

WOMEN FOR WOMEN INTERNATIONAL, KOSOVO

**Special purpose financial Statements prepared in accordance with
Group accounting manual of Women for Women International**

For the year ended 31 December 2014

Women for Women International Kosovo
(All amounts expressed in EUR unless otherwise stated)

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INDEPENDENT AUDITOR'S REPORT

To the Management of Women for Women International Kosovo (WfWI Kosovo)

We have audited the accompanying special purpose financial statements of “Women for Women International Kosovo” (WfWI Kosovo) which comprise the statement of financial position as of 31 December 2014 and the statement of financial activities, statement of changes in the accumulated funds and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes. The special purpose financial statements have been prepared on the basis set out in Note 2.1.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with the basis described in Note 2.1, 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.

Auditor’s responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with 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 special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the special purpose 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 special purpose 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 management, as well as evaluating the overall presentation of the special purpose 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 accompanying special purpose financial statements have been prepared, in all material respects, in accordance with the basis set out in Note 2.1.

Emphasis of Matter - Basis of Preparation

Without modifying our opinion, we draw attention to Note 2.1 of the accompanying financial statements, which describes the basis of preparation. The financial statements are prepared to comply with the financial reporting provisions of WFW Group Accounting Manual. These financial statements do not comprise a full set of financial statements prepared in accordance with International Financial Reporting Standards or other generally accepted accounting frameworks. As a result, the financial statements may not be suitable for another purpose and are not intended to be used by those who are not informed about the specific requirements of this basis of preparation.

Restriction on Distribution and Use

This report is intended solely for the parties referred to in Note 2.1 to the accompanying financial statements and should not be distributed to or used by other parties.

PricewaterhouseCoopers Kosovo sh.p.k.

PricewaterhouseCoopers Kosovo sh.p.k

Prishtina,

30 March 2015

Women for Women International Kosovo
(All amounts expressed in EUR unless otherwise stated)

Statement of Financial Activities

	Note	For the year ended 31 December 2014		For the year ended 31 December 2013	
		EUR	Convenience translation *USD	EUR	Convenience translation *USD
Income					
Contributions for programs		88,922	118,137	48,216	64,023
Income Core Sponsorship					
Reporting HQ		386,683	513,728	524,010	695,804
Reporting Local Funding		8,156	10,836	-	-
Total income	4	483,761	642,701	572,226	759,827
Expenses					
Program expenses	5	(435,354)	(578,390)	(509,315)	(676,291)
Administrative expenses	6	(48,407)	(64,311)	(62,911)	(83,536)
Total expenses		(483,761)	(642,701)	(572,226)	(759,827)
Excess of income for the year		-	-	-	-

* The USD equivalent figures are provided for information purposes and do not form part of the audited financial statements (refer to note 2.2).

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Statement of financial position

		31 December 2014		31 December 2013	
	Note	EUR	Convenience translation *USD	EUR	Convenience translation *USD
Assets					
Non-Current Assets					
Property, plant and equipment	9	555,880	746,849	597,288	822,371
		555,880	746,849	597,288	822,371
Current Assets					
Cash and cash equivalents	7	46,752	62,813	18,222	25,089
Other receivables	8	2,264	3,042	1,864	2,566
		49,016	65,855	20,086	27,655
Total assets		604,896	812,704	617,374	850,026
Liabilities and Fund Balance					
Interco – WFWCO	13	541,765	727,885	555,055	764,223
Accrued liabilities	11	10,531	14,149	13,385	18,429
Accounts payable	10	2,261	3,038	8,010	11,028
Deferred income	14	18,881	25,367	8,715	11,999
Other payables	12	4,370	5,871	5,121	7,051
Total Liabilities		577,808	776,310	590,286	812,730
Fund Balance					
Accumulated fund balance		27,088	36,394	27,088	37,296
Total liabilities and fund balance		604,896	812,704	617,374	850,026

These financial statements have been approved by the Management on 18 of March, 2015.

