KOSOVA - WOMEN 4 WOMEN

INDEPENDENT AUDITORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Management of Kosova - Women 4 Women

Opinion

We have audited the financial statements of Kosova - Women 4 Women (the Organization), which comprise: the statement of financial position as at December 31, 2019, the statement of earnings and expenditures, statement of changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and its financial performance and its earnings and expenditures for the year then ended in accordance with generaly accepted accounting policies as set out in Note 2 to the financial statements.

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 Financial Statements* section of our report. We are independent of the Organization in accordance with the 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 and the IESBA Code. 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 the financial statements in accordance with IFRSs, 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.

In preparing the 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 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 the aggregate, 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 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Kosova L L C
audit, accounting and financial advisory
Prishtina,Kosova

BDO Kosova L.L.C.
Amir Dërmala
Engagement Partner
December 18, 2020
Str. Ukshin Hoti C4/3, Hy. A, Kati II

KOSOVA - WOMEN 4 WOMEN
Statement of Financial Position
As at December 31, 2019

	Notes	As at December 31, 2019 (in EUR)	As at December 31, 2018 (in EUR)
ASSETS			
Non-current Assets			
Property, plant and equipment	3	408,935	432,903
Total non-current assets		**408,935**	**432,903**
Current Assets			
Cash and cash equivalents	4	346,535	222,985
Other receivables		121,035	41,675
Prepayments		607	-
Inventory		15,992	-
Total current assets		**484,169**	**264,660**
TOTAL ASSETS		**893,104**	**697,563**
LIABILITIES AND FUNDS			
Liabilities			
Accounts payable		2,264	4,263
Accrued liabilities		60	57
Other payables		4,735	3,434
Total liabilities		**7,059**	**7,754**
Funds			
Accumulated fund balance	5	411,806	441,209
Deferred income	6	474,239	248,600
Total funds		**886,045**	**689,809**
TOTAL LIABILITIES AND FUNDS		**893,104**	**697,563**

Authorized for issue by the management of Kosova - Women 4 Women on December 24, 2020.

Iliriana Gashi
Executive Director

KOSOVA - WOMEN 4 WOMEN · KW4W · PRISHTINË

Albulena Bektashi
Finance Manager

The accompanying notes 1 to 11 form an integral part of these Financial Statements.

KOSOVA - WOMEN 4 WOMEN
Statement of earnings and expenditures
For the year ended December 31, 2019

	Notes	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Revenue			
Revenue through WFWI	7	163,203	183,658
Revenue from third parties	8	414,278	218,125
Other revenues		32,717	27,591
Total revenues		**610,198**	**429,374**
Expenditure			
Administrative expenses	9	53,213	62,135
Program expenses	10	556,985	367,239
Total expenditure		**610,198**	**429,374**
Surplus / deficit		**-**	**-**

Iliriana Gashi
Executive Director

NGO KOSOVA - WOMEN 4 WOMEN KW4W PRISHTINË

Albulena Bektashi
Finance Manager

The accompanying notes 1 to 11 form an integral part of these Financial Statements.

KOSOVA - WOMEN 4 WOMEN
Statement of cash flows
For the year ended December 31, 2019

	Notes	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Cash flows from operating activities			
Excess of income for the year		-	-
Adjustments:			
Depreciation	3	23,968	24,784
Operating profit before working capital changes		**23,968**	**24,784**
Increase in other receivables and prepayments		(79,967)	(41,546)
Increase in inventory		(15,992)	-
Decrease in account payables		(1,999)	(3,006)
Increase/(decrease) in accrued liabilities		3	(469)
Increase/(decrease) in other payables		1,301	(2,492)
Net cash used in operating activities		**(72,686)**	**(22,729)**
Cash flows from financing activities			
Increase in deferred income		225,639	109,284
Decrease in fund balances		(29,403)	(15,634)
Net cash generated in financing activities		**196,236**	**93,650**
Net (decrease)/increase in cash and cash equivalents during the year		**123,550**	**70,921**
Cash and cash equivalents at the beginning of the year		222,985	152,064
Cash and cash equivalents at the end of the year	4	**346,535**	**222,985**

The accompanying notes 1 to 11 form an integral part of these Financial Statements

1 BACKGROUND AND OPERATING POLICIES

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 17 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 October 21, 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 organization 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, authorized 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 support the most marginalized women in Kosovo to earn and save money, improve health and well-being, influence decisions within the family and community and networking support. By utilizing skills, knowledge and resources, women will be able to create sustainable change for themselves, their families and community.

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

The registered address of the organization is Kosturi 69, 10000 Prishtina, Kosovo.

As at December 31, 2019 the organization has 30 employees (December 31, 2018: 22 employees).

2 BASIS OF PREPARATION OF THE STATEMENT AND ACCOUNTING CONVENTIONS

2.1 Accounting convention

The Financial Statements have been prepared in accordance with generaly accepted accounting policies (mixed or modified basis of accounting which combines cash and accrual accounting principles).

2.2 Reporting currency

The Statement has been prepared in European Union Currency Unit (EUR).

2.3 Corresponding figures

In order to conform to the current year presentation, comparative figures have been restated and reclassified.

2.4 Property, plant and equipment

The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs which have been incurred in bringing the assets to their present location and condition necessary for their intended use with a corresponding credit to the Fund Balance account, which is an equity account.

The depreciation of property, plant and equipment is calculated over their usage life time, expect for land which is not depreciated. The rates used for depreciation are:

Category of assets	2019	2018
Buildings	5%	5%
Office Equipment and Furniture	20%	20%
Vehicles	20%	20%

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and in operating accounts at banks. For cash flow purposes cash and cash equivalents represent cash on hand and unrestricted deposits at banks with a maturity period of three months or less.

