ORCA

Organizata për Rritjen e Cilësisë në Arsim

Independent Auditor's Report and Individual Financial Statements

for the year ended December 31, 2022

TABLE OF CONTENTS

	PAGE
AUDITOR'S REPORT	
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF PROFIT OR LOSS	2
STATEMENT OF CASH FLOWS	3
NOTES TO THE FINANCIAL STATEMENTS	4

AUDIT & CONSULTING ASSOCIATES

INDEPENDENT AUDITOR'S REPORT

To the Management of ORCA

Opinion

We have audited the accompanying financial statements of Organizata për Rritjen e Cilësisë në Arsim - ORCA, which comprise the statement of financial position as at December 31, 2022 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 Organizata për Rritjen e Cilësisë në Arsim - ORCA as of December 31, 2022, results of its operation and the cash flow for the year then ended in conformity with actual lows.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (with the application of ISA 700). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Project financial report section of our report. We are independent of the Business in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard and the internal controls that the management deems necessary to enable the preparation of financial statements without material misstatement due to fraud or error.

For the financial statements preparation, management is responsible for assessing the organization's ability to sustainability in the future, disclosing, as necessary, future sustainability issues and using the accounting continuity principle unless management intends to liquidate the Organization or Interrupt the operation, or there is no other possible alternative than to do it.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

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

total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

Astrit Musa – Statutory Auditor
ACA – Audit & Consulting Associates
Prishtine, Kosove
8 March, 2023

ACA Audit & Consulting Associates - sh.p.k. PRISHTINË

Organizata për Rritjen e Cilësisë në Arsim
Statement of Financial Position
For the year ended December 31, 2022

	Note	31 December 2022 (in EUR)	31 December 2021 (in EUR)
ASSETS			
Current assets:			
Cash and cash equivalents	3	26,666	59,976
Receivable	4	11,259	-
Total current assets		**37,924**	**59,976**
TOTAL ASSETS		**37,924**	**59,976**
FUND BALANCE AND LIABILITIES			
Current liabilities:			
Accurred liabilities	5	2,463	307
Deferred revenues	6	35,461	59,669
Total current liabilities		**37,924**	**59,976**
TOTAL FUND BALANCE AND LIABILITIES		**37,924**	**59,976**

The financial statements have been signed on 8 March 2023 by:

Rron Gjinovci
Executive Director

Organization for the Improvement of the Quality of Education
ORCA
Organizata për Rritjen e Cilësisë në Arsim

Drilon Krasniqi
Financial Manager

The accompanying notes from 1 to 13 form an integral part of these financial statement

Organizata për Rritjen e Cilësisë në Arsim
Statement of Profit or Loss
For the year ended December 31, 2022

	Note	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Incomes			
Incomes	7	193,770	210,438
Total incomes		**193,770**	**210,438**
Expenses			
Program expenses	8	68,082	74,052
Administrative expenses	9	3,733	24,502
Salary expenses	10	107,262	90,476
Equipment expenses	11	1,200	7,240
Other expenses	12	13,492	14,168
Total expenses		**193,770**	**210,438**
Net (deficit)/surplus for the year		-	-

The accompanying notes from 1 to 13 form an integral part of these financial statements

Organizata për Rritjen e Cilësisë në Arsim
Statemenf of Cash Flow
For the year ended December 31, 2022

	31 December 2022	31 December 2021
	(in EUR)	(in EUR)
Cash flows from operating activities:		
Net surplus(deficit)for the year:		
Adjustments for:		
Depreciation		-
Financial charges		-
Change in payables	(22,052)	4,084
Change in receivable	(11,259)	
Net cash flow generated from/(used in) operating activities	**(33,311)**	**4,084**
Net increase in cash and cash equivalents	**(33,311)**	**4,084**
Cash and cash equivalents at 1 January	59,976	55,892
Cash and cash equivalents at 31 December	**26,666**	**59,976**

The accompanying notes from 1 to 13 form an integral part of these financial statements

1. INTRODUCTION

Organizata për Rritjen e Cilësisë në Arsim (ORCA), established in 2016 in Prishtina, whose mission is to contribute to increasing the quality of education in Kosovo, with the main focus on university education.

ORCA is a non-governmental organization with a focus on higher education and science that supports groups that aim to democratize educational institutions and academic integrity and that believe that education should be at the service of progress and equality among people.

ORCA is active in overseeing academic processes in higher education in Kosovo, and in coordinated responses to improve the quality of public university teaching.

This goal is made possible through careful and methodological review of academic developments in collaboration with experts in various fields and deserving academics.

ORCA is also committed to revitalizing activism among students in the public university system through collaboration with student organizations and raising awareness and field response capacity of the wider student community.

In addition to increasing public and institutional pressure, ORCA will provide concrete recommendations to institutions responsible for improving the state of education in Kosovo

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 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.

2.5 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.

2.6 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.

2.7 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.

2.8 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 Organiztion'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.

