in the region of Southeast Europe. An initiative aimed at returning the functional cinema of the city of Prizren, managed to turn into a movement which through film and art in general to create social change which put Prizren and Kosovo on the international cultural and tourist map.

Selected as one of the 25 best festivals in the world for two years in a row, DokuFest is a successful ambassador for the promotion of Kosovo culture and values in the world. Since 2019 it is a qualifying festival at BAFTA - British Film Academy. For many years Prizren has been considered as a favorite tourist destination during the Festival and the stories from the festival have managed to create a positive international image in the prestigious magazines 'The Guardian', 'El Mundo', 'Reuters', as well as to appear in the air magazine of the prestigious German company 'Lufthansa'.

In addition to organizing the festival, DokuFest for a whole decade is implementing other projects within the year, which are mainly related to the use of documentaries as educational tools for various issues that exist in our society, including the creation of cinemas clubs and media the first high schools in Kosovo. In recent years through the DokuLab department we have managed to promote cooperation with high school teachers in 16 municipalities of Kosovo in order to use the documentary film as an alternative tool in teaching and learning and the organization of film camps where now 9 generations of students of high schools are provided with sufficient knowledge and various techniques needed to produce a film.

Today, thanks to the tireless commitment of generations of young people who have contributed to the growth of DokuFest, the city of Prizren is among the 10 European cities with the largest number of cinemas per capita. DokuFest has managed to educate whole generations of young filmmakers, who have contributed to the internationalization and extraordinary success of Kosovar cinematography.

Adopt New, Revised Reporting Standards and Interpretations

Amendments to IFRS 3 Definition of a Business Changes to IFRS 3 were effectively mandatory for reporting periods beginning on or after 1 January 2020.

The entity as an NGO had in mind the revised definition of a business for acquisitions occurring on or after 1 January 2020 in determining whether an acquisition is accounted for in accordance with IFRS 3 Business Combinations. The amendments do not allow the entity to reassess whether purchases made before 1 January 2020 met the revised definition of a business.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Reference Reform" - IBOR Phase 2.

These changes to some IFRS standards are effectively mandatory for reporting periods beginning on or after 1 January 2021, however, the entity as an NGO has reviewed them before their entry into force, ie for the current reporting period. These amendments modify the specific hedge accounting requirements to allow hedge accounting to continue for hedges affected during the period of uncertainty before hedged items or hedging instruments affected by current interest rate references are changed as a result of ongoing reference reforms. of the interest rate.

The changes are not significant to the entity as it does not apply hedge accounting for interest rate exposures.

Amendments to IFRS 16 "Lease Concessions Related to COVID-19"

As of June 1, 2020, IFRS 16 was amended to provide an appropriate practical tool for tenants who account for lease concessions arising directly from the COVID-19 pandemic and meet the following criteria:

- a) The change in rent payments results in a revised rent consideration that is substantially the same as, or less than, the rent payment immediately prior to the change;
- b) The reduction in rent payments affects only payments that were originally paid on or before June 30, 2021; AND
- c) There is no substantial change in the other terms and conditions of the lease.

Lease concessions that meet these criteria can be calculated in accordance with the practical purpose, which means that the lessee does not assess whether the lease concession meets the definition of a lease modification. Landlords apply other requirements to IFRS 16 in accounting for concessions.

The entity as an NGO has chosen to use the appropriate practical tool for all lease concessions that meet the criteria. The practical improvement has been implemented retrospectively, which means that it has been applied to all lease concessions that meet the criteria, which in the case of the entity, occurred from March 2020 to June 2020.

Accounting for lease concessions as lease modifications would have resulted in the entity remeasuring the lease liability to reflect the revised amount using a revised discount rate, with the effect of changing the lease liability recorded on the property with the right of use.

By applying the appropriate practical remedy, the entity is not required to set a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition giving rise to the lease concession occurs.

