

**KOSOVA - WOMEN 4 WOMEN**

**Special purpose financial Statements prepared in accordance with  
Group accounting manual of Kosova - Women 4 Women**

**For the year ended 31 December 2017**

**Kosova - Women 4 Women**  
**Financial statements for the year ended 31 December 2017**  
**(All amounts expressed in EUR unless otherwise stated)**

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## ***Independent Auditor's Report***

To the Management of Kosova Women 4 Women

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### ***Our opinion***

In our opinion, the special purpose financial statements of Kosova Women 4 Women ("the Organization") are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the special purpose financial statements.

#### **What we have audited**

The Organization's special purpose financial statements comprise of:

The special purpose statement of financial activities for the year ended 31 December 2017;

The special purpose financial position as at the year then ended;

The special purpose statement of cash flows for the year then ended; and

The notes to the special purpose financial statements, which include a summary of significant accounting policies.

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### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the special purpose Financial Statements* section of our report.

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

#### **Independence**

We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the special purpose financial statements in the Republic of Kosovo. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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### ***Emphasis of Matter***

We draw attention to Note 2 to the special purpose financial statements, which describes the basis of accounting. The special purpose financial statements are prepared for the purpose of providing information to the Management of Kosova Women 4 Women. As a result, the special purpose financial statements may not be suitable for another purpose.

Our report is intended solely for the Management Kosova Women 4 Women and should not be distributed to or used by parties other than the Management of Kosova Women 4 Women. Our opinion is not modified in respect to this matter.



### *Responsibilities of management and those charged with governance for the special purpose financial statements*

Management is responsible for the preparation of the special purpose financial statements in accordance with financial reporting provisions described in Note 2 to the special purpose financial statements, and for such internal control as management determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

### *Auditor's responsibilities for the audit of the special purpose financial statements*

Our objectives are to obtain reasonable assurance about whether the special purpose 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose 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 special purpose 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.

*PricewaterhouseCoopers sh.p.k.*

PricewaterhouseCoopers Kosovo shpk  
Pristina, Kosovo  
24 January 2019

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**Statement of Financial Activities**

|                                      |      | <b>31 December 2017</b> |
|--------------------------------------|------|-------------------------|
| <b>Income</b>                        | Note | EUR                     |
| Income through WfWI HQ               |      | 234,871                 |
| Income from third parties            |      | 133,892                 |
| Other Income                         |      | 20,795                  |
|                                      | 4    | <b>389,558</b>          |
| <b>Expenses</b>                      |      |                         |
| Administrative expense               | 5    | (57,838)                |
| Program expenses                     | 6    | (331,720)               |
|                                      |      | <b>(389,558)</b>        |
| <b>Excess of income for the year</b> |      | <b>-</b>                |

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**Statement of financial position**

|   | Note | 31 December 2017<br>EUR |
|---|------|-------------------------|
| <b>Assets</b>                             |      |                         |
| <b>Non-Current Assets</b>                 |      |                         |
| Property, plant and equipment             | 8    | 457,687                 |
|   |      | <b>457,687</b>          |
| <b>Current Assets</b>                     |      |                         |
| Cash and cash equivalents                 | 7    | 152,064                 |
| Other receivables                         |      | 129                     |
|   |      | <b>152,193</b>          |
| <b>Total assets</b>                       |      | <b>609,880</b>          |
| <b>Liabilities and Fund Balance</b>       |      |                         |
| Accrued liabilities                       |      | 526                     |
| Accounts payable                          |      | 7,269                   |
| Other payables                            |      | 5,926                   |
| <b>Total Liabilities</b>                  |      | <b>13,721</b>           |
| <b>Fund Balance</b>                       |      |                         |
| Accumulated fund balance                  | 9    | 456,843                 |
| Deferred income                           | 10   | 139,316                 |
| <b>Total fund balance</b>                 |      | <b>596,159</b>          |
| <b>Total liabilities and fund balance</b> |      | <b>609,880</b>          |

These financial statements have been approved by the Management on 24 of March, 2018.

