

**Kosova Women 4 Women (KW4W)**

Independent Auditor's Report and financial statements  
for the year ended December 31, 2020

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## INDEPENDENT AUDITORS' REPORT

### To the Management of Kosova Women 4 Women (KW4W)

#### *Opinion*

We have audited the accompanying financial statements of Kosova Women 4 Women (KW4W), which comprise the statement of financial position as at December 31, 2020, 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 Kosova Women 4 Women (KW4W) as of December 31, 2020, 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 Company 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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04.03.2021

# Kosova Women 4 Women (KW4W)

## STATEMENT OF FINANCIAL POSITION

	Year ended December 31, 2020	Year ended December 31, 2019
	(ne EUR)	(ne EUR)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	384,965	408,933
<b>Total Non-Current Assets</b>	<b>384,965</b>	<b>408,933</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	184,430	346,535
Other Receivables	4,972	137,634
<b>Total Currents Assets</b>	<b>189,401</b>	<b>484,169</b>
<b>TOTAL ASSETS</b>	<b>574,366</b>	<b>893,102</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accrued Liabilities	40	60
Accounts Payable	2,520	674
Other Payables	5,087	6,325
<b>Total Liabilities</b>	<b>7,646</b>	<b>7,059</b>
<b>Fund Balance</b>		
Accumulated Fund Balance	385,808	409,776
Deferred Income	178,883	474,239
Reserve fund from operation	2,029	2,029
<b>Total Fund Balance</b>	<b>566,720</b>	<b>886,044</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>574,366</b>	<b>893,102</b>

Finance and Logistics Manager:

Albulena Bektashi

Director:

Iliriana Gashi



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



Kosova Women 4 Women (KW4W),  
Statement of financial activities  
For the year ended December 31, 2020

Kosova Women 4 Women (KW4W)

STATEMENT OF FINANCIAL ACTIVITIES

	Year ended December 31, 2020	Year ended December 31, 2019
<b>Income</b>		
Income through WFWI	121,312	163,203
Income from third parties	446,488	414,278
Other Income	25,261	32,717
<b>Total Income</b>	<b>593,061</b>	<b>610,198</b>
<b>Expenses</b>		
Administrative Expenses	41,100	53,213
Program Expenses	551,962	556,985
<b>Total Expenses</b>	<b>593,061</b>	<b>610,198</b>
<b>Excess of Income for the Year</b>	<b>-</b>	<b>-</b>

Finance and Logistics Manager:

Albulena Bektashi

Director:

Iliriana Gashi



**Kosova Women 4 Women (KW4W),  
Statement of Cash Flows  
For the year ended December 31, 2020**

**Kosova Women 4 Women (KW4W)**

**STATEMENT OF CASH FLOWS**

	<b>Year ended December 31, 2020</b>	<b>Year ended December 31, 2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess Income of the Year	-	
<b>Adjustements:</b>		
Depreciation	23,968	23,970
<b>Operating profit before working capital changes</b>	<b>23,968</b>	<b>23,970</b>
Increase in other receivables	132,662	-95,960
Increase in account payables	1,845	-2,213
Increase in accrued liabilities	(20)	2
Increase in other payables	(1,238)	1,515
<b>Net cash used in operating activities</b>	<b>157,218</b>	<b>-72,685</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Transfer of property, plant and equipment	-	
<b>Net cash generated/(used) in investing activities</b>	<b>-</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in deferred income	(295,356)	225,639
Increase in intracompany balance	(23,968)	-22,427
Increase in reserve fund	-	-6,978
<b>Net cash generated/(used) in financing activities</b>	<b>(319,324)</b>	<b>196,235</b>
<b>Net (decrease)/increase in cash and cash equivalents during the year</b>	<b>(162,106)</b>	<b>123,550</b>
Cash and cash equivalents at the beginning of the year	346,535	222,985
		346,535
<b>Cash and cash equivalents at the end of the year</b>	<b>184,430</b>	

## **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.



## **1. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

### **2.1 Standards and Interpretations effective in the current period**

Below are presented the amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee which are effective for the current period:

