



**Help-Hilfe zur Selbsthilfe e.V**

**Representative Office in Kosovo**

**Independent Audit Report on revenues and expenditures for Mandate / Program for the period January 2017-December 2017**

Help-Hilfe zur Selbsthilfe e.V - Representative Office in Kosovo  
Independent Audit Report on revenues and expenditures for Mandate / Program for the period January 2017-December 2017

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Help-Hilfe zur Selbsthilfe e.V Representative Office in Kosovo  
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December 2017

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**Contents:**

1.Independent audit report.....	5
2.Financial statements.....	7
3.Introduction.....	10
2. Adoption of new and revised International Financial Reporting Standards .....	12
4.Basis of preparation and accounting policies disclosures.....	14-18

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**Abbreviations used:**

- ISA International Standards on Auditing**
- IAS International Accounting Standards**
- HQ-Head Quarter**
- NGOs - Non Governmental Organizations**



## **INDEPENDENT AUDITOR'S REPORT**

**For management of Help-Hilfe zur Selbsthilfe e.V. Representative Office in Kosovo.**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of NGO Help-Hilfe zur Selbsthilfe e.V. Representative Office in Kosovo (the Organization), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2017, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### **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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 IFRSs, 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 Company'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 Company'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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

"Univerzum Audit" Sh.p.k.

Besa Berisha-Statutory Auditor

Tel.: +377 44 124 898

Prishtinë, 14.03.2018



**Help-Hilfe zur Selbsthilfe e.V Representative Office in Kosovo.**

**Income Statement,**

**as at December 31, 2017**

	<b>31.December.2016</b>	<b>31 December 2017</b>
Income from Bonn	526,950.00	571,978.00
Income from Municipality	80,000.00	138,400.00
Income from MLSV	50,000.00	50,000.00
Income from beneficiary	110,000.00	117,247.68
Other		90,000.00
<b>Total</b>	<b>766,805.77</b>	<b>967,625.68</b>
Income from previous year	208,976.06	31,224.97
<b>Total income</b>	<b>975,781.83</b>	<b>998,850.65</b>
 <b>Expenses</b>		
<b>1. Direct project costs</b>	<b>868,327.29</b>	<b>838,547.89</b>
 <b>2. Personnel</b>	 <b>41,470.41</b>	 <b>49,762.33</b>
 <b>3. Running costs</b>	 <b>34,185.99</b>	 <b>24,495.54</b>
 <b>4. Transport</b>	 <b>31,798.14</b>	 <b>25,229.36</b>
 <b>5. Administration</b>	 <b>4,748.20</b>	 <b>14,980.95</b>
<b>Subtotal (1-5)</b>	<b>975,781.83</b>	<b>953,015.97</b>
 <b>Profit/loss</b>		 <b>45,834.68</b>

**Executive Director**

**Financial Officer**

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Help-Hilfe zur Selbsthilfe e.V Representative Office in Kosovo.  
Statement of financial position  
as at December 31, 2017

	<u>Dec 31, 16</u>	<u>Dec 31, 17</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
· Pro Credit Bank-126	26,488.90	6,647.29
· Pro Credit Bank- 117	170.84	0.00
· Pro Credit Bank -135	3,265.66	3,284.18
·Pro Credit Bank -144	366.50	18,790.77
·Pro Credit Bank -153	717.51	17,112.44
· Cash Box	215.56	
<b>Total Checking/Savings</b>	<b>31,224.97</b>	<b>45,834.68</b>
<b>Prepayment</b>		
Vat Prepayment	36,204.94	
Other prepayment	9,260.00	
AFPK/Beneficiaries	4,748.97	
<b>Total Current Assets</b>	<b>45,233.94</b>	
<b>TOTAL ASSETS</b>	<b><u>45,233.94</u></b>	<b><u>45,834.68</u></b>
<b>LIABILITIES AND RESERVES</b>		
Current liabilities	0.00	
Accounts payable	0.00	
<b>Total current liabilities</b>	<b>0.00</b>	
Non-current liabilities		
<b>Total non-current liabilities –</b>	<b>0.00</b>	
<b>Equity Capital</b>		
<b>Profit/Loss from the previous Year –</b>	<b>0.00</b>	
<b>Profit/Loss from the Year</b>		
<b>Total equity TOTAL LIABILITIES AND EQUITY</b>		
<b>LIABILITIES &amp; EQUITY</b>		
<b>Equity</b>		
Capital	81,438.88	
· Temp. Restricted Net Assets		
· Unrestricted Net Assets		45,834.68
<b>Net Income</b>		
<b>Total Equity</b>	<b>81,438.88</b>	<b>45,834.68</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>81,438.88</u></b>	<b><u>45,834.68</u></b>