*Iliriana Gashi*  
 Iliriana Gashi  
 Country Director



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**Statement of cash flows**

|  | Notes | 31 December 2017 |
|--|-------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |       |                  |
| Excess of income for the year                                    |       | -                |
| Adjustments for:   |       |                  |
| Depreciation   | 8     | 30,076           |
| <b>Operating cash flows before changes in working capital</b>    |       | <b>30,076</b>    |
| Increase in other receivables                                    |       | (129)            |
| Increase in accounts payable                                     |       | 7,269            |
| Increase in accrued liabilities                                  |       | 526              |
| Increase in other payables                                       |       | 5,926            |
| <b>Changes in working capital</b>                                |       | <b>43,668</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |       |                  |
| Transfer of Property, Plant and Equipment                        | 8     | (487,763)        |
| <b>Net cash used in investing activities</b>                     |       | <b>(487,763)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |       |                  |
| Increase in deferred income                                      |       | 139,316          |
| Increase in intracompany balance                                 | 9     | 456,843          |
| <b>Net cash used in financing activities</b>                     |       | <b>596,159</b>   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR</b> |       | <b>152,064</b>   |
| <b>CASH AND CASH EQUIVALENTS</b>                                 |       |                  |
| At the beginning of the year                                     |       | -                |
| <b>Cash and cash equivalents at 31 December</b>                  | 7     | <b>152,064</b>   |



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**1. General information**

Kosova-Women 4 Women (KW4W or Organization) is a Kosovar registered non-governmental organization built on the foundation laid down by Women for Women International (WfWI). During 16 years of work in Kosova, WfWI supported over 32,000 women with social empowerment and business and vocational capacity building activities aiming at their socio-economic empowerment.

On 21 October, 2016 the Board of Directors of WfWI agreed and signed a Special Resolution to close the existing WfWI – registration No.: 5300152-1 in Kosova, effective 31 December 2016.

As of that date, the activities of the WfWI were transferred to the local organisation KW4W, which was registered in Kosovo with the Ministry of Public Administration with registration number 5116280-3. KW4W's mission is a continuation of Women for Women International's mission. The Board of Directors and the President of WfWI, authorised the undertaking of all necessary steps to transfer the ownership of the existing assets of WfWI to KW4W. The transfer of the assets was concluded during the year 2017.

The aim of the Organization is to encourage women to get together in formal entities, with already over 40 associations of women being established within the network of KW4W. The organizations supports the most marginalised women in Kosovo to earn and save money, improve health and wellbeing, influence decisions within the family and community and networking support. By utilising skills, knowledge and resources, women will be able to crease sustainable change for themselves, their families and community.

The Organization's office in Kosovo is registered as a non-governmental organization with the registration no 5116280-3. The organization is subject to the laws and regulations implemented by the country, more specifically to the law "03/L-134" on NGOs.

The registered address of the organization is as follows:

Kosturi 69  
10000, Prishtina,  
Kosovo

As at 31 December 2017 the organisation has 21 staff.

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

|                  |                |
|------------------|----------------|
| Director:        | Iliriana Gashi |
| Finance Manager: | Besa Rexha     |



## **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 the accounting policies listed below.

### **2.2 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 financial assets 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.

### **2.3 Property, plant and equipment**

Property plant and 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:

| <b>Description of category</b> | <b>Years</b> |
|--------------------------------|--------------|
| 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 balance sheet date. Assets which cost less than 2,500 USD are depreciated 100%.

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)**

**2.4 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.

**2.5 Account and other payables**

Account 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 payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.6 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.

**2.7 Employees Benefits**

The Organisation only makes contributions to the publicly administered pension plan. The Kosovo Pension Saving Trust (KPST), as required by the 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 Company makes no provision for and has no obligation for, employee pensions over and above the contributions described in note 2.8.

**2.8 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. Further, due to the significant weight of depreciable assets on total assets, the impact of any changes in these assumptions could be material to the financial position, and results of operations.

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**4. Income**

|                                 | <b>Year ended<br/>31 December 2017<br/>EUR</b> |
|---------------------------------|--|
| <i>Income from WFWI</i>         |  |
| Core program HQ                 |  |
| Cartier                         | 178,544  |
| Fresh Leaf Foundation, UK       | 18,040   |
| Milby                           | 12,265   |
| WIL                             | 19,092   |
| Mary Katranzou                  | 932  |
| LK Bennet                       | 1,222  |
| Total income from WFWI          | 4,776  |
|                                 | 234,871  |
| Danish Refugee Council          |  |
| ATRC                            | 13,452   |
| KCSF                            | 39,937   |
| Helvetas (S4RE)                 | 6,493  |
| CFLI                            | 712  |
| GIZ                             | 6,829  |
| UNMIK                           | 42,622   |
| Norwegian Embassy               | 20,192   |
| Total income from third parties | 3,655  |
|                                 | 133,892  |
| <i>Other income</i>             |  |
| <b>Total income</b>             | <b>20,795</b>                                  |
|                                 | <b>389,558</b>                                 |

