

WOMEN FOR WOMEN INTERNATIONAL KOSOVO

**Special purpose financial Statements prepared in accordance with
Group accounting manual of Women for Women International**

For the year ended 31 December 2015

Women for Women International Kosovo
Financial statements for the year ended 31 December 2015
(All amounts expressed in EUR unless otherwise stated)

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INDEPENDENT AUDITOR'S REPORT

To the Management of Women for Women International Kosovo (WfWI Kosovo)

We have audited the accompanying special purpose financial statements of "Women for Women International Kosovo" (WfWI Kosovo) which comprise the statement of financial position as of 31 December 2015 and the statement of financial activities, statement of changes in the accumulated funds and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes. The special purpose financial statements have been prepared on the basis set out in Note 2.1.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the basis described in Note 2.1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

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Opinion

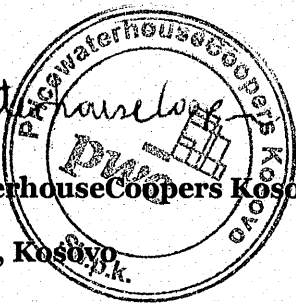
In our opinion, the accompanying special purpose financial statements have been prepared, in all material respects, in accordance with the basis set out in Note 2.1.

Emphasis of Matter - Basis of Preparation

Without modifying our opinion, we draw attention to Note 2.1 of the accompanying financial statements, which describes the basis of preparation. The financial statements are prepared to comply with the financial reporting provisions of WFW Group Accounting Manual. These financial statements do not comprise a full set of financial statements prepared in accordance with International Financial Reporting Standards or other generally accepted accounting frameworks. As a result, the financial statements may not be suitable for another purpose and are not intended to be used by those who are not informed about the specific requirements of this basis of preparation.

Restriction on Distribution and Use

This report is intended solely for the parties referred to in Note 2.1 to the accompanying financial statements and should not be distributed to or used by other parties.


PricewaterhouseCoopers Kosovo sh.p.k.
Prishtina, Kosovo
20 April 2016

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Registered with the Business Registration Agency in Kosovo with Business No. 70609711

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Statement of Financial Activities

	Note	For the year ended 31 December 2015		For the year ended 31 December 2014	
		EUR	Convenience translation *USD	EUR	Convenience translation *USD
Income					
Contributions for programs		87,550	97,397	88,922	118,137
Income Core Sponsorship					
Reporting HQ		437,426	486,624	386,683	513,728
Reporting Local Funding		37,405	41,612	8,156	10,836
	4	562,381	625,633	483,761	642,701
Expenses					
Program expenses	5	(519,146)	(577,535)	(435,354)	(578,390)
Administrative expense	6	(43,235)	(48,098)	(48,407)	(64,311)
		(562,381)	(625,633)	(483,761)	(642,701)
Excess of income for the year		-	-	-	-

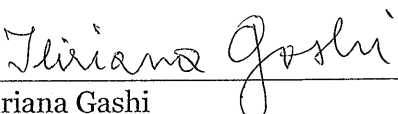
* The USD equivalent figures are provided for information purposes and do not form part of the audited financial statements (refer to note 2.2)

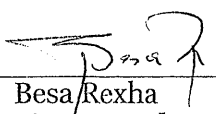
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Statement of financial position

		31 December 2015		31 December 2014	
	Note	EUR	Convenience translation* USD	EUR	Convenience translation* USD
Assets					
Non-Current Assets					
Property, plant and equipment	9	520,825	569,893	555,880	746,849
Total non-current assets		520,825	569,893	555,880	746,849
Current Assets					
Cash and cash equivalents	7	19,659	21,511	46,752	62,813
Other receivables	8	1,198	1,310	2,264	3,042
Total current assets		20,857	22,821	49,016	65,855
Total assets		541,682	592,714	604,896	812,704
Liabilities and Fund Balance					
Accrued liabilities	11	4,492	4,915	10,531	14,149
Accounts payable	10	1,425	1,560	2,261	3,038
Other payables	12	5,049	5,525	4,370	5,871
Total liabilities		10,966	12,000	17,162	23,058
Fund Balance					
Interco – WFWCO	13	490,025	536,190	541,765	727,885
Other Interco funds	13	27,088	29,640	27,088	36,394
Deferred income	14	13,603	14,885	18,881	25,367
Total fund balance		530,716	580,715	587,734	789,646
Total liabilities and fund balance		541,682	592,715	604,896	812,704

These financial statements have been approved by Management on 20 of April, 2015.