Adoptimi i Standardeve të Raportimit të Reja, të Rishikuara dhe Interpretimeve-vazhdim

The entity did not have any lease concessions arising directly from the COVID-19 pandemic and therefore the change in IFRS 16 had no effect on the entity's financial statements.

Other Standards

The new standards that have been adopted in the annual financial statements for the year ended 31 December 2020 but have not had a material effect on the entity are:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Material Definition); AND
- Conceptual Framework for Financial Reporting.

New standards, interpretations and changes still not effective

There are a number of standards, changes in standards and interpretations that have been published by the IASB that are effective in future accounting periods that the entity as an NGO has decided not to adopt early.

The following changes are effective for the period beginning on 1 January 2022:

- High Load Contracts - Contract Fulfillment Cost (Amendments to IAS 37);
- Property, plant and equipment: Revenue before intended use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); AND
- References in the Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that the current or non-current classification is based on whether an entity has the right to defer settlement of the liability for at least twelve months after the reporting period at the end of the reporting period. The amendments also clarify that 'settlement' involves the transfer of cash, goods, services or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of the equity instrument. a composite financial instrument. The amendments were initially effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was extended to annual reporting periods beginning on or after 1 January 2023.

The entity is currently assessing the impact of these new accounting standards and changes. The entity does not believe that the amendments to IAS 1 will have a material impact on the classification of its liabilities, as the convertible feature in its convertible debt instruments is classified as an equity instrument and therefore does not affect the classification of its convertible debt as a non-current liability.

Other

The entity as an NGO does not expect any other standard published by the IASB, but not yet effective, to have a material impact on him.

Objective and qualitative characteristics of financial statements

Identification and objectives of financial statements

The financial statements are clearly identifiable and distinguishable from other information.

The name of the reporting entity, the individual unit covered, the period covered, the reporting currency and the rounding of amounts in euro are prominently displayed and repeated when necessary for an accurate 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 by grouping them into broad classes according to their economic characteristics.

All items of income and expense recognized during the period are included in profit or loss.

We have not presented extraordinary items of income or expense, neither in the income statement nor in the explanatory notes.

Material items of income and expense are presented separately by nature and amount.

The financial statements provide sufficient information about the financial position, financial result and changes in financial position that are beneficial to users in making economic decisions, meet the needs of most users and reflect management's care for the resources available to them. trusted.

They are understandable to users with a reasonable knowledge of the organization, operations and accounting.

Comparative information

There were no changes in the presentation of amounts in the financial statements, therefore there was no need to reclassify comparative amounts and disclosures.

The manner of presentation and classification of items in the financial statements is consistent, it is the same from one period to another and an accounting policy has been 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 significant accounting policies

In the absence of a Standard or Interpretation applicable 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 about all claims.

We are able to provide additional information if compliance with any specific requirements of Accounting Standards is insufficient.

If necessary, we may disclose the nature and amount of the change in accounting estimate that has effects in the current period or when it is expected to have effect in future periods, except in the case of disclosure of effect for future periods when it is inapplicable assessment of this effect. There have been no changes in accounting estimates representing an adjustment in respect of an increase in an asset or liability that arises as a result of new information or new developments that are not error corrections.

Deklaratat mbi pajtueshmërin dhe politikat e rëndësishme të kontabilitetit-vazhdim

Assets and liabilities, income and expenses are reported separately.

The organization has professional companies engaged in keeping accounting records and financial reporting.

Declaration of Conformity

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Enterprises ("IFRS for SMEs") approved by the Kosovo Financial Reporting Council "and Law 04 / L-57" On Freedom of Association in Non-Governmental Organizations " ".

The operating cycle is a period of 12 months.

Accounting policies have been applied consistently throughout the periods presented in these financial statements and have been applied consistently.

Use of evaluations and judgments The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions which affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Actual results may differ from these estimates.

Estimates and assumptions are constantly reviewed. Reviews of accounting estimates are recognized in the period in which the estimate is reviewed and in future periods if they are affected.

