



NGO GERMIN

**Independent Auditor's Report and Individual Financial
Statements**

for the year ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Management of NGO GERMIN

Opinion

We have audited the accompanying financial statements of NGO GERMIN which comprise the statement of financial position as at December 31, 2021, and the statement of profit or loss, statement of changes in fund balances and statement of cash flow for the year then ended, and other explanatory notes.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NGO GERMIN as of December 31, 2021, results of its operation and the cash flow for the years then ended in conformity with International Financial Reporting Standards.

Responsibilities of Management and those charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error. For the financial statements preparation, management is responsible for assessing the company's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the organization or Interrupt the operation, or there is no other possible alternative than to do it. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

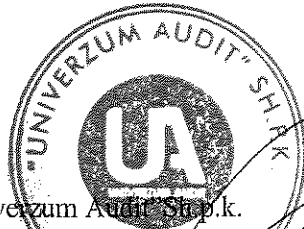
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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June 25, 2022

NGO GERMIN
Statement of Financial Position
For the year ended December 31, 2021

		On 31.12.2021 (in euro)	On 31.12.2020 (in euro)
I Assets	Notes	Amount	Amount
Cash at bank	3	1,884	20,342
Accounts Receivable	4	800	4,500
Total current assets		2,684	24,842
Office equipment	5	5,533	6,916
Total non - current assets			
Total assets		8,217	31,758
II Liabilities and equity			
Opening Balance		-17,224	-4,626
Net surplus		11,895	-12,598
Total equity		-6,711	
Accrued and other payables		8,013	3,763
Deferred Revenue	6	5,533	45,219
Total current liabilities		14,929	48,982
Total liabilities and equity (II +III)		8,217	31,758



Executive Director



Financial Officer

The accompanying notes from 1 to 12 form an integral part of these financial statements

NGO GERMIN
Statement of Profit or Loss
For the year ended December 31, 2021

		For the year ended December 31, 2021 <hr/> (in euro)	For the year ended December 31, 2020 <hr/> (in euro)
I. Revenue	Notes	Amount	Amount
Income from the Donors		108,673	134,571
Income from other sources		19,790	12,868
Total Revenues (I)	7	<hr/> 128,464	147,439
II. Expenses			
Salaries and wages		73,357	66,185
Programme and operatives expenses		42,212	93,852
Total Expenses (II)	8	<hr/> 116,569	160,037
Operating surplus/(deficit)		<hr/> 11,895	12,598

The accompanying notes from 1 to 12 form an integral part of these financial statements

GO GERMIN
Statement of Changes in Net Assets
For the year ended December 31, 2021

Balance as at December 31, 2020	<u>(17,224)</u>	<u>(17,224)</u>
Temporary restricted net assets	-	-
Net deficit/surplus for the year ended December 31, 2021	11,895	11,895
Balance as at December 31, 2021	<u>-5,329</u>	<u>-5,329</u>

The accompanying notes from 1 to 12 form an integral part of these financial statements

NGO GERMIN
Statement of Cash Flows
For the year ended December 31, 2021

Cash Flow 2021

	2021	2020
	<u>Amount</u>	<u>Amount</u>
Changes in working capital		
Net income	11,895	-12,598
(Increase) in accounts receivable	3,700	-800
Increase in accounts payable and other	4,249	-1,508
Increase in deferred income	-39,685	41,519
Income tax paid		
I Net money used for operating activities	-18,458	€26,613
II Investment activities		
Additions to fixed assets		-€6,916
II Net money used in investment activities II		-€6,916
Financing activities		
III Net money used in financing activities	-	
IV Increase / (Decrease) in cash and its equivalents during the year (I + II + III) IV	-18,458	€19,696
V Money and its equivalents, at the beginning of the year	20,342	€646
Money and its equivalents, at the end of the year (IV + V)	1,884	€20,342

The accompanying notes from 1 to 12 form an integral part of these financial statements

1. INTRODUCTION

Germin non-governmental organization registered in MTI-ARBK, with registration number 5115036-8; and with fiscal number 601124671, with main address Rr. "Tringë Smajli", No. 24/48, Prishtina, Kosovo.

Germin is a non-governmental organization that uses technology and virtual channels to connect and engage the Diaspora in advancing the development and democratization of their countries. It started in 2011 as an informal group trying to find its way to connect with the homeland and was formally founded in 2014.

