

NGO HandiKOS
Financial Statements and Independent Auditors' Report
December 31, 2023

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Independent Auditors' Report

To the management of NGO HandiKOS

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the NGO HandiKOS (further referred to as "the Organization" or "HandiKOS") which comprise of the Statement of Financial Position as at 31 December 2023, and the Statement of Comprehensive Income, 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 6 to 16.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Organization as of 31 December 2023, and its financial performance, changes in funds and its cash flows for the year then ended in accordance with the Generally Accepted Accounting principles.

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 ethical requirements that are relevant to our audit of the financial statements in Kosovo, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined there are no key audit matters to be communicated in our report.

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 Generally Accepted Accounting Principles 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 Company 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 scepticism 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 Company'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 Company'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 Company to cease to continue as a going concern.

Ngo HandKOS

Independent Auditors' Report and Financial Statement, 31st December 2023

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.

Audit Check L.L.C ,



Nijazi Jakupi
Statutory Auditor,
Tel: +377 44 250320



26 of March, 2024

Statement of Financial Position

	Note	December 31, 2023	December 31, 2022
Assets			
Current assets			
Cash and bank balances	3	269,200	398,062
Accounts Receivable	4	26,642	9,464
Other Receivables			
Total current assets		295,842	407,526
Non - Current assets			
Property and equipment	5	1,665	5,666
Total non-current assets		1,665	5,666
Total assets		297,507	413,192
Liabilities			
Current liabilities			
Accounts payable and accrued expenses		38,077	1,635
Other payables		4,517	2,968
Deferred Revenue	6	254,913	408,589
Total liabilities		297,507	413,192
FUNDS			
Retained funds			
Net deficit/surplus for the year			
Total funds			
Total funds and liabilities		297,507	413,192

These financial statements have been approved and signed on behalf of the management on 10 of February 2023 by:

Executive Director

Mr. Afrim Mallqi

Financial Manager

Mr. Shqipdona Hashani

Statement of Comprehensive income

	Note	Year ended on December 31,	
		2023	2022
Income			
Grant Incomes		458,905	308,204
Other income			
Released from deferred revenue from grant related to fixed assets	5	4,000	7,760
Total income		462,905	315,964
Expenses			
Personnel Costs	7	-313,651	-162,258
Program expenses	8	-121,784	-83,742
General and Administrative expenses	9	-23,470	-62,204
Depreciation expenses	5	-4,000	-7,760
Total expenses		-462,905	-315,964
Surplus of the year			-

Statement of Cash Flow

	Year ended on December 31,	
	2023	2022
	(në EUR)	(në EUR)
Deficit/surplus for the period		
Adjustment for:		-
Depreciation	4,000	7,760
Change in receivables	-17,338	-3,225
Change in other receivables		
Change in payables	37,992	-1,163
Change in other current liabilities	-153,517	7,658
Net cash from operating activities	-128,863	11,030
Cash flows from investing activities		
Acquisition of property and equipment		
Net cash used in investing activities		
Net increase in cash and cash equivalents	-128,862	11,030
Cash and cash equivalents at 01 January	398,062	387,032
Cash and cash equivalents at 31st December	269,200	398,062

Statement of Changes in Funds

	Funds
	(in EUR)
Opening balance as at January 01, 2022	-
Net deficit/surplus for the year ended December 31, 2022	<u>-</u>
Balance as at December 31, 2022	-
Net deficit/surplus for the period December 31, 2023	-
Balance as at December 31, 2023	<u><u>-</u></u>

1. General Information

HandiKos is registered as a Non Governmental organization under UNMIK Regulation 1999/22, Section 10, on the registration and Operations of NGOs in Kosova, registration number 5100034-0.

HandiKos (Association of paraplegics and Child paralysis of Kosova) is a local NGO the leading agency in Kosova / promoting the rights of persons with disability established 1883 with initiative of current president.