Information on important elements in assessing uncertainties and critical judgments about the application of accounting policies that have a material effect on the carrying amounts in the financial statements is provided in the Summary of Significant Accounting Policies.

The financial reports have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards for small and medium-sized enterprises.

Recognition- An inclusion in the balance sheet or income statement of a transaction is made when it is probable that any future economic benefits associated with the transaction will flow to / or from the entity and the transaction has incurred a cost or value that can be measured reliably.

Measure is the process of determining the monetary amounts by which they will be recognized and carried in the balance sheet and income statement. This includes choosing a specific evaluation basis. As a measure of the position in the Financial Statements is the historical cost. Assets and liabilities, income and expenses are reported separately.

Net Reporting Basis

Gains and losses arising from a group of similar transactions are reported on a net basis, gains and losses on exchange rates or gains and losses on financial instruments held for trading.

However such gains and losses when they are material are reported separately.

Important accounting policies-continued

Classification of assets and liabilities

Activities and liabilities are presented according to the short-term-long-term principle; The financial liability to be settled within twelve months from the balance sheet date, for which the organization has not had any unconditional right to defer its settlement for at least twelve months from the balance sheet date, 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 grouping

There has not been any absence or misstatement of items that are material, if individually or collectively can influence the economic decisions of users, decisions made on the basis 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 intangible.

The item that is not individually material is joined to other items in the relevant statement and is explained in the notes.

Compensation

Assets and liabilities, income and expenses are not reimbursed unless this was required or permitted by a Standard or an Interpretation.

Accrual principle (moment when transaction occurs) The financial reports are prepared according to the accrual principle, this means that the funds are recognized at the time of receipt, while 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 change, whether the increase or decrease of wealth, to be recognized from the moment of their occurrence, regardless of the moment of entry or exit of money.

The going concern principle

Financial reports are prepared on the assumption that the organization has the capacity and intent to continue and

will continue to operate in the near future and does not even intend to liquidate or materially reduce the scale of its operations.

The possibility of continuing the activity of the organization for another twelve months, based on available articles, active projects and management plans - is not in question.

In 2020 DokuFest managed to organize the festival through the online platform, which it extended from nine to eighteen days during the month of August where it managed to become the first festival in the region to be held on dates scheduled during the pandemic. The year 2021 marks the 20th edition of the festival, which is planned to be held in the hybrid version: physical and digital.

Important accounting policies-continued

Personnel

The staff is of different qualifications.

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

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 presented Accounts receivable in the amount of € 4,497, and submits requests for unfulfilled commitments from donors.

The balance is 31.12. accounts payable are in the amount of € 3,668, and they are expected to be paid in the following year.

Assets

Assets are recorded at the amount of cash or cash equivalents paid or at the fair value required to acquire the assets mentioned at the time of acquisition.

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 2020 the organization had purchases of assets and equipment, in a total value of € 14,642.

Asset values are carried at the expense of the value of the annual depreciation.

The organization has not had any sale or disposal of assets, ie no recognition of gains and losses that would be reported on a net basis.

The revaluation of the property has not been done, therefore in the reports there are no reflections from the revaluation.

All assets are the undisputed property of the organization.

Depreciation

Depreciation is calculated using the straight-line method, once a year at different rates depending on the type of

property or equipment and depending on the time of use of the property supplied in the current year.

Depreciation amounts are included in period expenses and account for 1.77% of total expenses.

The annual depreciation rates are as follows:

Equipment 20% -5 years

Cars 20% -5 years

Important accounting policies-continued

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 equity between the two balance sheet dates showing the increase or decrease in its net assets during the period.

I provide information about the organization's capital because it is useful to users of general purpose financial statements.