"Germin" is led and supported by a group of Diaspora professionals starting from the fields of public policy, finance, information, technology, law, education, security and diplomacy. "Germin" has a wide network of professionals and part-time partners, currently residing in 24 countries, including the Balkans, Western Europe and North America.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements for the Organization have been prepared on a cash basis for revenue and expenditure. The basics of measurement are described in more detail in the accounting policies set out below.

2.2 Currency of presentation

The functional currency of the Organization is the European Union currency unit Euro (“EUR”). The business financial statements are presented in Euro.

2.3 Foreign currency exchange

Foreign currency transactions are exchanged into the functional currency using the exchange rates existing at the dates of the transactions. Foreign currency gains and losses arising from the adjustment of transactions such as the re-measurements of monetary items at the end of the year exchange rates are presented as profit or loss.

2.4 Inventory

Inventories are stated at lower of the cost value and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost is determined using the moving average method.

2.5 Property, plant and equipment

(i) *Recognition and measurement*

Property, plant and equipment of the business are stated in the statement of financial position with the value of the purchased date less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the declining balance method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the sale or disposal of an asset is defined as the difference between the proceeds of the sale and the carrying amount of an asset and is therefore recognized in profit or loss in the income statement.

NGO GERMIN
Notes to the Financial Statements
For the year ended December 31, 2021

(ii) *Depreciation*

Depreciation of property, plant and equipment is calculated using the straight-line method of cost allocation or cost considered at their residual value over their useful lives as follows:

Buildings	20 years
Equipment and machinery	10 years
Other non-current assets	5 years

2.6 Intangible assets

Intangible assets purchased by the Organization are stated at cost less accumulated amortization and impairment, if any. Amortization of intangible assets is calculated on a straight-line basis at an annual rate of 20%, while amortization for licenses is calculated on the basis of contractual terms.

2.7 Trade receivables

Trade receivables are initially recognized at fair value and then carried at cost less provisions, if any. A provision is recognized when there is objective evidence that the Organization will not be able to collect all appropriate amounts under the original receivables' terms. Examples of objective evidence may be the client's financial difficulties, the high probability that the client will go bankrupt, and the constant delays in payments.

2.8 Other receivables

Other accounts receivable includes prepayments and other current assets. Prepayments are kept at cost less commission if any. A prepayment is classified as long-term when goods or services related to the prepayment are expected to be received after one year.

2.9 Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at bank and in operating accounts at bank with an original maturity of three months or less.

2.10 Trade payables

The amounts payable are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the business or not.

2.11 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are then reflected at amortized cost using the effective interest method.

2.12 Contractual obligations

Contractual obligations represent the obligation of the organization to transfer goods or services to a customer and are recognized when a customer pays the consideration, or when the organization recognizes a receivable in order to reflect its unconditional right to review before the Organization have transferred goods or services to the customer.

2.13 Taxes

The organization was established as a non-governmental organization; therefore, it has responsibilities and operates as an NGO under the applicable laws of Kosovo.

2.14 Revenue recognition

Grant revenues are recognized as revenue in the period in which they are paid. At the end of the year the excess amount of income in addition to expenses is treated as a balance carried forward to the next period.

2.15 Financial costs

Financial costs include bank charges, charged for banking transactions and the cost charged for the guarantee received as well as interest expense on borrowings.

2.16 Contingencies and provisions

Contingent liabilities are not recognized in financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

As at December 31, 2021, there are no contingent liabilities that require disclosure in the financial statements of the business. A provision is recognized if the business has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

2.17 Employee benefits

The Organization, in the normal course of business, makes payments to the State budget of on behalf of its employees. The majority of the Organization's employees are members of the State pension plan. All such contributions to the mandatory government pension schemes are expensed when incurred. The Organization does not operate any other pension scheme or postretirement benefit plan and, consequently, has no obligation in respect of pensions.

In addition, the Organization has no material obligations to provide further benefits to current and former employees.

