

MURAL FESTIVAL “MURAL FEST”

Report of Independent Audit
and Financial Statements as of
31st of December 2020

April 2021

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“Eco&Conto” sh.p. k
Legal Audit Company
Rr. Vllazërit Gërvalla Ferizaj
Mob. +383 44 219 208
Email: eco_conto@hotmail.com

REPORT OF INDEPENDENT AUDIT

To the Management of FESTIVALI I MURALEVE “MURAL FEST”

Report for the Audit of the Financial Statements

The Opinion

We have audited the Financial Statements of NGO Festivali I Muraleve “MURAL FEST” Rr. Ramadan Rexhepi-Ferizaj - Qendra e Kulturës including the Financial Position Statement as of 31 of December 2020, Statement of Comprehensive Incomes, Statement of changes in Equity, Cash Flow Statement and a summary of accounting policies and other explanation disclosures.

As per our opinion, Financial Statements of the NGO does present fairly in all material aspects the Statement of Financial Position, Statement of Comprehensive Incomes, Statement of changes in Equity, Cash Flow Statement as at 31 of December 2020, in accordance with International Financial Reporting Standards (IFRS)

The base for the opinion

We have performed the Audit in accordance with International Standards of Accounting (IAS). Our responsibilities based on these standards are described in the section of the report Responsibilities of Auditor for the Audit of Financial Statements. We are independent from the company in accordance with Ethic Code for Professional Accountants (IESBA Code), and we have fulfilled other ethic responsibilities in accordance with IESBA Code.

We believe that audit evidence provided to us is significant and suitable in order to give the base for our opinion.

Emphasis on the issue:

Without qualifying, we draw attention to the 15th disclosure of financial statements describing the possible effects of Coronavirus.

Key audit issues

The main issues of audit are those issues that according to our professional judgment were the most important in our audit of financial statements in the current period. These issues were addressed in the context of our audit of the financial statements as a whole and in the formation of our opinion on it and we do not express a particular opinion on these issues.

Management's Responsibilities for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and for internal controls that management considers necessary to enable the preparation of financial statements without material misstatement due to fraud or error. In preparing the financial statements, management is responsible for assessing the NGO ability to sustainability in the future, disclosing, as necessary, future continuity issues and using the accounting continuity principle unless management intends to liquidate the NGO or Interrupt the operation, or there is no other possible alternative than to do it. Those in charge with governance are responsible for overseeing the NGO financial reporting process.

Auditor's Responsibilities for Financial Statements Auditing

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that includes our opinion. Reasonable security is a high level of security, but there is no guarantee that an audit conducted in accordance with IAS will always disclose material errors when they exist. Errors can be derived from fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to affect 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 during our audit. We also:

- Identify and assess the risk of material misstatement in the financial statements due to fraud or error, design and perform appropriate audit procedures for these risks, and we obtain sufficient audit evidence to provide the basis for our opinion. The risk of non-disclosure of material misstatement resulting from fraud is higher than the one that results from the mistake, since the fraud may include collusion, counterfeiting, deliberate omissions, misinterpretations or violations of internal controls
- Understand the internal audits relevant to audit in order to draft audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NGO internal control.
- Assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates and relevant disclosures made by management.

- Conclude on the appropriateness of using the accounting continuity principle by management, based on audited audit evidence, whether a material uncertainty exists in relation to events or conditions that may cast considerable doubt on the NGO ability to continue in continuity. If we conclude that a material uncertainty exists, we are obliged to draw attention to our audit report for relevant disclosures in the financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained by the date of the audit report
- Evaluate the presentation, structure and content of financial statements and explanatory notes and if they correctly represent transactions and events.

We communicate with staff in charge of other issues, planned approach and audit timing, and significant audit findings, including any significant deficiencies in the internal controls we have identified during the audit.

Report on other legal and regulatory requirements

We are engaged as an auditor of the NGO Festivali I Muralve "MURAL FEST".