Iliriana Gashi
Country Director

Besa Rexha
Finance and Logistics Manager

Women for Women International Kosovo
(All amounts expressed in EUR unless otherwise stated)

Statement of Changes in the Accumulated Funds

	EUR	*USD
Balance as at 01 January 2013	27,088	35,798
Excess of income for the year	-	-
Balance as of 31 December 2013	27,088	37,296
Excess of income for the year	-	-
Balance as of 31 December 2014	27,088	36,394

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(All amounts expressed in EUR unless otherwise stated)

Statement of cash flows

	Note	31 December 2014		31 December 2013	
		Convenience translation		Convenience translation	
		EUR	*USD	EUR	*USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax		-	-	-	-
Adjustments for:					
Depreciation	9	41,408	55,633	45,574	62,748
Operating cash flows before changes in working capital		41,408	55,633	45,574	62,748
Increase in other receivables (Decrease)/Increase in accounts payable		(400)	(537)	(602)	(829)
Decrease in accrued liabilities		(5,749)	(7,724)	2,776	3,822
Decrease in other payables		(2,854)	(3,834)	(15,780)	(21,727)
		(751)	(1,009)	(346)	(476)
Changes in working capital		31,654	42,529	31,622	43,538
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for purchases of property, plant and equipment		-	-	(7,000)	(9,638)
Net cash used in investing activities		-	-	(7,000)	(9,638)
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in Interco WFWCO		(13,290)	(17,856)	(61,564)	(84,764)
Increase in deferred income		10,166	13,658	1,821	2,507
Net cash used in financing activities		(3,124)	(4,198)	(59,743)	(82,257)
NET DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR		28,530	38,331	(35,121)	(48,357)
CASH AND CASH EQUIVALENTS					
At the beginning of the year		18,222	24,482	53,343	73,445
Cash and cash equivalents at 31 December 2014	7	46,752	62,813	18,222	25,089

Women for Women International Kosovo
(All amounts expressed in EUR unless otherwise stated)

1. General information

Women for Women International Kosovo - WFWI ("the Organization") was founded in 1993 as an international humanitarian organization in the United States in response to the needs of Bosnian rape camp survivors living in Croatia.

The Organization office in Kosovo is registered as a non-governmental organization under UNMIK Regulation 1999/22, Section 10, on the Registration and Operation of NGO's in Kosovo, on 23 February 2000 under registration no 5300152-1 and public benefit status with number 6000195-2. The organization is subject to the laws and regulation implemented by the country, more specifically the law 03/L-134 on NGOs.

Although the Organization represents a chapter of Women for Women International in Kosovo, it is entirely directed and operated by local staff members and seeks to improve the specific needs of underprivileged Kosovar women.

The Organization's mission is to provide women survivors of war, civil strife, and other conflicts with tools and resources to move from crisis and poverty into a civil society that promotes and protects peace, stability, and self-sufficiency. The Organization operates in cooperation with Women for Women International HQ, based in Washington DC and other donors, such as the private Equity Foundation and Everest Trek.

The registered address of the company is as follows:

Ahmet Krasniqi p.n
10000, Prishtina,
Kosovo

As at 31 December 2014 the organisation has employed 25 people, 13 full time and 12 part time (31 December 2013: 24 full time).

The names of the Directors of the Organisation serving during the reporting period and as at the date of this report are as follows:

Country Director: Iliriana Gashi
Finance Manager: Besa Rexha

The financial statements of the Organisation were authorised for issue by the Management on 18 March 2015.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The accompanying special purpose financial statements have been prepared by management of the Organisation in accordance with Women for Women International's group accounting manual. The group accounting manual is described in details further within this Note.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Organisation are measured using the currency of the primary economic environment in which the entity operates ('the functional currency') that is EUR. The financial statements are presented in EUR, which is the organisation's presentation currency.

The functional and presentation currency of the Company is Euro, which is the legal currency in the territory of Kosovo since 1 January 2002.

(b) Transactions and balances

Transactions in foreign currencies are only those in USD for the Sponsorship program, or direct aid program. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to EUR at the foreign exchange rate ruling at that date. There is no foreign exchange differences calculated since it is calculated by WfWI HQ office. Income statement balances in foreign currencies are translated at the yearly average rate which is provided by WfWI HQ.

The financial statements for the year ended 31 December 2014 are translated to USD for presentation purposes. The balance sheet amounts are translated to USD at the exchange rate for the year 2014: 0.7443 EUR/USD (2013: 0.7263 EUR/USD). The income statement amounts are translated to USD at the yearly average exchange rate of 0.7527 EUR/USD (2013: 0.7531 EUR/USD).

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2. Significant accounting policies (continued)

2.3 Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Organisation's receivables comprise only grant receivables, other receivables and cash and cash equivalents in the statement of financial position.

Other receivables are carried at amortised cost. Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any write-down for incurred impairment losses.

2.4 Property, plant and equipment

Property plant and equipment are stated at historical cost less accumulated depreciation and less impairment losses, if any. Historical cost includes all expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Organisation and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss when incurred. Land is not depreciated.