Iliriana Gashi
Country Director


Besa Rexha
Finance and Logistics Manager

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Statement of Changes in the Accumulated Funds

	EUR	Convenience translation *USD
Balance as at 31 December 2013	590,858	793,844
Cash receipt for the year	480,637	638,553
Total expenses for the year	(483,761)	(642,703)
Translation currency differences	-	(48)
Balance as of 31 December 2014	587,734	789,646
Cash Receipt for the year	505,363	562,202
Total expenses for the year	(562,381)	(625,633)
Translation currency differences	-	(145,500)
Balance as of 31 December 2015	530,716	580,715

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Statement of cash flows

		31 December 2015		31 December 2014	
	Notes		Convenience translation EUR *USD		Convenience translation EUR *USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		-	-	-	-
Adjustments for:					
Depreciation	9	35,055	38,997	41,408	55,633
Operating cash flows before changes in working capital		35,055	38,997	41,408	55,633
(Increase)/Decrease in other receivables		1,066	1,732	(400)	(537)
Increase/(Decrease) in accounts payable		(836)	(1,478)	(5,749)	(7,724)
Decrease in accrued liability		(6,039)	(9,234)	(2,854)	(3,834)
Decrease in other payables		679	346	(751)	(1,009)
Changes in working capital		29,925	30,363	31,654	42,529
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchases of property, plant and equipment		-	-	-	-
Net cash used in investing activities		-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in Interco WFWCO		(51,740)	(191,695)	(13,290)	(17,856)
Increase in deferred income		(5,278)	(10,482)	10,166	13,658
Differences in translation currency		-	130,512	-	-
Net cash used in financing activities		(57,018)	(71,665)	(3,124)	(4,198)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		(27,093)	(41,302)	28,530	38,331
CASH AND CASH EQUIVALENTS					
At the beginning of the year		46,752	62,813	18,222	24,482
Cash and cash equivalents at 31 December	7	19,659	21,511	46,752	62,813

The notes on pages 9 to 20 are an integral part of these financial statements.

1 General information

Women for Women International Kosovo - WFWI ("the Organization") was founded in 1993 as an international humanitarian organization in the United States in response to the needs of Bosnian rape camp survivors living in Croatia.

The Organization's office in Kosovo is registered as a non-governmental organization under UNMIK Regulation 1999/22, Section 10, on the Registration and Operation of NGO's in Kosovo, on 23 February 2000 under registration no 5300152-1 and public benefit status with number 6000195-2. The Organization is subject to the laws and regulations implemented by the country, more specifically the law 03/ L – 134 on NGOs.

Although the Organization represents a chapter of Women for Women International in Kosovo, it is entirely directed and operated by local staff members and seeks to improve the specific needs of poor Kosovarian women.

The Organization's mission is to provide women survivors of war, civil strife, and other conflicts with tools and resources to move from crisis and poverty into a civil society that promotes and protects peace, stability, and self-sufficiency. The Organization operates in cooperation with Women for Women International HQ, based in Washington DC and other donors such as private Equity Foundation and Everest Trek.

The registered address of the Organisation is as follows:

Ahmet Krasniqi p.n
10000, Prishtina,
Kosovo

As at 31 December 2015 the organisation has employed 22 people, 15 full time and 7 part time (31 December 2014: 13 full time).

The names of the Directors of the Organisation serving during the reporting period and to the date of this report are as follows:

Country Director:	Iliriana Gashi
Finance Manager:	Besa Rexha

The financial statements of the Organisation were authorised for issue by Management on 20 April 2016.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying special purpose financial statements have been prepared by management of the Organisation in accordance with Women for Women International's group accounting manual. The group accounting manual is described in details further within this Note.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Organisation are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') that is EUR. The financial statements are presented in EUR, which is the organisation's presentation currency.

The functional and presentation currency of the Organisation is Euro which is a legal currency in the territory of Kosovo since January 1, 2002.