3. CASH AND CASH EQUIVALENTS

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Cash at bank	26,656	59,976
Cash on hand	10	
Total cash and cash equivalents	**26,666**	**59,976**

4. RECEIVABLES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Receivable - HEI 2025	10,142	
Receivable - QAINT	1,117	-
Total receivables	**11,259**	**-**

5. ACCURED LIABILITIES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Payables to suppliers	2,463	307
Total accured liabilities	**2,463**	**307**

6. DEFERRED REVENUES

	Deferred revenue 2021 (in EUR)	Income received during 2022 (in EUR)	Expenses during 2022 (in EUR)	Deferred revenue for next year (in EUR)
KFOS G02/19	48	-	-	48
NED 2020-0520	401	-	-	401
QAINT	28,967	47,345	76,007	306
Austrian development Agency - HEI2025	-	10,142	10,142	-
KFOS COSEMN	8,107		8,105	2
KFOS H11/21	-	7,600	7,598	2
KITU 1 KFOS H17/20KFOS H03 / 20	430	-	410	20
KCSF EJA-GI-03	4,440	38,217	35,588	7,069
KITU 2KFOS H09 / 21	7	-	7	(0)
NED 2022/0319	-	38,960	17,506	21,454
NED 2021/11439	17,201	7,773	23,887	1,087
KFOS H16/21	-	9,900	4,827	5,073
KFOS SCEP H10/21	68	9,625	9,693	(0)
Total deferred revenues	**59,669**	**169,562**	**193,770**	**35,461**

7. INCOME

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Income from Austrian development Agency - QAINT	46,228	107,185
Income from KCSF	38,217	38,217
Income from KFOS	27,125	29,145
Income from NED	46,977	39,880
Deferred revenues for the year	35,223	(3,988)
Total income	**193,770**	**210,438**

8. PROGRAM EXPENSES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Austrian development Agency - QAINT	31,992	52,816
National Endowment for Democracy NED 2020-0520	14,920	13,284
Kosova Foundation for Open Society - KFOS COSEMN	6,957	1,258
Kosovar Civil Society Foundation - KCSF EJA-GI-03	4,867	4,034
Kosova Foundation for Open Society - KFOS SCEP H11/21	3,821	-
Kosova Foundation for Open Society - KFOS SCEP H16/21	2,303	-
National Endowment for Democracy NED 2021/11439	1,827	2,034
Kosova Foundation for Open Society - SCEP	1,308	-
Kosova Foundation for Open Society - KITU 1	80	-
Kosova Foundation for Open Society - KITU 2	7	-
Kosova Foundation for Open Society - KFOS GA02/19	-	350
Kosova Foundation for Open Society - KFOS SCEP H10/21	-	277
Total program expenses	**68,082**	**74,052**

9. ADMINISTRATIVE EXPENSES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Kosovar Civil Society Foundation - KCSF EJA-GI-03	1,988	12,543
Bank Charge	872	-
Kosova Foundation for Open Society - KFOS COSEMN	436	-
Kosova Foundation for Open Society - KFOS H17/20 (Kitu 1)	300	405
Kosova Foundation for Open Society - KFOS SCEP H10/21	64	2,355
Kosova Foundation for Open Society - KFOS H11/21	45	-
National Endowment for Democracy NED 2020-0520	29	273
Austrian development Agency - QAINT	-	5,271
Kosova Foundation for Open Society - KFOS COSEMN H11/20	-	1,549
Kosova Foundation for Open Society - KFOS COSEMN H16/21	-	1,113
National Endowment for Democracy NED 2021/11439	-	994
Total administrative expenses	**3,733**	**24,502**

10. SALARY EXPENSES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Austrian development Agency - QAINT	42,521	25,318
Kosovar Civil Society Foundation - KCSF EJA-GI-03	16,654	16,200
National Endowment for Democracy NED 3	14,685	-
Kosova Foundation for Open Society - KFOS HEI 2025	10,100	-
National Endowment for Democracy NED 2020-0520	8,324	8,136
Kosova Foundation for Open Society - KFOS SCEP	8,216	-
Kosova Foundation for Open Society - KFOS H11/21	3,600	-
Kosova Foundation for Open Society - KFOS H16/21	2,450	-
Kosova Foundation for Open Society - KFOS COSEMN	712	5,250
National Endowment for Democracy NED 2021/11439	-	13,132
Kosova Foundation for Open Society - KFOS H09 / 21 (Kitu 2)	-	8,400
Kosova Foundation for Open Society - KFOS H17/20 (Kitu 1)	-	7,740
Kosova Foundation for Open Society - KFOS SCEP H10/21	-	6,300
Total salary expenses	**107,262**	**90,476**

11. EQUIPMENT EXPENSES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Austrian development Agency - QAINT	1,200	3,441
Kosova Foundation for Open Society - KFOS H17/20	-	1,425
Kosovar Civil Society Foundation - KCSF EJA-GI-03	-	1,000
National Endowment for Democracy NED 2020-0520	-	749
Kosova Foundation for Open Society - KFOS SCEP H10/21	-	625
Total equipment expenses	**1,200**	**7,240**

12. OTHER EXPENSES

	31 December 2022 (in EUR)	31 December 2021 (in EUR)
Austrian development Agency - QAINT	13,492	14,168
Total other expenses	**13,492**	**14,168**

13. SUBSEQUENT EVENTS

At the time of preparation of the audit report, the organization has continued operations and has been able to meet its obligations, therefore the report is prepared using the basis of continuity.