Depreciation is calculated on a straight-line basis to allocate the cost of fixed assets over their estimated useful lives. Depreciation is charged commencing from the month following the month of acquisition. The estimated useful lives applied are the following:

Description of category	Years
Buildings	20
Office equipment and furniture	3
Vehicles	5

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Assets which cost less than 2,500 USD are depreciated 100% at the time of purchase (2013: below 2,500 USD).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

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(All amounts expressed in EUR unless otherwise stated)

2. Significant accounting policies (continued)

2.5 Cash and cash equivalents

Cash and cash equivalents are items which can be converted into cash at short notice (with less than three months original maturity) and which are subject to an insignificant risk of changes in value. Cash and cash equivalents comprise current accounts with banks and cash on hand. Cash and cash equivalents are carried at amortised cost using the effective interest method.

2.6 Accounts payable and other payables

Accounts payable and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.7 Revenue recognition

The Organisation earns revenue by receiving funds from Women for Women International-Washington HQ and other donors. Funds received are deferred and recognised as revenue in accordance with the matching principle such that revenue is not recognised until the services have been provided by the Organisation.

2.8 Employees Benefits

The Organisation only makes contributions to the publicly administered pension plan. The Kosovo Pension Saving Trust (KPST), as required by the law. The Organisation has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. The Organisation has no further obligation towards its employees beyond these contributions.

Retirement benefit costs

The Company makes no provision for and has no obligation for employee pensions over and above the contributions described in note 2.8.

2.9 Income tax

The Organization is not liable for income tax.

3. Critical accounting estimation and assumption

The Organisation makes estimates and assumptions that affect the amounts recognised in the financial statements and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognised in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

Useful lives of assets

The determination of the useful lives of assets is based on historical experience with similar assets as well as any anticipated technological development and changes in broad economic or industry factors. The appropriateness of the estimated useful lives is reviewed annually, or whenever there is an indication of significant changes in the underlying assumptions. Further, due to the significant weight of depreciable assets on total assets, the impact of any changes in these assumptions could be material to the financial position, and results of operations.

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(All amounts expressed in EUR unless otherwise stated)

4. Income

	Year ended 31 December 2014		Year ended 31 December 2013	
	EUR	USD	EUR	USD
Core program HQ	388,173	515,707	531,938	706,331
Everest Trek	14,732	19,572	30,371	40,328
WOC	3,698	4,913	5,179	6,877
Milby	13,697	18,197	4,357	5,785
Goldman Sachs	-	-	381	506
Cartier	54,952	73,007	-	-
Helvetas	7,457	9,907	-	-
Foreign & Commonwealth Office	698	928	-	-
Fresh Leaf Foundation, UK	354	470	-	-
	483,761	642,701	572,226	759,827

Women for Women International-Washington HQ finance the Sponsorship Program, which aims to provide women in Kosovo with financial aid generated from women in the United States of America and other countries in the world. Women for Women International - HQ also funds all services providing Core Program and Vocational Training to women participants.

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5. Program expenses

	Year ended 31 December 2014		Year ended 31 December 2013	
	EUR	USD	EUR	USD
Salaries	218,612	290,437	265,335	352,324
Sponsorship	88,922	118,138	122,016	162,018
Training	36,069	47,919	44,011	58,440
Rent and utilities	16,456	21,863	15,916	21,134
Professional fees	31,872	42,344	9,118	12,107
Communication	5,616	7,461	7,607	10,101
Travel	10,515	13,970	6,903	9,166
Program equipment and materials	11,278	14,983	6,174	8,198
Sub-grant expenses	-	-	3,872	5,141
Bank charges	706	938	1,431	1,900
Graduate Services	1,569	2,084	1,010	1,341
Other program costs	13,739	18,253	25,922	34,421
	435,354	578,390	509,315	676,291

Women for Women have a tenant, Initiative for Agricultural Development in Kosovo (“IADK”) in its building from which they receive a monthly rent of EUR 520.