NGO GERMIN
Notes to the Financial Statements
For the year ended December 31, 2021

3. Cash at bank	<u>31.12.2021</u>	<u>31.12.2020</u>
ProCredit Bank Prishtine	1502	19,203
ProCredit Bank Tirane	64	1,139
Petty Cash		
Paysera	<u>318</u>	<u>0</u>
Total Cash	1,884	20,342

4. Accounts Receivable	<u>31.12.2021</u>	<u>31.12.2020</u>
Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	800	4,000
EU for Innovation		<u>500</u>
Total Accounts Receivable	800	4,500

	Computer Equipment	Vehicle	Total
	(in euro)	(in euro)	(in euro)
5. Office equipment			
Cost			
As of 01 January 2021	6,916	0.00	6,916
Additional			
Disposal	-	-	-
As of 31 December 2021	<u>6,916</u>	<u>0.00</u>	<u>6,916</u>
Depreciation			
As of 01 January 2021	0.00	0.00	0.00
For the year	<u>1,383</u>	<u>0.00</u>	<u>1,383</u>
As of 31 December 2021	<u>1,383</u>	<u>0.00</u>	<u>1,383</u>
Net Value			
As of 31 December 2021	<u>5,533</u>	<u>0.00</u>	<u>5,533</u>

NGO GERMIN
Notes to the Financial Statements
For the year ended December 31, 2021

	<u>31.12.2021</u>	<u>31.12.2020</u>
6. Deferred Income		
Deferred Income from Global Albanian Foundation	5,533	22,804
Deferred Income from Innovation & Training Park (ITP)		15,498
Total Deferred Income	5,533	38,302

7. Ordinary Income
(in euro)

Income

Income Primary Sources

Donations in Kind		180.40
Grants		
DiasporaVoton – EJA-GU-08		3,000.00
FES – Diaspora Exchange		-79.65
OriginAL		8,551.31
Out of Country Voting 2021-SDC		6,000.00
Rrjeti i org&shoq te te rinjeve		6,995.00
UNICEF – Advancing partnership		22,657.00

Total Grants 47,123.66

Services

GAF	1383.3	
GAF 2021		35,631.63
GIZ – Roadshow& CSO workshop		9,407.00
Innovation & Training Park (ITP)		25,498.26
Private sector		2,240.00
Services – Auriga Company		1,000.00
World Bank – Remittances		6,000.00

Total Services 81,160.19

Total Income Primary Sources 128,464.25

Total Income 128,464.25

**For the year
ended Decemb.
31, 2021**

NGO GERMIN
Notes to the Financial Statements
For the year ended December 31, 2021

	For the year ended Decemb. 31, 2020 (in euro)
7.Incomes	
Global Albanian Foundation	38,172
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	48,800
Municipality of Vushtrri	9,800
Innovation & Training Park Prizren (ITP)	9,502
Swiss Development Center	5,610
Friedrich-Ebert-Stiftung (FES)	9,100
Raiffeisen Leasing	6,421
Kosovo Foundation for Open Society (KFOS)	5,000
IPKO Foundation	1,000
The Rochester Institute of Technology Kosovo	1,000
Other (individual donations, smaller organizations that donated less than EUR 1000)	9,333
Deferred Income from 2019	3,700
	<hr/>
Cumulative income for 2020	147,439

	For the year Ended December 31, 2021 (in euro)
8.Expense	
Depreciation costs – Assets	1,383.30
Total DiasporaVoton –EJA–GU–O8	3,111.68
Total Germin – Albania	3,074.23
Total Germin Kosova	31,969.97
Total Out of Country Voting 2021	6,098.67
Total GAF	18,985.39
Total GIZ – Roadshow& CSO workshop	9,285.76
Total Innovation & Training Park (ITP)	22,736.37
Total Invest in Vushtrri	30.80
Total Rrjeti i org&shoq te te rinjeve	<hr/> 6,684.50
Total UNICEF – Advancing partnership	2,597.15
Total USAID Compete Activity	<hr/> 561.70
Total World Bank – Remittances	<hr/> 10,049.26
Total Expense	116,568.78

NGO GERMIN
Notes to the Financial Statements
For the year ended December 31, 2021

8. Expenses

	For the year ended December 31, 2020
Salaries and wages	66,185
Rent & Tax Rent	3,626
Operating expenses	11,043
Global Albanian Foundation support in response to COVID-19/M	18,914
Matching Diaspora Experts with Institutional Needs at Home	17,768
DiasporaFlet 2020	19,808
Co-Investment and Networking Forum Co-Creating the Future of Vushtrri	4,879
DiasporaED	4,221
Diaspora Exchange in Response to COVID-19	5,100
Diaspora Engagement for ITP Prizren	2,130
Invest in Kamenica	553
Out of Country Voting: 2019 Parliamentary Elections Policy Review, Postal Services Cost & Analysis with Recommendations	5,810
Total	160,037