- a) For the period 01.01.2020- 31.12.2020 dated 01.02.2021 by the managing director of NGO Festivali I Muralve "MURAL FEST" znj.Lebibe Topalli.
- b) We have designed audit procedures in order to respond to identified risks to provide sufficient and appropriate evidence and to obtain reasonable assurance regarding the presentation of financial statements and explanatory notes..
- c) We confirm that the audit opinion is in line with the additional report to the audit committee.
- d) We declare that we have not provided prohibited non-audit services referred to in Article 5 of AI no. 02/2019 and we are independent of the audited entity during the audit

"Eco&Conto" sh.p.k



 Rr. Vezërit, Ferizaj
 70000 Ferizaj, Kosovë.

Statement of Financial Position
The period from 01.01.2010 to 31.12.2020

	Note	As of 31 st of December 2020 €	As of 31 st of December 2019 €
ASSETS			
Short-term assets			
Cash and cash equivalents	1	4,563	135
Total short-term assets		<u>4,563</u>	<u>135</u>
Long-term assets			
Total long-term assets		-	-
Total Assets		<u>4,563</u>	<u>135</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Short-term Liabilities			
Other short-term liabilities	2	4,429	-
Total short-term Liabilities		<u>4,429</u>	<u>-</u>
Long-term Liabilities			
Total long-term Liabilities		-	-
Total liabilities		<u>4,429</u>	<u>-</u>
EQUITY			
Retained funds	3	135	135
Total equity		<u>135</u>	<u>135</u>
Total Equity and Liabilities		<u>4,563</u>	<u>135</u>

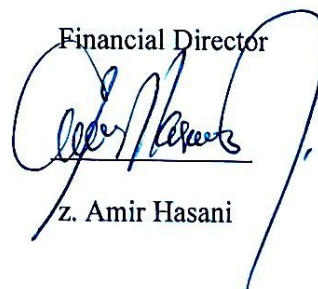
Approved and issued by the management and signed on its behalf on 15th of April 2021

Executive Director



Znj. Lebibe Topalli

Financial Director



Z. Amir Hasani

Notes from pages 10 to 16 are an integral part of these financial statements

Statement of Comprehensive Incomes
The period from 01.01.2020 to 31.12.2020

	Note	As of 31 st of December 2020 €	As of 31 st of December 2019 €
Incomes	4	42,571	43,555
Cost of Goods Sold		-	-
Gross Profit		42,571	43,555
Activity expenses	5	(42,571)	(43,421)
Other expenses		-	-
Operative Fund/ (Loss)		(0)	135
Financial expenses		-	-
Financial incomes		-	-
Fund befor tax		(0)	135
Tax on profit expenses		-	-
Remained fund		(0)	135

Notes from pages 10 to 16 are an integral part of these financial statements

Statement of Changes in Equity
The period from 01.01.2020 to 31.12.2020

	Declared capital	Retained earnings	Total
	€	€	€
As of 1 st of January 2019	-	-	-
Fund/ (loss) of the year	-	135	135
Foreign exchange differences	-	-	-
As of 31st of December 2019	-	135	135
As of 1 st of January 2020	-	135	135
Fund/ (loss) of the year	-	-	-
As of 31st of December 2020	-	135	135

Notes from pages 10 to 16 are an integral part of these financial statements

Cash Flow Statement

The period from 01.01.2020 to 31.12.2020

	Note	As of 31 st of December 2020 €	As of 31 st of December 2019 €
Cash flow from operating activities			
Profit/ (loss) of the year		-	135
<i>Arrangements for non-cash items of expenses and revenues</i>			
Tax on profit expenses		=	=
		-	135
<i>Changes in assets and operating liabilities:</i>			
(Increase) / decrease in other assets			
Increase / decrease in other liabilities		4,429	
		<u>4,429</u>	=
Paid Tax on profit		-	-
Paid interest		-	-
		-	-
Net cash flow from operating activity		<u>4,429</u>	<u>135</u>
Cash flow from investment activities			
Received didivends		-	-
Net cash flow from investment activities		-	-
Cash flow from financing activities			
Additional capital deposits		-	-
Net cash flow from financing activities		-	-
Net increase / (decrease) of money and cash equivalents		<u>4,429</u>	<u>135</u>
Money and cash equivalents at the beginning of the year		135	-
Money and cash equivalents at the end of the year		<u>4,563</u>	<u>135</u>