(b) Transactions and balances

Transactions in foreign currencies are only those in USD for the Sponsorship program, or direct aid program. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to EUR at the foreign exchange rate ruling at that date. There is no foreign exchange differences calculated since it is calculated by WfWI HQ office. Income statement balances in foreign currencies are translated at the yearly average rate, which is provided by WfWI HQ.

The financial statements for the year ended 31 December 2015 are translated to USD for presentation purposes. The balance sheet amounts are translated to USD at the exchange rate for the year 2015: 0.9139 EUR/USD (2014: 0.7443 EUR/USD). The income statement amounts are translated to USD at the yearly average exchange rate of 0.8989 EUR/USD (2014: 0.7527 EUR/USD).

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1. Significant accounting policies (continued)

2.3 Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets. The Organisation's receivables comprise only grant receivables, other receivables and cash and cash equivalents in the statement of financial position.

Other receivables are carried at amortised cost. Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses.

2.4 Property, plant and equipment

Property, plant & equipment ("PPE") are capitalized based on cost, which includes the purchase price plus any additional expenses to bring the asset to use with a corresponding credit to the Fund Balance account, which is an equity account. Depreciation is calculated based on the straight line method over the useful life of the assets, as per below table, and is charged directly to PPE with a corresponding decrease to the Fund Balance account, with nil impact in the income statement. In addition to being recorded as an asset, the full cost of PPE, at the time of purchase, is also recognised as revenue and as an expense (in the same amount) in the income statement.

Depreciation is calculated on a straight-line basis to allocate the cost of fixed assets over their estimated useful lives. Depreciation is charged commencing from the month following the month of acquisition. The estimated useful lives applied are the following:

Description of category	Years
Buildings	20
Office equipment and furniture	5
Vehicles	5
Machinery	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial activities date. Assets which cost less than 2,500 USD are depreciated 100% (2014: below 2,500 USD). An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

2. Significant accounting policies (continued)

2.5 Cash and cash equivalents

Cash and cash equivalents are items which can be converted into cash at short notice (with less than three months original maturity) and which are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise current accounts with banks and cash on hand. Cash and cash equivalents are carried at amortised cost using the effective interest method.

2.6 Account and other payables

Accounts and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Account payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Revenue recognition

The Organisation earns revenue by receiving funds from Women for Women International-Washington HQ and other donors. Funds received are deferred and recognised as revenue in accordance with the matching principle such that revenue is not recognised until the services have been provided by the Organisation.

2.8 Employees Benefits

The Organisation only makes contributions to the publicly administered pension plan. The Kosovo Pension Saving Trust (KPST), as required by law. The Organisation has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The Organisation has no further obligation towards its employees beyond these contributions.

Retirement benefit costs

The Organisation makes no provision for and has no obligation for, employee pensions over and above the contributions described in note 2.8.

2.9 Income tax

The Organization is not liable for income tax.

3. Critical accounting estimation and assumption

The Organisation makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. The appropriateness of the estimated useful lives is reviewed annually, or whenever there is an indication of significant changes in the underlying assumptions.

Tax liability

The Organisation's financial statements for the year ended 31 December 2014 are subject to inspection by local tax authorities, where the Organisation's management used its best estimate and judgment to comply with the tax laws. Owing to use of judgment in complying with certain requirements of tax laws and depending on the tax authorities' assessment, tax liability as at 31 December 2014 may differ compared to the one reported in these financial statements.

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4. Income

	Year ended 31 December 2015		Year ended 31 December 2014	
	EUR	USD	EUR	USD
Core program HQ	410,718	456,911	388,173	515,707
Everest Trek	-	-	14,732	19,572
WOC	-	-	3,698	4,913
Milby	12,707	14,136	13,697	18,197
Danish Refugee Council	2,397	2,667	-	-
Cartier	72,542	80,701	54,952	73,007
Helvetas	22,583	25,123	7,457	9,907
Foreign & Commonwealth Office	10,906	12,133	698	927
Fresh Leaf Foundation, UK	30,528	33,962	354	471
	562,381	625,633	483,761	642,701

Women for Women International-Washington HQ finance the Sponsorship Program, which provides financial aid to women in Kosovo. Funds are generated from women in the United States of America and other countries in the world. Women for Women International - HQ also funds services for Core Program and Vocational Training to women participants.