**5. Administrative expenses**

|                            | <b>31 December, 2017<br/>EUR</b> |
|----------------------------|----------------------------------|
| Depreciation charge        |                                  |
| Rent and utilities         | 30,076                           |
| Other administrative costs | 11,380                           |
| Office supplies            | 8,625                            |
| Travel expenses            | 3,884                            |
| Bank charges               | 2,773                            |
| Insurance                  | 670                              |
|                            | 430                              |
|                            | <b>57,838</b>                    |

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**6. Program expenses**

|                                 | Year ended<br>31 December 2017 |
|---------------------------------|--------------------------------|
|                                 | EUR                            |
| Salaries                        |                                |
| Training                        | 191,179                        |
| Program equipment and materials | 74,539                         |
| Professional fees               | 25,302                         |
| Other program costs             | 12,972                         |
| Travel                          | 5,722                          |
| Communication                   | 9,136                          |
| Sub-grant expenses              | 4,060                          |
| Special Events                  | 7,574                          |
|                                 | 1,236                          |
|                                 | <b>331,720</b>                 |

**7. Cash and cash equivalents**

|                                   | 31 December, 2017 |
|-----------------------------------|-------------------|
|                                   | EUR               |
| Current accounts with local banks | 151,200           |
| Cash on hand                      | 864               |
|                                   | <b>152,064</b>    |



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**8. Property, plant and equipment**

|                                 | Buildings       | Land           | Office equipment and furniture | Vehicles       | Total           |
|---------------------------------|-----------------|----------------|--------------------------------|----------------|-----------------|
| <b>Cost</b>                     |                 |                |                                |                |                 |
| At 1 January 2017               | -               | -              | -                              | -              | -               |
| Transfer from WfWI              | 347,839         | 133,000        | 3,182                          | 3,742          | 487,763         |
| <b>At 31 December 2017</b>      | <b>347,839</b>  | <b>133,000</b> | <b>3,182</b>                   | <b>3,742</b>   | <b>487,763</b>  |
| <b>Accumulated depreciation</b> |                 |                |                                |                |                 |
| At 1 January 2017               | -               | -              | -                              | -              | -               |
| Charge for the year             | (23,968)        | -              | (2,366)                        | (3,742)        | (30,076)        |
| <b>At 31 December 2017</b>      | <b>(23,968)</b> | <b>-</b>       | <b>(2,366)</b>                 | <b>(3,742)</b> | <b>(30,076)</b> |
| <b>Net carrying amount</b>      |                 |                |                                |                |                 |
| <b>At 31 December 2017</b>      | <b>323,871</b>  | <b>133,000</b> | <b>816</b>                     | <b>-</b>       | <b>457,687</b>  |

Office equipment and furniture were transferred with a transfer order from WfW International to K-W4W in December 28, 2016. The title for buildings, land and vehicles has officially transferred to K-W4W from WfW International on August 1, 2017. However, K-W4W has effectively used these assets since January 2017 when WfWI ceased its activities. As a result, to reflect the true substance of the transaction, these assets have been included and depreciated in the books of K-W4W from January 1, 2017.

**9. Accumulated fund balance**

|  | 31 December 2017 |
|--|------------------|
|  | EUR              |
| Net fund payables transferred to K-W4W | (884)            |
| Cash transferred to K-W4W              | 40               |
| PPE transferred                        | 487,763          |
| Depreciation charge 2017               | (30,076)         |
|  | <b>456,843</b>   |

Accumulated fund balance is a balancing figure to account for transfer of property, plant and equipment, receivables, payables, cash balances as at 01.01.2017 from WfWI. In the future this balance will get reduced by the annual depreciation charge.

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**10. Deferred income**

|   | <b>31 December 2017</b> |
|---|-------------------------|
|   | <b>EUR</b>              |
| Deferred income – Women for women International | 19,625                  |
| Deferred income-ATRC                            | (4,125)                 |
| Deferred income-GIZ                             | 56,901                  |
| Deferred income-Canadian Embassy                | 2,417                   |
| Deferred income-KSCF                            | 17,948                  |
| Deferred income-Norwegian Embassy               | 46,550                  |
|   | <b>139,316</b>          |

To ensure non disruption of the activities, the organization has overspent EUR 4,125. The grant received from ATCR during 2017 amounts to EUR 35,585 while the organization spent EUR 39,937. As per contract with ATCR, the amount granted to K-W4W will amount up to EUR 47,755, therefore the remaining part of the grant amounting to EUR 12,170 is expected to be received during 2018.

**11. Events after the reporting period**

There are no significant subsequent events after the statement of financial position date, which require adjustment or disclosure in these financial statements.