The HandiKos network consists of 25 local offices in different municipalities of Kosova where peer counseling and other activities are organized and there are 10 community centers (Community based Rehabilitation Centers) which provide activities of primary physical rehabilitation and game (development) activities.

The organizations address is: Dardania 4/7, 10000, Prishtina, Kosova.

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.

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 %

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.

k) Revenues & Expenses

During the current period, the Organization received grants to sustain its operations and to finance the costs of the Projects. The grants are provided on the basis of specific projects and/or budgets submitted to and approved by the donors.

3. Cash and cash equivalents

	31-Dec-23	31-Dec-22
	(in EUR)	(in EUR)
Cash in hand	228	945
Cash at banks	268,972	397,117
Total cash and cash equivalents	269,200	398,062

4. Grants receivable

	31 December 2023	31 December 2022
	(in EUR)	(in EUR)
Receivable from donors	26,527	7,131
Other receivable	115	2,333
Total	26,642	9,464

5. PROPERTY AND EQUIPMENT

Cost	Buildings	Vehicles	Furniture and equipment	Total
At 01 January 2023	572,859	78,798	35,702	687,359
Additions				0
At 31 December 2023	572,859	78,798	35,702	687,359
<i>Accumulated depreciation</i>				
At 01 January 2023	-572,859	-73,132	-35,702	-681,693
Depreciation charge for the period		-4,000		-4,000
At 31 December 2023	-572,859	-77,132	-35,702	-685,693
<i>Carrying amount</i>				
At 01 January 2023	0	5,666	0	5,666
At 31 December 2023	0	1,665	0	1,666

Cost	Buildings	Vehicles	Furniture and equipment	Total
At 01 January 2022	572,859	78,798	35,702	687,359
Additions				0
At 31 December 2022	572,859	78,798	35,702	687,359
<i>Accumulated depreciation</i>				
At 01 January 2022	(572,859)	(67,332)	(33,742)	(673,933)
Depreciation charge for the period		(5,800)	(1,960)	(7,760)
At 31 December 2022	(572,859)	(73,132)	(35,702)	(681,693)
<i>Carrying amount</i>				
At 01 January 2022	0	11,466	1,960	13,426
At 31 December 2022	0	5,666	0	5,666

6. Deferred revenue from grants

	31 December 2023	31 December 2022
Deferred revenue from grants for operating expenses	251,252	397,383
Deferred revenue from grants for fixed assets	1,539	5,665
Total	252,790	403,048

Movements on deferred revenue from Grants:

	31-Dec-23	31-Dec-22
<u>As at January 1st</u>	408,430	400,931
Received during the year	303,248	318,081
Grants given to others		
Total	711,679	719,012
<u>Recognized as income during the year</u>		
For operating expenses	-458,905	-308,204
For fixed assets	-4,000	-7,760
Return of funds	-18,797	
Request from Donors	24,937	5,541
As at December 31	254,913	408,589

7. Payroll and other staff benefits

	Year ended on December 31,	
	2023	2022
Salaries	299,394	154,532
Pension contributions	14,257	7,727
	313,651	162,258

8. Program expenses

	Year ended on December	
	2023	31, 2022
Audit of projects	8,800	3,042
TV spots	12,034	15,700
Travel for participants	1,299	8,345
Strategy evaluation	2,195	4,207
Finish Advocacy Officer-EU	8,904	8,904
Finish Project Officer-EU	9,444	9,444
Food and refreshments for participants	4,501	2,658
Camping expenses	5,384	5,103
Training and related expenses	65,761	19,196
Research		4,369
Other expenses	3,462	2,775
	121,784	83,742

9. General and administrative expenses

	Year ended on December 31,	
	2023	2022
Fuel	6,894	10,259
Bank charges	2,863	1,189
Electricity	1,937	1,510
Maintenance	4,592	16,791
Communication	1,222	4,866
Office expenses	2,730	3,017
Rent expenses	1,654	3,067
Other expenses	1,578	21,505
	23,471	62,204