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5. Program expenses

	Year ended 31 December 2015		Year ended 31 December 2014	
	EUR	USD	EUR	USD
Salaries	245,529	273,144	218,612	290,437
Sponsorship	87,550	97,397	88,922	118,137
Training	65,791	73,191	36,069	47,919
Rent and utilities	14,608	16,251	16,456	21,863
Professional fees	21,807	24,259	31,872	42,344
Communication	5,872	6,532	5,616	7,461
Travel	12,540	13,950	10,515	13,970
Program equipment and materials	45,030	50,094	11,278	14,983
Sub-grant expenses	1,006	1,119	-	-
Bank charges	991	1,103	706	938
Graduate Services	1,184	1,317	1,569	2,084
Other program costs	17,238	19,178	13,739	18,254
	519,146	577,535	435,354	578,390

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6. Administrative expenses

	Year ended 31 December 2015		Year ended 31 December 2014	
	EUR	*USD	EUR	*USD
Depreciation charge	35,055	38,997	41,408	55,013
Professional fees	-	-	37	49
Office supplies	4,142	4,608	1,901	2,526
Travel expenses	3,944	4,389	4,883	6,490
Other expenses	94	104	178	233
	43,235	48,098	48,407	64,311

7. Cash and cash equivalents

	31 December 2015		31 December 2014	
	EUR	USD	EUR	USD
Current accounts with local banks	11,032	12,072	44,493	59,778
Cash on hand	8,627	9,439	2,259	3,035
	19,659	21,511	46,752	62,813

8. Other receivables

	31 December 2015		31 December 2014	
	EUR	USD	EUR	USD
Prepaid expenses	675	738	2,109	2,834
Other receivables	523	572	155	208
	1,198	1,310	2,264	3,042

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9. Property, plant and equipment

	Buildings	Land	Office equipment and furniture	Vehicles	Total
Cost value					
At 1 January 2014	479,367	133,000	47,046	74,394	733,807
Additions	-	-	-	-	-
At 31 December 2014	479,367	133,000	47,046	74,394	733,807
Additions	-	-	-	-	-
Disposals	-	-	-	(10,567)	(10,567)
At 31 December 2015	479,367	133,000	47,046	63,827	723,240
Accumulated depreciation					
At 1 January 2014	59,622	-	29,673	47,224	136,519
Charge for the year	23,969	-	8,991	8,448	41,408
At 31 December 2014	83,591	-	38,664	55,672	177,927
Charge for the year	23,969	-	2,638	8,448	35,055
Disposals	-	-	-	(10,567)	(10,567)
At 31 December 2015	107,560	0	41,302	53,553	202,415
Net carrying amount					
At 31 December 2015	371,807	133,000	5,744	10,274	520,825
At 31 December 2014	395,776	133,000	8,382	18,722	555,880

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9. Property, plant and equipment (continued)

	Buildings USD	Land USD	Office equipment and furniture USD	Vehicles USD	Total USD
Cost value					
At 1 January 2014	660,012	183,120	64,775	102,429	1,010,336
Additions	-	-	-	-	-
At 31 December 2014	644,051	178,691	63,208	99,952	985,902
Additions	-	-	-	-	-
Disposals	-	-	-	(14,197)	(14,197)
At 31 December 2015	524,529	145,530	51,478	69,839	791,376
Accumulated depreciation					
At 1 January 2014	82,090	-	40,855	65,020	187,965
Charge for the year	32,203	-	12,080	11,350	55,633
At 31 December 2014	112,308	-	51,947	74,798	239,053
Charge for the year	26,665	-	2,934	9,398	38,997
Disposals	-	-	-	(11,755)	(11,755)
At 31 December 2015	117,693	-	45,193	58,598	221,484
Net carrying amount					
At 31 December 2015	406,836	145,530	6,285	11,242	569,893
At 31 December 2014	531,743	178,691	11,262	25,153	746,849

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14. Deferred income

	31 December 2015		31 December 2014	
	EUR	USD	EUR	USD
Deferred income-HELVETAS	-	-	19,579	26,305
Deferred income- Foreign & Commonwealth office	-	-	(698)	(938)
Deferred income-DRC	13,603	14,885	-	-
	13,603	14,885	18,881	25,367

15. Events after the reporting period

No material events subsequent to the reporting date have occurred, which require disclosure in the financial statements.