

**ANF**

Ref.No. 159 Date: 30/3/2021

**ACTION FOR MOTHERS AND CHILDREN (AMC)**

**Financial Statements**

For the year ended December 31, 2020

**and**

**Independent Auditor's Report**

Contents:

<b>INDEPENDENT AUDITOR'S REPORT .....</b>	<b>3</b>
<b>Statement of Financial Position.....</b>	<b>5</b>
<b>Statement of Income .....</b>	<b>6</b>
<b>Statement of Changes in Net Assets .....</b>	<b>7</b>
<b>Statement of Cash Flows .....</b>	<b>8</b>
1. Introduction and background .....	9
2. Statement of Significant Accounting Policies .....	9
3. Cash and cash equivalents.....	10
4. Accounts Receivable .....	10
5. Accounts Payable.....	11
6. Deferred Revenues .....	11
7. Income .....	12
8. Personnel Expenses.....	12
9. Other operating expenses .....	13
10. Expenses by Project .....	14
11. Subsequent events .....	14

## **INDEPENDENT AUDITOR'S REPORT**

To: Management of Action for Mothers and Children (AMC)

### **Opinion**

We have audited financial statements of 'Action for Mothers and Children' (the Organization) which comprises the Statement of Financial Position as at December 31, 2020 and the Statement of Income, Statement of Changes in Net Assets and Statement of Cash Flows for the year ended on that date, and notes to financial statements including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements of Action for Mothers and Children (the organisation), for the year ended December 31, 2020 are prepared in all material respects, in accordance with generally accepted accounting policies described in the Note 2. and requirements of the Law No. 06 / L-043 on Freedom Of Association In Non-Governmental Organizations.

### **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 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.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of financial statements in accordance with International Financial Reporting Standards and for such controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization 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 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 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 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 Organization'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 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 Organization's ability to continue as 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 auditor's report. However, future events or conditions may cause the Organization 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.

Lulzim Zeka  
Statutory Auditor

 **bakertilly**  
Baker Tilly Kosovo L.L.C.  
Prishtinë

Baker Tilly Kosovo  
Prishtina, Kosovo

22 March 2021

# ACTION FOR MOTHERS AND CHILDREN (AMC)

## Statement of Financial Position

As of 31 December 2020

(all amounts are in Euro)

	Notes	As at December 31, 2020	As at December 31, 2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and Cash equivalents	3	301,126	244,649
Accounts Receivable	4	24,205	-
<b>Total current assets</b>		<b>325,330</b>	<b>244,649</b>
<b>TOTAL ASSETS</b>		<b>325,330</b>	<b>244,649</b>
<b>FUND BALANCE</b>			
Fund balance		-	-
Surplus/(Deficit) for the year		-	-
<b>Total fund balance</b>		<b>-</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Other liabilities	5	3,035	6,796
Deferred revenues	6	322,295	237,853
<b>Total current liabilities</b>		<b>325,330</b>	<b>244,649</b>
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>325,330</b>	<b>244,649</b>

These financial statements are approved and signed on March 16, 2020 on behalf of the management by:

Vlorian Molliqaj  
Executive Director



Zelfije Osmani  
Financial Officer

The accompanying notes 1 to 11 of the financial statements are an integral part of them.

## ACTION FOR MOTHERS AND CHILDREN (AMC)

### Statement of Income

For the year ended 31 December 2020

(all amounts are in Euro)

For the year ended		As at December 31, 2020	As at December 31, 2019
	Notes		
Income	7	362,541	317,830
<b>Total Income</b>		<b>362,541</b>	<b>317,830</b>
<b>Expenditures</b>			
Personnel Expenses	8	161,906	105,958
Other Operating Expenses	9	200,635	211,872
<b>Total Expenditures</b>	10	<b>362,541</b>	<b>317,830</b>
<b>Surplus/(Deficit) for the year</b>		<b>-</b>	<b>-</b>

The accompanying notes 1 to 11 of the financial statements are an integral part of them.