Executive Director

Financial Officer



## CASH FLOW STATEMENTS

31.12.2017

Signs of voice	For Period Direct Method Naming voice	mount in Euro (000)
		571,978.00
1	Cash receipts from Bonn	134,400.00
2	Cash receipts from Municipality	117,247.68
3	Cash receipts from beneficiar	50,000.00
4	Cash receipts from MLSW	90,000
5	VAT	
I	<b>TOTAL CASH RECEIPTS FROM OPERATING ACTIVITIES (1 to4)</b>	<b>967,625.68</b>
		(838,547.79)
1	Direct project costs	(49,762.33)
2	Personnel	(24,495.54)
3	Running costs	(25,229.36)
4	Transport	(14,980.94)
	Prepayment	
II	<b>TOTAL CASH PAYMENTS FOR OPERATING ACTIVITIES (1 to 6)</b>	<b>(953,015.97)</b>
A	<b>NET CASH FLOW FROM OPERATING ACTIVITIES (I-II)</b>	<b>14,609.71</b>
	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
1.	Cash receipts from the sale of the fixed assets, tangible and intangible	
2.	Other cash receipts from investing activities	
III	<b>TOTAL CASH RECEIPTS FROM INVESTING ACTIVITIES (1 to 5)</b>	
1.	Cash payments for the purchase of the fixed assets, tangible and intangible	
2.	Cash Payments for purchase	
3.	Other cash payments for investing activities	
IV	<b>TOTAL CASH PAYMENTS FROM INVESTING ACTIVITIES (1 to 3)</b>	
B	<b>NET CASH FLOW FROM INVESTING ACTIVITIES (III-IV)</b>	
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
2.	Cash receipts from loans and other borrowings	
3.	Other cash receipts from financing activities	
V	<b>TOTAL CASH RECEIPTS FROM FINANCING ACTIVITIES (1 to 3)</b>	<b>0.00</b>
2.	Other cash payments for financing activities	
VI	<b>TOTAL CASH PAYMENTS FOR FINANCING ACTIVITIES (1 to 5)</b>	<b>0.00</b>
C	<b>NET CASH FLOW FROM FINANCING ACTIVITIES (V-VI)</b>	<b>0.00</b>
D	<b>NET CASH FLOW (A+B+C)</b>	<b>14,609.71</b>
E	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>31,224.97</b>
F	<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (D+E)</b>	
G	<b>Increase (decrease) of cash and cash equivalents CASH</b>	<b>45,834.68</b>

## 1. INTRODUCTION

Help-Hilfe zur Selbsthilfe e.V. It is registered to 23.02.2000 with registration number 5300261-7 as non-governmental organization, under Article 9 of Law no. 04 / L-57.

### About the project

#### **Support to socio-economic stability through empowerment of micro business sector in Kosovo**

Project is financed from the Ministry of Foreign Affairs of German Government, Ministry of Labor and Social Welfare of the Government of the Republic of Kosovo, partner Municipalities whereas is implemented by Help – Hilfe zur Selbsthilfe E.V. and Kosovo and Foundation Kosovo-Luxembourg.

Project “Support to socio-economic stability through empowerment of micro business sector in Kosovo” will be implemented during May 2015 till December 2017 in following municipalities: Prishtina, Mitrovica, Ferizaj, Graçanica, North Mitrovica, Leposaviq, Vushtrri, Prizren and Gjilan.

**The overall objective** of the project is to contribute to the sustainable development and the stability in targeted areas with the main focus on the economic empowerment. Whereas **the specific objective** is job creation through direct economic and educational support to micro business sector in Kosovo

#### **Project components**

- I. Grants for micro businesses (provision of 430 grants)
- II. Business and vocational trainings (at least 430 business and 160 vocational trainings)
- III. Support to development of cooperatives (project component in cooperation with GIZ Kosovo project “Competitiveness of the Private Sector in Rural Areas in Kosovo”)
- IV. Assistance within the project “Reintegration and Rehabilitation of the Prisoners” (in cooperation with Association for Peace Kosovo and Mitrovica Detention Centre)

#### **Project component I- Grants for micro businesses**

In cooperation with local authorities and relevant stakeholders dealing with the local economic development, Help assessed the situation in order to support businesses that will in best way contribute to the local development in each targeted municipality during the intervention. Therefore, the priority areas to be addressed in each of the targeted cities and municipalities will be stipulated in the Cooperation Agreements to come.