Notes from pages 10 to 16 are an integral part of these financial statements

1. GENERAL INFORMATION

NGO Mural Festival "MURAL FEST" is registered in the NGO department of the Ministry of Public Administration on 17/11/2000 in accordance with Article 6 of Law no. 04 / L-57. For Freedom of Association in Non-Governmental Organizations in the Republic of Kosovo with registration number 601721534.

Main Address of NGO Festivalii Muralve "MURAL FEST" is as below:
Str. Ramadan Rexhepi Qendra e Kulturës-Ferizaj.

Number of engaged people as of 31st of December 2020 is 4 (31st of December 2019: 0).

IMPORTANT ACCOUNTING POLICIES

2. AUDIT OBJECTIVES

The purpose of the audit is to carry out all procedures, tests and discussions with the board of directors and management of this entity, regarding the functioning of internal control, in order to be able to give our opinion on the Financial Statements prepared by NGO "MURAL FEST", which include the period from 01.01.2020 - 31.12.2020, not ignoring the events that occurred after the preparation of the Financial Statements, until the date of issuance of this Opinion.

3. SCOPE AND THE METHODOLOGY OF AUDIT

During the audit, given that we had enviable access to all financial documentation, as well as many discussions with the board and staff of this NGO, we were able to satisfactorily get acquainted with the working procedures in this organization.

During this audit, essential procedures and tests were implemented, having the most careful emphasis on the following issues:

- Evaluation of the quality of internal control
- Inclusion of revenues
- Inclusion of expenses

It is the auditor's assessment that the Internal Control in the NGO "MURAL FEST" is at an enviable level. Such a conviction is reached from the following data:

- * In the NGO "MURAL FEST", manages the board of directors, taking care that eventual misuse is avoided to a minimum
- * The vast majority of financial transactions are carried out through the bank account in ProCredit Bank.

4. The base for preparation and a summary of accounting policies

Financial Statements of the NGO "MURAL FEST", with address at Rr. Ramadan Rexhepi Ferizaj Cultural Center for 2020 have been compiled in accordance with International Financial Reporting Standards. In this case, the business has presented compiled the following:

:

- Statement of financial position,
- Comprehensive statement of revenues and expenditures,
- Statement of changes in equity,
- Statement of cash flow and retained earnings,
- Notes of Financial Statements

There were no specific difficulties in compiling these statements, all financial transactions were recorded.

IMPORTANT ACCOUNTING POLICIES (continued)

5. The presentation of Financial Statements

The Financial Statements of the NGO are presented in full numerical values and in the currency in use in the Republic of Kosovo (EUR).

6. Compilation of Financial Statements

Financial Statements of the NGO "MURAL FEST", with address at Rr. Ramadan Rexhepi Ferizaj Cultural Center, for 2020 have been compiled in accordance with International Financial Reporting Standards. In certain cases, the NGO has adapted its accounting procedures to the current tax regulations and operating regulations of the NGO in the Republic of Kosovo.

7. Summary of accounting policies

The organization has an accounting policy which serves for the accounting recording of all financial transactions and other activities performed by the organization

- Accounting policies are based on the accrual principle of records

8. Foreign currency

NGO "MURAL FEST" with address at Rr. Ramadan Rexhepi Ferizaj Cultural Center, there were no financial transactions in foreign currency during the year of 2020.