## ACTION FOR MOTHERS AND CHILDREN (AMC)

### Statement of Changes in Net Assets

For the year ended 31 December 2020

(all amounts are in Euro)

<b>Fund balance</b>	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Beginning balance in beginning of the year	237,853	214,114
Received funds during the year	446,983	341,569
Expenses for the year	(362,541)	(317,830)
Net Surplus / (Deficit) for the year	84,442	23,739
<b>Total Fund balance</b>	<b>322,295</b>	<b>237,853</b>

The accompanying notes 1 to 11 of the financial statements are an integral part of them.



# ACTION FOR MOTHERS AND CHILDREN (AMC)

## Statement of Cash Flows

For the year ended 31 December 2020

(all amounts are in Euro)

For the year ended		As at December 31, 2020	As at December 31, 2019
(Deficit)/surplus for the year	Notes	-	-
<b>Adjustment for:</b>			
Depreciation		-	-
Change in receivables account	4	(24,205)	1,200
Change in accounts payable and other short-term liabilities	5	(3,761)	4,038
Change in deferred income	6	84,442	23,739
<b>Net cash from operating activities</b>		<b>56,477</b>	<b>28,977</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at 01 January	3	244,649	215,672
<b>Cash and cash equivalents at period end</b>		<b>301,126</b>	<b>244,649</b>

The accompanying notes 1 to 11 of the financial statements are an integral part of them.



## **ACTION FOR MOTHERS AND CHILDREN (AMC)**

### **Notes to Financial Statements**

For the year ended 31 December 2020

(all amounts are in Euro)

#### **1. Introduction and background**

Action for Mothers and Children (The organisation) is a not-for-profit organization established on 21 May 2013 in accordance with the Law no 06/L-057 on Freedom of Association in Non-Governmental Organisation.

Action for Mothers and Children is a non-profit, non-governmental, non-sectarian, humanitarian foundation developing health programs in Gynecology/Obstetrics Clinics (that care for mothers) Neonatology Intensive Care Units (that care for pre-mature basis) and Pediatric Clinics (that care for children suffering of Leukemia, heart diseases, asthma and other illnesses) in the Republic of Kosovo.

#### **In order to fulfill its mission, the foundation:**

- Advocates vigorously for better healthcare for women and children throughout the Republic of Kosovo
- Studies their health problems and health care systems that address these problems
- Develops programs and projects that will help to improve the health of women and children
- Accords high priority to those activities that will reduce Kosovo's relatively high maternal and infant mortality rates;
- Collaborates with the Ministry of Health and other stakeholders that have similar goals and objectives

#### **2. Statement of Significant Accounting Policies**

##### **2.1. General Accounting Principle**

The organization maintains its accounting records on the modified cash basis of accounting. Accordingly, revenue is recorded when cash is received and expenses are recorded when paid. Modifications to the cash basis of accounting relate to the accounts receivable and payable which are recognized at the end of reporting period.

##### **2.2. Basis of measurement**

The Financial Statements have been prepared on the historical cost basis.

##### **2.3. Functional and presentation currency**

The Financial Statements are presented in EUR, which is the Organization's functional currency.

##### **2.4. Income Tax**

The organization is a Non-Governmental organization (NGO) whose received donations in the reporting year have been implemented for the humanitarian purposes. According to law no 06/L-105 on Corporate Income Tax, NGO's whose total income was used for their public benefit purposes are tax exempted.

##### **2.5. Property, plant and equipment**

It is organization policy to expenses property, plant and equipment acquired for the purpose of the project in accordance with donor requirements.

##### **2.6. Cash and cash equivalents**

Cash and cash equivalents include cash in hand and cash deposited in bank.

##### **2.7. Foreign currency transactions**

Foreign currency transactions are recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Foreign currency differences arising on retranslation are recognized in profit or loss.

**ACTION FOR MOTHERS AND CHILDREN (AMC)****Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)***2. Statement of Significant Accounting Policies (continued)****2.8. Revenues**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the organization and the revenue can be reliably measured.