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## **Project component II- Business and vocational trainings (at least 430 business and 160 vocational trainings)**

Taking into consideration all the specific characteristics and needs deriving from the applicant's background, education, existing skills, characteristics of the chosen activity and the business environment, an optimum training combination will be defined for each applicant and implemented in cooperation with the training providers. The business trainings provide basic entrepreneurship skills, such as preparation of a business plan, securing alternative sources of funding, marketing, financial planning and control, management, legal framework for micro businesses etc. This type of training is primarily meant for individuals who are starting their own businesses or/and are interested in a further expansion.

## **Project component III- Support to development of cooperatives**

This project component will be implemented in cooperation with GIZ Kosovo. During the fact finding mission in March 2015, Help recognized a possibility to use synergies with the project "Competitiveness of the Private Sector in Rural Areas in Kosovo" implemented by GIZ Kosovo. The aim of this activity is to support the establishment and development of agricultural or other production cooperatives aiming at combining resources to more efficiently market and brand the products, and at improving the income of the cooperative members. The assistance will be provided in the form of equipment. Cooperative members will also have the obligation to repay 15% of the value of donated equipment.

## **Project component IV – Assistance within the project “Reintegration and Rehabilitation of the Prisoners”**

This project component is designed based on the needs recognized during the fact finding mission and recommendations by UNDP and UNMIK in Kosovo and will be implemented in cooperation with Association for Peace Kosovo and Mitrovica Detention Centre. The overall goal of the project is Rehabilitation and successful reintegration into the society of inmates who are serving their sentence in the Mitrovica Detention Centre and preventing the recommitting of crimes through the creation of a role model for the Kosovo Correctional Service (KCS) that can later on be implemented Kosovo wide and to ensure sustainability in the period after the project has ended by delegating and involving relevant stakeholders.

## 2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

### 2.1 Standards and Interpretations effective in the current period

Below are presented the amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee which are effective for the current period:

Standard	Description	Effective date
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations-Changes in methods of disposal	beginning on or after 1 January 2016
IFRS 7	Financial Instruments: Disclosures-Servicing Contracts and Applicability of the offsetting Disclosures to condensed interim financial statements	beginning on or after 1 January 2016
IFRS 14	Regulatory Deferral Accounts	beginning on or after 1 January 2016
Amendment to IFRS 10	Consolidated Financial Statements	beginning on or after 1 January 2016
Amendment to IFRS 11 Joint Arrangements	Arrangements	beginning on or after 1 January 2016
Amendment to IFRS 12	Disclosure of Interests in other Entities	beginning on or after 1 January 2016
Amendment to IAS 1	Presentation of Financial Statements	beginning on or after 1 January 2016
Amendment to IAS 16	Property, Plant and Equipment	beginning on or after 1 January 2016
Amendments to IAS 19	Employee Benefits	beginning on or after 1 January 2016
Amendment to IAS 27	Separate Financial Statements	beginning on or after 1 January 2016
Amendment to		

IAS 28	Investments in Associates and Joint Ventures	beginning on or after 1 January 2016
IAS 34	Interim Financial reporting Disclosure of Information elsewhere in the interim financial report	beginning on or after 1 January 2016

## 2.2 Standards and interpretations in issue not yet effective

In these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

Standard	Description	Effective date
IFRS 2	Classification and Measurement of Sharebased Payment transactions	beginning on or after 1 January 2018
IFRS 9	Financial Instruments	beginning on or after 1 January 2018
IFRS 15	Revenue from Contracts with Customers	beginning on or after 1 January 2017
IFRS 16	Leases	beginning on or after 1 January 2019
Amendment IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	beginning on or after 1 January 2017
Amendment IAS 7	Disclosure Initiative	beginning on or after 1 January 2017

The organization has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the financial statements of the entity in the period of initial application.

### **3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Basis of preparation**

Financial Statements are prepared for reporting purposes in accordance with applicable laws of Kosova, and represent the entire picture that occurred in Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo for the period 1st January till 31st December 2017. Financial Statements are prepared on accrual basis, based on which revenues and expenses are recognised at the time when either received or paid.

#### **3.2 Currency of presentation**

The reporting currency of Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo is the European Union currency unit Euro ("EUR"). Receipts of incomings are done in EURO as well.