9. Current assets

9.1. Money

The Cash is presented in the amount of: 4,563EUR, and it has the content as below :

- Current bank account : 4,429EUR
- Cash safe: 135 EUR

10. LIABILITIES

Outstanding liabilities are reported in the financial statements by the NGO "MURAL FEST"

IMPORTANT ACCOUNTING POLICIES (continued)

10.1.Risk management

It is our opinion that the NGO "MURAL FEST" and its professional staff have managed to manage the funds - donations and that they have been spent according to projects and according to the intended destination.

- All revenues from donations have been identified, which have been deposited in the account of the NGO "MURAL FEST" in ProCredit Bank.
- All expenses are related to the activity of the NGO, such as the organization of various tournaments and other activities in the domain of the registered activity of the NGO "MURAL FEST".
- Transportation costs include the costs of transporting activists, attending conferences, symposia, etc.

11. LIQUIDITY RISK

During 2020, the NGO "MURAL FEST" has managed to maintain liquidity by spending all donations received, and their distribution and spending according to planning and program projects, for which it was established.

12. TAXES

12.1 Value added Tax

During 2020, the NGO "MURAL FEST" is not a profitable business and therefore is not subject to obligations for their profit as well as for Value Added Tax (VAT), having no right to refund (VAT) .

13.2 Taxes and pension contributions

The NGO has declared 4 employees in the payroll list in December / 2020, who have been included as members of the organization, including people who engage from time to time in the activities of the NGO.

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

		As of 31.12.2020 EURO	As of 31.12.2019 EURO
1 Cash in bank and safe			
Cash in safe		135	
PCB Euro bank account		4,429	135
Total cash in Bank		<u>4,429</u>	<u>135</u>
Total Cash in bank and safe	1	<u>4,564</u>	<u>135</u>
3. Payable taxes			
Other short – term liabilities		4,429	-
Total	2	<u>4,429</u>	-
2. Retained funds			
Forwarded funds from previous years		135	-
Profit of the year			135
Total	3	<u>135</u>	<u>135</u>

DISCLOSURE NOTES TO THE FINANCIAL STATEMENTS

		As of 31.12.2020 EURO	As of 31.12.2019 EURO
3. Revenues from donations			
Revenues from donations		42,571	43,555
Total	4	<u>42,571</u>	<u>43,555</u>

		As of 31.12.2020 EURO	As of 31.12.2019 EURO
4. Administrative expenses			
Salary expenses		18,155	9,519
Foreign salary expenses		4,875	7,002
Provision expenses		506	-
Documents expenses		1,700	-
Scaffolding costs and façade		600	4,669
Food expenses		1,402	3,356
Office expenses		1,119	2,065
Expenses for paints, brushes, sprays		5,660	4,228
Accommodation expenses		-	2,440
Transport expenses		1,000	945
Work shop expenses		-	2,822
Ticket expenses (foreign artists)		681	3,489
Exhibition expenses		-	1,985
Work tools expenses		4,664	-
Rent expenses		2,210	900
Total	5	<u>42,571</u>	<u>43,421</u>

	As of 31.12.2020 EURO	As of 31.12.2019 EURO
5. Tax on profit expenses		
Profit of the year before tax	-	135
Profit of the year after non-deductible expenses	-	<u>135</u>
Tax on profit expenses	-	-
Net fund	-	<u>135</u>

14. Contingent liabilities and commitments

As of December 31, 2020 there are no contingent liabilities that require disclosure in the NGO financial statements.

Court proceedings

As of December 31, 2020, the NGO has not initiated legal proceedings against other organizations.

15. Events after the reporting date

After December 31, 2020 and the reporting date until the approval of these financial reports there is no event to be disclosed except in March 2020 the pandemic Covid-19 appeared which is still present in our country and has affected the reduction of activity of the NGO and depending on the duration of this pandemic the financial situation of the NGO will be affected.