

**NGO : “HANDIKOS ” Prishtinë
“Association of Paraplegics and Child Paralysis of Kosovo”**

**Independent Auditors’ Report
December 31, 2014**

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Independent Auditors' Report

To the management of HandiKOS

We have audited the accompanying financial statements of the HandiKOS (further referred to as "the Organization" or "HandiKOS") which comprise of the Statement of Financial Position as at 31 December 2014, and the Statement of Operations, Statement of changes in funds and Statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, included on pages 5 to 13.

Management's responsibility for financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except as disclosed in the following paragraphs, we conducted our audit in accordance with the 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 financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of the Organization as of 31 December 2014, and its financial performance, changes in funds and its cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.


Audit Check
Haxhi Nimana
Licensed Auditor
27 March 2015



Association of Paraplegics and Child Paralysis of Kosovo “HANDIKOS”
Note to Financial Statement as of and for the year ended on December 31, 2014

Statement of Financial Position

	Note	31 December 2014	31 December 2013
Assets			
Current assets			
Cash and cash equivalents	3	180,149	92,636
Short term cash deposits		100,000	168,494
Grants and other receivable		32,413	111,428
Advances and prepayments			
Total current assets		312,562	372,558
Noncurrent assets			
Vehicles and equipments	4	179,406	206,919
Total noncurrent assets		179,406	206,919
Total assets		491,968	579,477
Liabilities			
Short term liabilities			
Accounts payable	5	6,111	7,355
Deferred revenue from grants	6	485,857	572,122
Total liabilities		491,968	579,477
Equity			
Retained earnings			
Surplus of the year			
Total Equity			
Total Equity & Liabilities		491,968	579,477

Afrim Maliqi
Director

Kaltrina Zeqiri
Finanacial Officer

Association of Paraplegics and Child Paralysis of Kosovo “HANDIKOS”
Note to Financial Statement as of and for the year ended on December 31, 2014

Statement of income and expenditure
Association of Paraplegics and Child Paralysis of Kosovo “HANDIKOS”

	Note	Year ended on December 31,	
		2014	2013
Revenues			
Grants from donors		441,631	516,168
Self earned revenue		88,733	13,595
Income from rent		13,876	5,208
Released from deferred revenue from grants for operating expenses		6,033	
Released income from grants related to assets		38,312	38,312
Total Revenues		588,585	573,283
Expenses			
Program expenses	7	(439,814)	(502,459)
General and administrative expenses	7	(32,031)	(32,512)
Other expenses		(78,428)	
Depreciation expenses	4	(38,312)	(38,312)
Total expenses		(588,585)	(573,283)
Net surplus / (deficit) for the year		-	-

Afrim Maliqi
 Director

Kaltrina Zeqiri
 Finanacial Officer

Statement of cash flows

Association of Paraplegics and Child Paralysis of Kosovo "HANDIKOS"
Note to Financial Statement as of and for the year ended on December 31, 2014

	Year ended on December 31,	
	2014	2013
Operating activities		
Cash received	102,609	18,803
Total cash received	102,609	18,803
Cash paid		
Cash paid for program expenses	(491,228)	(472,152)
Cash paid for management expenses	(71,182)	(30,576)
Total payments	(562,410)	(502,728)
Net cash flow from operating activities	(459,801)	(483,924)
Investing activities		
Purchase of property plant and equipment	0	(6,200)
Cash flow from investing activities	(6,200)	(6,200)
Financing activities		
Grants received in cash	478,820	353,804
Cash flow from financing activities	478,820	353,804
Net cash flow during the year	19,019	(136,321)
Cash at the beginning of the year	261,130	397,451
Cash at the end of the year 3	280,149	261,130

Statement of Changes in Funds

Association of Paraplegics and Child Paralysis of Kosovo “HANDIKOS”
Note to Financial Statement as of and for the year ended on December 31, 2014

	Year ended on December 31,	
	2014	2013
Equity at the beginning of the year	0	0
Surplus for the year	0	0
Equity at the end of the year	0	0

1. General Information

NGO HandiKOS, Pristina is registered under UNMIK Regulation 1999/22 registration number 5100034-4 and public benefit Status No. 6000095-6 in Registration and Liaison Unit at UNMIK, Kosovo

HandiKOS Programme is implemented in 25 municipalities of Kosovo, led by the central level.

Decision making body: the Steering Committee and the Executive Management Committee.

The company's accounting is governed in Pristina for all units (office, branch, municipal and regional centers), the staff is being advanced from year to year, so this year this serevise has been more engaged in the performance of duties and in-data records .

Mission: Promotion, prevention of disability, Providing services and the recognition and full participation of people with disabilities, building an inclusive and equal society with recognition of the rights of persons with disabilities

To accomplish the objectives of the organization, the following staf is employed:

- Regular staff engaged in various projects during 2014 was 115 people.

2. Basis of preparation and significant accounting policies

2.1 Significant accounting policies

a) Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles.

b) Basis of Preparation

The financial statements are presented in Euro. They have been prepared in accordance with the historical cost convention. The accounting policies have been consistently applied, and except where otherwise indicated, are consistent with those adopted for the previous financial year.