<b>Standard</b>	<b>Description</b>	<b>Effective date</b>
IFRS 1	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IAS 28	Annual Improvements to IFRS 2014–2016 Cycle	Beginning on or after January 2018
IFRS 15	Revenue from Contracts with Customers	Beginning on or after January 2018
IFRS 9	Financial Instruments	Beginning on or after January 2018
IAS 40	Transfers of Investment Property (Amendments to IAS 40)	Beginning on or after January 2018
IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	Beginning on or after January 2018
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	Beginning on or after January 2018
IFRS 16	Leases	Beginning on or after January 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments to IFRS 9)	Beginning on or after January 2019
IAS 28	Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)	Beginning on or after January 2019
IAS 12, IAS 23, IFRS 3 and IFRS 11	Annual Improvements to IFRS 2015-2017 Cycle	Beginning on or after January 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	Beginning on or after January 2019

## 2.2 Standards and interpretations in issue not yet effective

In these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

Standard	Description	Effective date
CF	Conceptual Framework for Financial Reporting	Beginning on or after January 2020
IFRS 3	Definition of a Business (Amendments to IFRS 3)	Beginning on or after January 2020
IAS 1 and IAS 8	Definition of Material (Amendments to IAS 1 and IAS 8)	Beginning on or after January 2020
IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform	Beginning on or after January 2020
IFRS 17	Insurance Contracts	Beginning on or after January 2021
Practice Statement 2	Making Materiality Judgements	No effective date as non-mandatory guidance

The organization has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the entity in the period of initial application.

## **2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Basis of preparation**

Financial Statements are prepared for reporting purposes in accordance with applicable laws of Kosovo, and represent the entire picture of economic events that occurred in Kosova-Women 4 Women (KW4W or Organization) for the period 1<sup>st</sup> January 2020 till 31<sup>st</sup> December 2020. Financial Statements are prepared on modified cash basis, based on which revenues and expenses are recognized at the time when either received or paid. The organization uses Quick Books for keeping its financial records and for financial statements preparation.

### **3.2 Currency of presentation**

The reporting currency of Kosova-Women 4 Women (KW4W or Organization) currency unit Euro ("EUR").

### **3.3 Significant accounting policies**

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

#### **3.3.1 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 banks and in operating accounts at banks with an original maturity of three months or less.

#### **3.3.2 Revenue recognition**

"Revenues from grants are recognized as deferred income on the period when received". At the end of the year the excess amount of revenues over expenses is treated as deferred revenue.

#### **3.3.3 Taxation**

The Kosova-Women 4 Women (KW4W or Organization) was established as a non-profit organization with beneficiary status under applicable laws and regulations in Kosovo, therefore is exempted from Corporate Taxation on excess of income from donations over expenses.

**KOSOVA - WOMEN 4 WOMEN**  
**Notes to the financial statement**  
For the year ended December 31, 2020

**4. PROPERTY, PLANT AND EQUIPMENT**

	Buildings (in EUR)	Land (in EUR)	Office Equipment and Furniture (in EUR)	Vehicles (in EUR)	Total (in EUR)
<b>Cost:</b>					
As at December 31, 2019	347,839	133,000			480,839
Additions during the year	-	-			-
As at December 31, 2020	347,839	133,000			480,839
<b>Accumulated depreciation:</b>					
As at December 31, 2019	71,906	-			71,906
Depreciation of the year	23,968				23,968
<b>Net book value:</b>					
As at December 31, 2020	251,965	133,000	-	-	384,965
As at December 31, 2019	275,933	133,000	-	-	408,933



**Kosova Women 4 Women (KW4W),  
Notes to the Financial Statements  
For the year ended December 31, 2020**

**5 Cash and Cash Equivalents**

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Cash at bank	183,547	344,877
Cash on hand	883	1,658
	<u>184,430</u>	<u>346,535</u>

**6 Accumulated Fund Balance**

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Net fund payables transferred to K-W4W	843	843
PPE Transferred	487,763	487,763
Depreciation	(102,798)	(78,830)
Reserve Fund from Operation	2,029	2,029
Total accumulated fund balance	<u>387,836</u>	<u>411,805</u>

