

NGO HandiKOS

**Financial Statements and Independent Auditors' Report
December 31, 2018**

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Independent Auditors' Report

To the management of NGO HandiKOS

Report on the Audit of the Financial Statements

Unqualified 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 2018, the Statement of Comprehensive Income, the Statement of Cash Flow and the individual Statement of Changes in Funds for the year then ended, and a summary of significant accounting policies and other explanatory notes, included on pages 5 to 15.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Organization as at 31 December 2018 and its financial performance, changes in funds and cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

Basis for unqualified opinion

We have 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 and the IESBA Codes. 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 that 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 skepticism throughout the audit. We also:

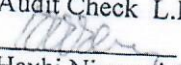
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 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.

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.

Ngo HandiKOS

Independent Auditors' Report and Financial Statement, 31st December 2018

Audit Check L.L.C ,


Haxhi Nimanaj
Statutory Auditor,
Tel: 044 224012

28 March, 2019



Statement of Financial Position**Statement of Financial Position**

	Note	December 31, 2018 (in EUR)	December 31, 2017 (in EUR)
Assets			
Current assets			
Cash and cash equivalents	3	382,973	293,041
Accounts Receivable	4	7,152	46,185
Other Receivables			4,928
Total current assets		390,125	344,154
Non - Current assets			
Property, plant and equipment	5	73,524	89,818
		73,524	89,818
TOTAL ASSETS		463,649	433,972
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable		4,344	6,932
Deferred Revenue	6	459,305	427,040
Total current liabilities		463,649	433,972
Equity			
Retained funds			
Net deficit/surplus for the year			
Total equity			
TOTAL LIABILITIES AND EQUITY		463,649	433,972

These financial statements have been approved and signed on behalf of the management on 18 January 2019 by:

Executive Director

Mr. Afrim Maliqi



Financial Manager

Mr. Xhevdet Ieci

Përd SHQIPDANA HASHANI-SIQANI

Statement of Comprehensive income

		Year ended on December 31,	
	Note	2018	2017
Income			
Grant Incomes	6	380,346	421,457
Other income		781	2,798
Released from deferred revenue from grant related to fixed assets	6	35,092	32,702
Total income		416,219	456,957
Expenses			
Personnel Costs	7	(232,996)	(249,522)
Program expenses	8	(122,449)	(139,042)
General and Administrative expenses	9	(35,682)	(35,691)
Depreciation expenses	5	(35,092)	(32,702)
Total expenses		(416,219)	(456,957)
Surplus of the year		-	-

Statement of Cash Flow

	Year ended on December 31st	
	2018	2017
	(in EUR)	(in EUR)
Cash flows from operating activities		
Deficit/surplus for the period		-
Depreciation	35,092	32,702
Change in receivables	39,033	14,320
Change in other receivables	4,928	(2,077)
Change in payables	(2,588)	463
Change in other current liabilities	32,262	(63,019)
Net cash from operating activities	108,730	(17,611)
Cash flows from investing activities		
Acquisition of property and equipment	(18,798)	(5,591)
Net cash used in investing activities	(18,798)	(5,591)
Net increase in cash and cash equivalents	89,931	(23,201)
Cash and cash equivalents at 01 January	293,042	316,242
Cash and cash equivalents at 31st December	382, 973	293,041

NGO HandIKOS
 Financial Statements as of and for the year ended December 31, 2017

Statement of Changes in Funds

	Funds
	(in EUR)
Opening balance as at January 01, 2017	-
Surplus for the year 2017	-
Balance as at December 31, 2017	-
Deficit for the year 2018	-
Balance as at December 31, 2018	-

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.

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

These financial statements have been prepared in accordance with Generally Accepted Accounting Standards.

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) 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 %

e) Grants

Grants are recognized only when there is reasonable assurance that:

- The Organization will comply with all the conditions attached 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.

f) 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.

g) Expense

Expenses are recognized as incurred.

h) 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.

i) Tax on profit

The Organization is exempt from tax on profit.

j) 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.

NGO HandIKOS
Financial Statements as of and for the year ended December 31, 2017

3. Cash and cash equivalents

	31 December 2018	31 December 2017
	(in EUR)	(in EUR)
Cash in hand	4,813	3,756
Cash at banks	378,160	289,285
Total cash and cash equivalents	382,973	293,041

4. Grants receivable

	31 Decmber 2018	31 December 2017
	(in EUR)	(in EUR)
Receivable from KCF		6,943
Receivable from EU		5,519
Receivable from Kynnys	3,001	4,151
Receivable from PIN	4,151	
Receivable from UNICEF		
Receivable from other donors		
Total	7,152	46,185

5. PROPERTY AND EQUIPMENT

Cost	Buildings	Vehicles	Equipment	Total
At 01 January 2018	572,859	49,800	25,902	648,561
Additions		8,998	9,800	18,798
At 31 December 2018	572,859	58,798	35,702	667,359
<i>Accumulated depreciation</i>				
At 01 January 2018	(485,730)	(49,800.00)	(23,212)	(558,743)
Depreciation charge for the year	(28,643)	(1,800)	(4,649)	(35,092)
At 31 December 2018	(514,373)	(51,600)	(27,862)	(593,834)
<i>Carried amount</i>				
At 01 January 2018	87,129	0	2,689	89,818
At 31 December 2018	58,486	7,199	7,840	73,524

6. Deferred revenue from grants

	31 December 2018 (in EUR)	31 December 2017 (in EUR)
Deferred revenue from grants for operating expenses	337,222	373,130
Deferred revenue from grants for fixed assets	89,818	116,929
Total	427,040	490,059

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Movements on deferred revenue from Grants:

	31 December 2018	31 December 2017
<u>As at January 1st</u>		
Received during the year	427,040	490,059
Total	447,703	393,938
	874,743	883,997
<u>Recognized as income during the year</u>		
For operating expenses		
For fixed assets	(380,346)	(424,255)
As at December 31	(35,092)	(32,702)
	459,305	427,040

7. Personnel expenses

	Year ended on December 31	
	2018	2017
Salaries	221,901	237,651
Pension contributions	11,095	11,870
Total	232,996	249,522

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Financial Statements as of and for the year ended December 31, 2017

8. Program expenses

	Year ended on December 31,	
	2018	2017
Project audit expenses		6,850
TV advertisement	4,000	2,706
Participants travel		5,097
Sponsorship expenses	2,576	3,000
Accommodation expenses	3,494	6,402
Direct program expenses	4,124	11,995
Food and refreshments for participants	5,513	14,209
Camping expenses	7,573	7,620
Travel expenses	3,393	9,298
Other expenses	7,329	71,865
Total	74,448	139,042

9. General and administrative expenses

	Year ended on December 31,	
	2018	2017
Fuel		6,112
Bank charges	1,204	2,562
Electricity	2,300	5,905
Maintenance	4,639	3,546
Communication	8,269	1,777
Office expenses	3,847	5,723
Travel expenses	2,133	4,043
Other expenses	7,076	6,024
	6,215	
	35,682	35,691