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6. Administrative expenses

	Year ended 31 December 2014		Year ended 31 December 2013	
	EUR	USD	EUR	USD
Depreciation charge	41,408	55,013	45,574	60,515
Professional fees	37	49	11,557	15,345
Office supplies	1,901	2,526	4,359	5,788
Travel expenses	4,885	6,490	843	1,119
Other expenses	176	233	578	769
	48,407	64,311	62,911	83,536

7. Cash and cash equivalents

	31 December 2014		31 December 2013	
	EUR	USD	EUR	USD
Current accounts with local banks	44,493	59,778	15,339	21,119
Cash on hand	2,259	3,035	2,883	3,970
	46,752	62,813	18,222	25,089

8. Other receivables

	31 December 2014		31 December 2013	
	EUR	USD	EUR	USD
Prepaid expenses	2,109	2,834	986	1,358
Other receivables	155	208	878	1,208
	2,264	3,042	1,864	2,566

Women for Women International Kosovo
(All amounts expressed in EUR unless otherwise stated)

9. Property, plant and equipment

	Buildings	Land	Office equipment and furniture	Vehicles	Total
Cost value					
At 1 January 2013	479,367	133,000	40,046	74,394	726,807
Additions	-	-	7,000	-	7,000
At 31 December 2013	479,367	133,000	47,046	74,394	733,807
Additions	-	-	-	-	-
At 31 December 2014	479,367	133,000	47,046	74,394	733,807
Accumulated depreciation					
At 1 January 2013	35,732	-	16,514	38,699	90,945
Charge for the year	23,890	-	13,159	8,525	45,574
At 31 December 2013	59,622	-	29,673	47,224	136,519
Charge for the year	23,969	-	8,991	8,448	41,408
At 31 December 2014	83,591	-	38,664	55,672	177,927
Net carrying amount					
At 31 December 2014	395,776	133,000	8,382	18,722	555,880
At 31 December 2013	419,745	133,000	17,373	27,170	597,288

Women for Women International Kosovo
(All amounts expressed in EUR unless otherwise stated)

9. Property, plant and equipment (continued)

	Buildings USD	Land USD	Office equipment and furniture USD	Vehicles USD	Total USD
Cost value					
At 1 January 2013	633,497	175,763	52,922	98,314	960,496
Additions	-	-	9,638	-	9,638
At 31 December 2013	660,012	183,120	64,775	102,429	1,010,336
Additions	-	-	-	-	-
At 31 December 2014	644,051	178,691	63,208	99,952	985,902
Accumulated depreciation					
At 1 January 2013	47,221	-	21,824	51,142	120,187
Charge for the year	32,893	-	18,118	11,738	62,749
At 31 December 2013	82,090	-	40,855	65,020	187,965
Charge for the year	32,203	-	12,080	11,350	55,633
At 31 December 2014	112,308	-	51,947	74,798	239,053
Net carrying amount					
At 31 December 2014	531,743	178,691	11,261	25,154	746,849
At 31 December 2013	577,922	183,120	23,920	37,409	822,371

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10. Account Payables

	31 December 2014		31 December 2013	
	EUR	USD	EUR	USD
Suppliers	-	-	2,440	3,360
Office Utilities & Repair	46	62	2,673	3,680
Training & Printing	-	-	1,372	1,889
Communication	112	150	586	807
Legal Services	-	-	510	702
Transportation	722	970	429	590
Professional Services	1,381	1,856	-	-
	2,261	3,038	8,010	11,028

11. Accrued liabilities

	31 December 2014		31 December 2013	
	EUR	USD	EUR	USD
Kosovarian Women (Sponsorship program)	7,378	9,913	9,094	12,521
Other accrued liabilities	3,153	4,236	4,291	5,908
	10,531	14,149	13,385	18,429

12. Other payables

	31 December 2014		31 December 2013	
	EUR	USD	EUR	USD
Payroll tax liabilities	1,114	1,497	1,806	2,487
Payroll pension liabilities	2,321	3,118	2,152	2,963
Health insurance	772	1,037	728	1,002
Other	163	219	435	599
	4,370	5,871	5,121	7,051

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13. INTERCO – WFWCO

INTERCO – WFWCO at 31 December 2014 of EUR 541,765 or USD 727,885 (31 December 2013 of EUR 555,055 or USD 764,223) consist of the advances received from Women for Women International HQ, based in Washington DC. In accordance with the group accounting policy, receipts of advances are included in liability or deferred income until the Organisation provides services using those funds.

14. Deferred income

	31 December 2014		31 December 2013	
	EUR	USD	EUR	USD
Deferred income - HELVETAS	19,579	26,305	-	-
Deferred income - Foreign & Commonwealth office	(698)	(938)	-	-
Deferred income - other	-	-	8,715	11,999
	18,881	25,367	8,715	11,999

15. Events after the reporting period

No material events subsequent to the reporting date have occurred, which require disclosure in the financial statements.