**2.9. Expenses**

Expenses consist of the program, administration and management expenses. Expenses are recognized when incurred.

**2.10. Accounts Payable**

Pension contribution, payroll taxes and other accrued liabilities, have been disposed on the financial statements as accounts payable.

**2.11. Deferred Income**

Deferred income is an income/donation for which the cash has been collected by the organization, but have yet to be expensed. Consequently this liability occurs when 'AMC' receives payment in advance for a project to be implemented in future.

**2.12. Deficit of revenues over expenses**

The negative balance (deficit) is a result of donations and implemented project costs until end of the year.

**2.13. Employee benefits**

The Organization makes contributions for the benefit of employees to the Kosovo Pension Saving Trust (KPST). The contributions are expensed as incurred.

**3. Cash and cash equivalents**

	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Cash at bank	300,774	241,016
Petty cash	352	3,633
<b>Total</b>	<b>301,126</b>	<b>244,649</b>

**4. Accounts Receivable**

	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Prepaid Rent	1,099	-
Grant receivable from HMC	23,106	-
<b>Total</b>	<b>24,205</b>	<b>-</b>

Grant receivable as at December 31, 2020 in amount of 23,106 Euro are related to receivable funds that were earned but not received from the funder Dartmouth – Hitchcock Medical Center. These funds were received in January, 2021.



**ACTION FOR MOTHERS AND CHILDREN (AMC)****Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)***5. Accounts Payable**

	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Accrued liabilities	177	1,825
Pension contribution (CM)	1,649	1,613
Payroll taxes (WM)	1,184	1,184
Payroll payable	-	1,050
Rent payable	-	1,099
Tax on rent (WR)	25	25
<b>Total</b>	<b>3,035</b>	<b>6,796</b>

**6. Deferred Revenues**

	<b>As at December 31, 2019</b>	<b>Receipt for the year 2020</b>	<b>Expenses for the year 2020</b>	<b>As at December 31, 2020</b>
Overhead	181,178	65,677	45,025	201,830
GC_1000	-	112,395	36,143	76,252
UNICEF	-	102,438	102,438	-
UNFPA	12,400	49,318	52,773	8,945
Save the children	-	32,645	32,486	159
Solidar Suisse	-	7,441	6,441	1,000
RBKO	8,005	18,600	20,289	6,316
Teshavesha - Program	21,919	11,592	20,819	12,692
UNDP	-	5,000	5,000	-
CFLI	-	6,634	1,645	4,988
LDS	-	10,015	10,015	-
CKC	4,949	-	4,845	104
Johns Hopkins Uni.	4,641	-	-	4,641
Bucaj Shpk	-	10,000	10,000	-
CITY / London University	-	7,227	5,265	1,962
Counsil de Europe (COE)	-	4,000	4,000	-
Australian DAP	-	4,001	2,095	1,906
WHRC	3,261	-	3,261	-
Other	1,500	-	-	1,500
<b>Total</b>	<b>237,853</b>	<b>446,983</b>	<b>362,541</b>	<b>322,295</b>

Deferred revenues at the end of the year represent the remaining funds from donor funding, funds which will be used during the implementation of projects in the future. The balance is disclosed above on December 31, 2020 and 2019 for each donor of the organization.

**ACTION FOR MOTHERS AND CHILDREN (AMC)****Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)***7. Income**

<b>For the year ended</b>	<b>As at 31 December 2020</b>	<b>As at 31 December 2019</b>
Overhead	65,677	92,003
GC_1000	112,395	-
UNICEF	102,438	55,100
UNFPA	49,318	62,118
Save the children	32,645	33,129
Solidar Suisse	7,441	11,174
RBKO	18,600	20,000
Ministry of Health_Moh	-	8,329
WIC Conference	-	6,741
Teshavesha - Program	11,592	17,139
UNDP	5,000	6,599
Swiss Embassy	-	11,500
CFLI	6,634	-
LDS	10,015	-
CKC	-	9,996
WIC	-	-
Johns Hopkins Uni.	-	7,741
Bucaj Shpk	10,000	-
CITY / London University	7,227	-
Counsil de Europe (COE)	4,000	-
Australian DAP	4,001	-
<b>Total Income</b>	<b>446,983</b>	<b>341,569</b>
Deferred revenues as at 1 January	237,853	214,114
Deferred revenue as at 31 December	(322,295)	(237,853)
<b>Recognized income for the year</b>	<b>362,541</b>	<b>317,830</b>