2.6 Employee benefits

The organization has a pension scheme as defined by the local social insurance legislation, according to which it contributes to the retirement plans of its employees. Contributions based on gross wages were made in the state pension plan, Kosovo Pension Saving Trust (KPST) responsible for paying pensions. There is no additional obligation regarding these plans.

2.7 Account and other payables

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

2.8 Income Tax

The Organization is not liable for income tax.

3. PROPERTY, PLANT AND EQUIPMENT

	Buildings (in EUR)	Land (in EUR)	Office Equipment and Furniture (in EUR)	Vehicles (in EUR)	Total (in EUR)
Cost:					
As at January 1, 2018	347,839	133,000	3,182	3,742	487,763
Transfer from WfWI	-	-	-	-	-
As at December 31, 2018	**347,839**	**133,000**	**3,182**	**3,742**	**487,763**
Additions during the year	-	-	-	-	-
As at December 31, 2019	**347,839**	**133,000**	**3,182**	**3,742**	**487,763**
Accumulated depreciation:					
As at January 1, 2018	23,968	-	2,366	3,742	30,076
Depreciation of the year	23,968	-	816	-	24,784
As at December 31, 2018	**47,936**	**-**	**3,182**	**3,742**	**54,860**
Depreciation of the year	23,968	-	-	-	23,968
As at December 31, 2019	**71,904**	**-**	**3,182**	**3,742**	**78,828**
Net book value:					
As at December 31, 2019	**275,935**	**133,000**	**-**	**-**	**408,935**
As at December 31, 2018	**299,903**	**133,000**	**-**	**-**	**432,903**

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, so these assets have been included and depreciated in the books of K-W4W from January 1, 2017.

4. CASH AND CASH EQUIVALENTS

	As at December 31, 2019 (in EUR)	As at December 31, 2018 (in EUR)
Cash at bank	344,877	220,467
Cash on hand	1,658	2,518
TOTAL	**346,535**	**222,985**

5. ACCUMULATED FUND BALANCE

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Net fund payables transferred to K-W4W	843	142
PPE Transferred	487,763	487,763
Depreciation	(78,828)	(54,860)
Reserve fund from operations	2,028	8,164
TOTAL	**411,806**	**441,209**

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

6. DEFERRED INCOME

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Deferred Income - GIZ	251,515	21,475
Deferred Income - ADA	193,079	-
Deferred Income - Women for women International	11,380	27,622
Deferred Income - UNDP Viti	10,908	-
Deferred Income - US Embassy	8,682	-
Deferred Income - ATRC	761	-
Deferred Income - Taiwan	536	-
Deferred Income - Ministria e Inovacinoit	-	197,821
Deferred Income - AGRO	(32)	110
Deferred Income - Grad Network	(33)	5,231
Deferred Income - Pastrone	(135)	189
Deferred Income - UR	(2,422)	(3,848)
TOTAL	**474,239**	**248,600**

To ensure non disruption of the activities, the organization has overspent 3,848 EUR. This remaining part of the grant is expected to be received from WfWI UR in January 2019.

7. REVENUE THROUGH WFWI

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Cartier	82,214	89,147
Core Program HQ	50,380	64,164
Milby	30,609	30,347
TOTAL	**163,203**	**183,658**

8. REVENUE FROM THIRD PARTIES

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Ministria e Inovacionit	197,821	1,919
GIZ	183,677	76,363
AGRO	12,472	44,941
ATRC	10,308	-
ADA	6,921	-
US Embassy	1,223	-
Taiwan	664	4,000
UNDP	869	-
Pastrone	323	135
KCSF	-	41,117
CFLI	-	3,545
Norwegian Embassy	-	46,105
TOTAL	**414,278**	**218,125**

9. ADMINISTRATIVE EXPENSES

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Depreciation charge	23,968	24,784
Rent and utilities	11,967	13,522
Other administrative costs	8,048	11,263
Travel expenses	4,575	4,158
Office supplies	4,315	8,226
Bank charges	340	182
TOTAL	**53,213**	**62,135**

10. PROGRAM EXPENSES

	Year ended December 31, 2019 (in EUR)	Year ended December 31, 2018 (in EUR)
Salaries	226,695	176,538
Training	115,931	61,757
Sub-grant expenses	73,043	24,036
Incubator establishment	54,988	-
Travel	22,315	17,521
Program equipment and materials	11,511	402
Professional fees	6,736	8,061
Communication	5,562	4,147
Special Events	-	748
Other program costs	40,204	74,029
TOTAL	**556,985**	**367,239**

11. SUBSEQUENT EVENTS

There are no subsequent events that would require either adjustments or additional disclosures in the financial statements.

The impact of COVID-19 to the Organization

Since the outbreak of the COVID-19 epidemic the Organization closely monitors the development of the situation on the local, European and global level.

Furthermore, the Organization monitors and implements measures proposed by the Government of the Republic of Kosovo and its relevant institutions, as well as additional preventive measures in order to protect its employees, suppliers and ongoing business processes.

Despite the Organization elaborated crisis scenarios and continuity plans, the pandemic spread of the COVID-19 might have negative repercussions on the business of the Organization, primarily in terms of closure of certain business activities, employees which are affected by this closure of business, free movement of people and supplies, the government measures will have an effect in the economy as a whole including Organization sector.

Given the dynamics of the spread of this pandemic and the dynamic measures being taken to prevent and manage it, we expect to have an impact on our business results, but it is currently impossible to estimate the financial impact.