**7 Deferred Income**

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
Deferred Income - GIZ	20,960	251,515
Deferred Income - ADA	134,441	193,079
Deferred Income - Women for Women International	388	11,380
Deferred Income - UNDP	(0)	10,908
Deferred Income - US Embassy	39	8,682
Deferred Income - ATRC	(0)	761
Deferred Income - Taiwan	536	536
Deferred Income - Agro	(32)	(32)
Deferred Income - Grad Network	6,546	(33)
Deferred Income - Pastrone	(135)	(135)
Deferred Income - UR	(942)	(2,423)
Deferred Income - E.E.E	16,339	-
Deferred Income - Ibrahim Kodra	743	-
Total deferred income	<u>178,883</u>	<u>474,239</u>



Kosova-Women 4 Women (KW4W or Organization)  
Notes to the Financial Statements (continued)  
For the year ended December 31, 2020

	Year ended December 31, 2020	Year ended December 31, 2019
<b>8 Income through WFWI</b>	<b>EUR</b>	<b>EUR</b>
	73,488	82,214
Cartier	42,662	50,380
Core Program HQ	-	30,609
Milby	5,162	-
Graduation Network		
<b>Total income through WFWI</b>	<b>121,312</b>	<b>163,203</b>

	Year ended December 31, 2020	Year ended December 31, 2019
<b>9 Income from third parties</b>	<b>EUR</b>	<b>EUR</b>
	-	197,821
Ministria e Inovacionit	312,459	183,677
GIZ	-	12,472
AGRO	23,941	10,308
ATRC	58,638	6,921
ADA	18,493	1,223
US Embassy	-	664
Taiwan	28,151	869
UNDP	-	323
Pastrone	3,905	-
E.E.E	900	-
Unrestricted		
<b>Total income from third parties</b>	<b>446,488</b>	<b>414,278</b>

	Year ended December 31, 2020	Year ended December 31, 2019
<b>10 Administrative Expenses</b>	<b>EUR</b>	<b>EUR</b>
	23,968	23,968
Depreciation charge	4,133	11,967
Rent and utilities	8,575	8,048
Other administrative costs	2,471	4,575
Travel expenses	1,636	4,315
Office Supplies	316	340
Bank charges		
<b>Total administration expenses</b>	<b>41,100</b>	<b>53,213</b>

Kosova-Women 4 Women (KW4W or Organization)  
Notes to the Financial Statements (continued)  
For the year ended December 31, 2020

	Year ended December 31, 2020	Year ended December 31, 2019
	EUR	EUR
<b>11 Program Expenses</b>		
Salaries	231,918	226,695
Training	29,216	115,931
Sub-grant expenses	190,195	73,043
Incubator establishment		54,988
Travel	15,417	22,315
Program equipment and materials	20,004	11,511
Professional fees	58,562	6,736
Communication	4,968	5,562
Other program costs	1,681	40,204
<b>Total Program Expenses</b>	<b>551,962</b>	<b>556,985</b>

## 12. RELATED PARTY DISCLOSURE

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

## 13. RISK MANAGEMENT

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Kosova-Women 4 Women (KW4W) is exposed to credit risk in respect of Grant receivable from its Donors.

### *Interest rate risk*

The Kosova-Women 4 Women (KW4W) currently is not exposed to the interest rate risk.

### *Foreign exchange risk*

The Kosova-Women 4 Women (KW4W) is exposed to foreign exchange risk as transactions are undertaken both in local and foreign currency. Management monitors, sets limits and constantly communicates with donors, on the level of such exposure by currency and in total.

### *Liquidity risk*

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. The Kosova-Women 4 Women (KW4W) is committed monitor its liquidity on a periodic basis in order to manage its obligations as and when they shall become due.

#### 14 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 project activities of the Organization, primarily in terms of closure of certain project activities, employees which are affected by By this pause of project activities free movement of people and supplies, the government measures will have an effect in the economy as a whole including Organization sector.