

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

**Independent Auditor’s Report  
December 31, 2016**

Content:

Independent Auditors' Report..	3
Balance Sheet.....	4
Statement of operations.....	5
Cash Flow statement.....	6
General Information .....	7
Notes to Financial Statements.....	8-12



## 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 2016, 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 4 to 12.

### *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 2016, and its financial performance, changes in funds and its cash flows for the year then ended in accordance with the Generally Accepted Accounting Principles.

HN Consulting shpk  
Haxhi Nimanaj  
Certified Auditor  
10 March 2017





**Statement of Financial Position**

	Note	31-Dec 2016	31-Dec 2015
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	176,243	417,437
Short term cash deposits		140,000	40,000
Grants and other receivable		60,505	50,720
Advances and prepayments		2,851	9,582
<b>Total current assets</b>		<b>379,599</b>	<b>517,739</b>
<b>Noncurrent assets</b>			
Vehicles and equipments	4	116,929	144,415
<b>Total noncurrent assets</b>		<b>116,929</b>	<b>144,415</b>
<b>Total assets</b>		<b>496,528</b>	<b>662,154</b>
<b>Liabilities</b>			
<b>Short term liabilities</b>			
Accounts payable		6,469	3,737
Deferred revenue from grants	6	242,001	346,820
<b>Total liabilities</b>		<b>248,470</b>	<b>350,556</b>
<b>Equity</b>			
Unearned Revenue		248,058	311,598
Surplus of the year		0	0
<b>Total Equity</b>		<b>248,058</b>	<b>311,598</b>
<b>Total Equity &amp; Liabilities</b>		<b>496,528</b>	<b>662,154</b>

Afrim Maliqi  
 Director



Xhevdet Leci  
 Financial Manager



Statement of income and expenditure  
 Association of Paraplegics and Child Paralysis of Kosovo "HANDIKOS"

	Note	31-Dec 2016	31-Dec 2015
<b>Revenues</b>			
Grants from donors		630,513	268,732
Self earned revenue		27,238	138,380
Income from rent		600	16,700
Released from deferred revenue from grants for operating expenses		0,00	7,258
Released income from grants related to assets		32,705	34,990
<b>Total Revenues</b>	<b>5</b>	<b>691,055</b>	<b>466,060</b>
<b>Expenses</b>			
Program expenses	7	(563,014)	(353,909)
General and administrative expenses	7	(56,079)	(15,563)
Other expenses		(39,257)	(61,599)
Depreciation expenses	4	(32,705)	(34,990)
<b>Total expenses</b>		<b>(691,055)</b>	<b>(466,060)</b>
<b>Net surplus / (deficit) for the year</b>			<b>-</b>

Afrim Maliqi  
 Director



Xhevdet Leci  
 Financial Manager



Statement of cash flows

	31-Dec 2016	31-Dec 2015
<b>Operating activities</b>		
Cash received	377,156	171,781
Total cash received	<b>377,156</b>	<b>171,781</b>
Cash paid		
Cash paid for program expenses	(563,014)	(353,909)
Cash paid for management expenses	(90,117)	(100,308)
Total payments	<b>(653,131)</b>	<b>(454,217)</b>
Net cash flow from operating activities	<b>(275,975)</b>	<b>(282,436)</b>
<b>Investing activities</b>		
Purchase of property plant and equipment	(5,219)	-
Cash flow from investing activities	<b>(5,219)</b>	<b>-</b>
<b>Financing activities</b>		
Grants received in cash	-	-
Cash flow from financing activities	<b>-</b>	<b>-</b>
Net cash flow during the year	-281,194	177,288
Cash at the beginning of the year	457,437	240,149
Cash at the end of the year	<b>176,243</b>	<b>417,437</b>
Cash deposited in bank	140,000	40,000
Cash at the end of the year with deposit	<b>316,243</b>	<b>457,437</b>

Afrim Maliqi  
 Director



Xhevdet Leci  
 Financial Manager



## **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 service 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 staff is employed:

- Regular staff engaged in various projects during 2016 was 57 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.

Description	As at December 31, 2016	As at December 31, 2015
Receivables	60,505	50,720
Requirement for VAT	2,851	8,817
Other requirements	0.00	766
<b>Total</b>	<b>63,356</b>	<b>60,302</b>



**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 %
- 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.

3. **Cash and cash equivalents**

Cash and cash equivalent as at 31 December 2016 comprise as follow:

Description	As at December 31, 2016	As at December 31, 2015
	€	€
Cash in hand	4,976	9,688
Cash in bank	171,267	407,749
Cash deposited in bank	140,000	40,000
<b>Total cash and cash equivalents</b>	<b>316,243</b>	<b>457,437</b>

4. **Property, plant and equipment**

Non Current assets	As at December 31, 2016	As at December 31, 2015
	€	€
<b>Buildings</b>		
Building – Costs	572,859	572,859
Accumulated depreciation	(457,087)	(428,444)
<b>Net value Buildings</b>	<b>115,772</b>	<b>144,415</b>
<b>Vehicles</b>		
Vehicles - Cost	49,800	49,800
Accumulated depreciation	(49,800)	(49,800)
<b>Net value Vehicles</b>	<b>0</b>	<b>0</b>
<b>Equipment</b>		
Equipment - Cost	20,311	15,091
Accumulated depreciation	(19,153)	(15,091)
<b>Net value equipment</b>	<b>1,157</b>	<b>0</b>
<b>Net value of noncurrent assets</b>	<b>116,929</b>	<b>144,415</b>



5. Revenues

	As at December 31, 2016	As at December 31, 2015
	€	€
Revenues from projects	630,513	268,732
Revenues from municipalities	26,529	138,380
Other revenues	1,168	15,700
Revenues from the recognition of depreciation	32,705	34,990
Revenues from interest	140	1000
	<b>691,055.25</b>	<b>458,803</b>

6. Deferred revenue

	As at December 31, 2016	As at December 31, 2015
	€	€
As at January 1st	341,854	414,257
Additions to property plant and equipment	648,402	401,892
Grants receivable		
Depreciated during the year	(32,705)	(34,991)
Grants recognized during the year	(715,550)	(434,338)
<b>Total Deferred Revenue</b>	<b>242,001</b>	<b>346,820</b>



## 7. Operating Expenses

Description	As at December 31, 2016 €	As at December 31, 2015 €
Net salaries	286,567	243,724
Telephone and electricity	5,306	6,400
Transport and accommodation	38,145	20,170
Maintenance expenses	2,684	961
Office materials	9,587	9,162
Other expenses	39,257	40,467
Pension contributions	14,310	
Program expenses	262,495	110,185
Training and food expenses for participants		
<b>Total operating expenses</b>	<b>658,350</b>	<b>431,069</b>
Depreciation expenses		
<b>Total expenses</b>	<b>658,350</b>	<b>431,069</b>

## 8. Commitments

There are no commitments as of December 31, 2016.

## 9. Contingent liabilities

There are no known contingent liabilities as of 31 December 2016.

## 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 2016.