The reporting period of the Organization is twelve months ending 31 December of each year. Financial statements are prepared on a comparative basis reflecting balances for the current year and previous year.

c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances on hand and cash deposited with local banks.

d) Receivables

Receivables are recorded in the balance sheet when the amounts are due from debtors. Receivables are initially measured at cost and subsequently at cost less impairment. The impairment calculation compares the carrying amount of the financial asset with the discounted present value of the currently estimated amounts and timings of payments. Any impairment loss is charged to net profit or loss for the period.

e) Plant and equipment

Items included in this category represent vehicles, office supply and IT equipment and are recognized as assets when it is probable that:

- the future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

They are initially recorded at cost. Cost includes all costs necessary to bring the asset to working condition for its intended use.

Association of Paraplegics and Child Paralysis of Kosovo “HANDIKOS”
Note to Financial Statement as of and for the year ended on December 31, 2014

The Organization carries the assets at cost less accumulated depreciation and impairment losses, if any. Depreciation of assets is recorded annually using the Straight Line method and taking into consideration their estimated useful life. The following rates are applied:

- Vehicles - 20 %
- Other equipment – 20 %
- Building - 5%

An item of plant and equipment is removed from the balance sheet on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal.

f) Grants

Grants are recognized only when there is reasonable assurance that:

- The Organization will comply with the conditions attaching to them, and
- The grants will be received.

Operating grants are recognized as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis. Grants earmarked for asset acquisitions are deferred and recognized as income over the useful life of the underlying asset.

g) Accounts payable

Accounts payable are recognized when the amount is determinable and the obligation to settle the amount exists as a result of the Organization’s operations. They are stated at cost.

h) Expense

Expenses are recognized as incurred.

i) Foreign currency

Foreign currency transactions are translated using the exchange rate valid on the date of the transaction. Any gains and losses arising on settlement of amounts payable or receivable are recognized in the statement of operations.

At the end of a period, outstanding foreign currency monetary items are reported using the exchange rate valid on the last day of the period. Any resulting gains or losses are recognized in the statement of operations.

j) Tax on profit

The Organization is exempt from tax on profit.

Association of Paraplegics and Child Paralysis of Kosovo "HANDIKOS"
Note to Financial Statement as of and for the year ended on December 31, 2014

3. Cash and cash equivalent

Cash and cash equivalent as at 31 December 2014 comprise as follow:

Description	As at December 31, 2014	As at December 31, 2013
Cash in hand	3,385.88	1,514.68
Cash in bank	176,763.05	91,121
Cash deposited in bank	100000	
Total cash and cash equivalents	280,149	92,636

4. Property, plant and equipment

Non Current assets	As at December 31, 2014	As at December 31, 2013
Buildings		
Building – Costs	572,859	572,859
Accumulated depreciation	(399,801)	(371,158)
Net value Buildings	173,058	201,701
Vehicles		
Vehicles - Cost	49,800	49,800
Accumulated depreciation	(46,339)	(44,840)
Net value Vehicles	3,461	4,960
Equipment		
Equipment - Cost	15,091	11,805
Accumulated depreciation	(12,204)	(11,547)
Net value equipment	2,887	258
		0
Net value of noncurrent assets	179,406	206,919

Association of Paraplegics and Child Paralysis of Kosovo "HANDIKOS"
Note to Financial Statement as of and for the year ended on December 31, 2014

5. Accounts payable

	As at December 31, 2014	As at December 31, 2013
<u>Accounts payable</u>	1,043	1,859
	1,043	1,859
<u>Other liabilities</u>		
Tax on salaries	5,068	5,496
	5,068	5,496
Total liabilities	6,111	7,355

6. Deferred revenue

Movements on deferred revenue from grants:

	2014	2013
As at January 1st	572,122	739,798
Additions to property plant and equipment	445,820	353,804
Grants receivable		33,000
Depreciated during the year	(38,312)	(38,312)
Grants recognized during the year	(493,773)	(516,168)
	485,857	572,122

Association of Paraplegics and Child Paralysis of Kosovo “HANDIKOS”
Note to Financial Statement as of and for the year ended on December 31, 2014

7. Operating expenses

Description	Year ended on December 31,	
	2014	2013
Net salaries	268,060	342,293
Telephone and electricity	14,861	14,736
Transport and accommodation	26,733	54,633
Maintenance expenses	4,417	15,709
Office materials	12,752	11,173
Other expenses	78,428	59,602
Pension contributions		9,577
Program expenses	145,021	
Training and food expenses for participants		27,249
Total operating expenses	550,273	534,971
Depreciation expenses	38,312	38,312
Total expenses	588,585	573,283

8. Commitments

There are no commitments as of December 31, 2014.

9. Contingent liabilities

There are no known contingent liabilities as of 31 December 2014.

10. Events after the balance sheet date

The Management of the Organization is not aware of any events that have happened and may cause changes to the balance sheet or may require additional disclosure on the financial statements of the organization as of 31 December 2014.