#### **3.3 Significant accounting policies**

A summary of the most significant accounting policies adopted in the preparation of the financial statements is presented below:

##### **3.3.1 Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents are considered to be cash on hand and at banks and in operating accounts at banks with an original maturity of three months or less.

##### **3.3.2 Revenue recognition**

Revenues from grants are recognized as income on the period when received. At the end of the year the excess amount of revenues over expenses are treated as surplus over expense.

##### **3.3.3 Expenses recognition**

Expenses incurred for generation incomes are recognized in that period with the historical costs.

##### **3.3.4 Taxation**

Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo is established as a non-profit local organization under Kosovo Regulations for Non Governmental Organizations no. 2009/03-L-134.

Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo Notes to the Financial Statements(continued) For the year ended December 31, 2017

#### 4. PROPERTY AND EQUIPMENT

Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo at the moment does not own any equipment or property. HELP uses HELPs equipment for its operation. Purchases of equipment during 2016 are treated as expenses.

#### 5. CASH AND BANK BALANCES

	December 31, 2016 (in EUR)	December 31, 2017 (in EUR)
Cash in bank	31,009.37	45,834.68
Cash in hand	215.56	
<b>Total cash</b>	<b>31,224.31</b>	<b>45,834.68</b>

#### 6. REVENUE

Majority of revenues (around 59% of them) are received from Bonn Head Quarters. Around 41% of revenues of partner Municipalities and beneficiaries.

Income from Bonn	571,978.00
Income from Municipality	138,400.00
Income from MLSW	50,000.00
Income from beneficiary	117,247.68
Other	90,000.00
<b>Total</b>	<b>967,625.68</b>

#### Revenue from Bonn HQ

##### HELP DE 126

Data / Date	Credited amount
18.01.2017	129,995.00
01.02.2017	149,995.00
13.09.2017	129,994.00
	<b>409,984.00</b>

##### HELP DE 144

Data / Date	Vlera e kredituar/ Credited amount
18.10.2017	<b>161,994.00</b>

**MUNICIPALITY**

2	30.06.2017	35,000.00	Vushtrri Municipality
3	24.07.2017	5,000.00	Vushtrri Municipality
7	19.06.2017	9,200.00	Gjakova Municipality
9	14.06.2017	8,000.00	Graçanica Municipality
3	10.05.2017	12,000.00	Novobrdó Municipality
4	28.06.2017	24,000.00	Peja Municipality
3	26.04.2017	29,200.00	Prishtina Municipality
3	06.10.2017	14,220.00	Prizren Municipality
6	13.12.2017	1,780.00	Prizren Municipality

Total Municipality 138,400.00

Ministry of Labour and Social Welfare 50,000.00

Transfer from Contrib. acc. remaininig 117,247.68

FROM WAT 90,000.00

**TOTAL INCOME ..... 967,625.68**



**Disclosure of expenditure by projects KOS26/201, SOE and Total KOS27/2017**

		<b>KOS 26</b>	<b>KOS 27</b>	<b>SOE</b>	<b>TOTAL</b>
<b>1</b>	<b>Direct project cost</b>	676,505.21		162,042.68	838,547.89
<b>2</b>	<b>Personel</b>	49,762.33			49,762.33
<b>3</b>	<b>Runing cost</b>	23,144.08		1,351.46	24,495.54
<b>4</b>	<b>Transport</b>	23,275.36		1,954.00	25,229.36
<b>5</b>	<b>Administration</b>	2,360.00	12,404.98		14,980.95
		<b>775,046.98</b>	<b>12,404.98</b>	<b>165,348.04</b>	<b>953,015.97</b>

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## **14. RELATED PARTY DISCLOSURE**

For the purposes of these financial statements, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions as defined by IAS 24 "Related Party Disclosures". In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

## **15. RISK MANAGEMENT**

### **Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo is exposed to credit risk in respect of Grant receivable from its Donors.

### **Interest rate risk**

Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo currently is not exposed to the interest rate risk.

### **Foreign exchange risk**

Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo is not exposed to foreign exchange risk as transactions are undertaken in local currency. The Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo does not speculate in or engage in the trading of derivative financial instruments.

### **Liquidity risk**

Liquidity risk is defined as the risk when the maturity of assets and liabilities does not match. The Help-Hilfe zur Selbsthilfe e.V.- Representative Office in Kosovo is committed to monitor its liquidity on a periodic basis in order to manage its obligations as and when they shall become due.

### **Fair value of financial instruments**

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.