Cash and Cash Equivalents

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

Cash is generated 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 closing balance of funds in bank accounts and cash registers (Pg.11 point 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

Foreign currency transactions are exchanged in Euro (€), using the exchange rate of that to date, foreign exchange differences, whether profit or loss, are automatically presented in the income statement. At the end of the period, monetary positions were reported using the exchange rate valid at the last trading day.

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

Currency risk is the risk that the direct value or cash flow or any monetary assets will change in the future 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 different rate than that initially 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, therefore the exposure to this risk is low.

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

Important accounting policies-continued

Structure and organization of risk management functions including handling independence and accountability;

Scope and nature of systems or risk measurement;

Risk protection or mitigation policies, including policies and procedures;

Processes for monitoring the continued effectiveness of these safeguards or mitigation measures;

Operational Risk

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. Organizations control these risks through strict oversight and appropriate risk response. Control means effective segregation of duties, limited access, authority, and staff training related to internal audit. The organization manages risk control through regular risk monitoring, establishing the right process and database, protecting information and security from theft and fraud.

Liquidity Risk

Represents the risk of inability to meet the current need for funding and fulfillment of short-term liabilities.

The risk that the organization will have difficulty settling its financial liabilities due to the possibility (which can often be remote) that an entity may be required to pay its liabilities earlier than expected.

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

Market Risk

Presents the risk of financial loss due to changes in the market caused by: currency changes, financial system instability, reduced bank reliability, financial instability of partners, maturity period, funds, duration of procedures, market research, prices competitive, variety of products, etc.

As a market risk the organization considers the decrease of the real value or cash flows of a financial demand due to changes in market prices.

The organization does not have material information about risk exposure from very different economic environments.

The organization is exposed to only one type 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 the year the organization has recognized funds from all sources, according to bank accounts, disclosed in Explanatory Notes on Pages 9.10 Points 1 and 2.

Important accounting policies-continued

Revenues are presented in the Income Statement 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 income statement when a decrease in economic benefits associated with a decrease in an asset or an increase in a liability has been incurred and when it has been measured reliably. Expenditures 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.

Expenses are recognized at their historical cost, they are expressed in real amount at the time the expense occurred.

Costs are at the level of market prices.

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

Part 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 engagement.

They make up 42% of the costs.

Pension contributions

Pensions are calculated according to the applicable law on pensions; 5% are 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.

Payroll tax

Payroll tax was withheld and paid on time, on a monthly basis.

Program Costs

Program costs are backed up by supplier invoices. Payment is supported by invoices and bank statements or cash document for cash payments.

The programs developed during the year are presented in Page 10 point 4 of the Report and are new or a continuation of those started in the previous year. The main project is the DokuFest International Short Documentary Film Festival.

Program expenses make up 39% of the expenses.

Administrative Expenses

Administrative expenses include the expenses of the management work in the organization, executive services, finances and administration, those of the office work process for the realization of the basic goals of the organizations.

Banking provision is based on the bank statement.

Important accounting policies-continued

Operating and administrative expenses make up 60% of the total expenses.

Rent expenses

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

Maintenance costs All maintenance costs are charged to the income statement at the time of the show and include costs incurred for the maintenance of the office, equipment and vehicles.

Taxes (withholding tax)

The organization as a non-governmental organization, non-profit, with the status of public beneficiary, registered as follows the 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 taxes.

The organization is liable to corporate income tax according to Law L-06 / L-105 "Corporate income tax" as it generates commercial income but which results in losses;

The organization respects and fulfills the obligation of Law no.05 / L-028 for withholding 9% of the gross rent at the time of payment and transfers to the designated 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 directorate 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 denominated in currencies other than € are recorded at the historical exchange rate and revalued at the last exchange rate of the reporting year.

Exchange differences are reflected in the income statement either as profit 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

Not presented in the statement of financial position.

Important accounting policies-continued

Reserves

The organization has not allocated financial reserves.

Dividends

The organization as a non-profit NGO, has not declared the amount 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 has the importance and impact of 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 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 of preparation of the financial statements on a going concern basis.