**8. Personnel Expenses**

<b>For the year ended</b>	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Gross Salaries (AMC personnel)	112,193	89,537
Pension contributions 5%	5,905	4,712
<b>Sub Total (I)</b>	<b>118,098</b>	<b>94,250</b>
Gross Salaries (Short term experts)	41,617	11,123
Pension contributions 5%	2,190	585
<b>Sub Total (II)</b>	<b>43,808</b>	<b>11,708</b>
<b>Total (I+II)</b>	<b>161,906</b>	<b>105,958</b>

Salary expenses of key personnel for the year 2020 and 2019 are in the amount of 118,098 Euros, respectively 94,250 Euros. Other salary expenses for the year 2020 and 2019 in the amount of 43,808 Euros, respectively 11,708 Euros, represent the expenses of short-term personnel engaged during the implementation of projects developed by the organization.



**ACTION FOR MOTHERS AND CHILDREN (AMC)****Notes to Financial Statements**

For the year ended 31 December 2020

*(all amounts are in Euro)***9. Other operating expenses**

<b>For the year ended</b>	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Training	25,666	38,932
Medical Equipment	79,872	30,436
Marketing	5,805	23,583
Other contracted services	5,687	25,534
Fundraising	211	20,716
Office rent and Maintenance	13,073	18,381
Transport	5,254	17,120
Sub-grants	10,421	13,002
Other	4,458	4,285
Accommodation	5,159	4,865
Office supply	5,489	4,480
Accounting	4,300	1,900
Bank Fee	897	1,021
Utilities	2,718	1,646
Research publications	200	1,579
Telecommunication	7,235	1,554
Representation and meeting costs	602	2,838
Raising Awareness Campaign	20,775	-
Open discussions	873	-
Workshop	1,938	-
<b>Total</b>	<b>200,635</b>	<b>211,872</b>

**ACTION FOR MOTHERS AND CHILDREN (AMC)****Notes to Financial Statements**

For the year ended 31 December 2020

(all amounts are in Euro)

**10. Expenses by Project**

<b>For the year ended</b>	<b>As at December 31, 2020</b>	<b>As at December 31, 2019</b>
Overhead	45,025	79,808
GC_1000	36,143	-
UNICEF	102,438	55,826
UNFPA	52,773	54,279
Save the children	32,486	32,290
Solidar Suisse	6,441	11,172
RBKO	20,289	15,321
Ministry of Health_Moh	-	8,329
WIC Conference	-	6,742
Teshavesha - Program	20,819	20,060
UNDP	5,000	6,600
Swiss Embassy	-	11,471
CFLI	1,645	2,459
LDS	10,015	-
Hologic	-	1,605
CKC	4,845	5,047
WIC	-	-
Johns Hopkins Uni.	-	3,100
Bucaj Shpk	10,000	-
CITY / London University	5,265	-
Counsiel de Europe (COE)	4,000	-
Australian DAP	2,095	-
Dartmouth	-	150
WHRC	3,261	1,629
Other	-	1,942
<b>Total</b>	<b>362,541</b>	<b>317,830</b>

**11. Subsequent events***Extraordinary events*

The rapid development of the Covid-19 virus and its social and economic impact in Kosovo and globally may result in assumptions and assessments that require revisions that require material adjustments to the carrying value of assets and liabilities within the next financial year. In particular, management expects that the assumptions and estimates used in determining unspecified assets, property and equipment, property rights, other accounts receivable and receivable, borrowings, accounts payable and other payable and their carrying value I can ask for correction.

Considering that the Covid-19 pandemic has affected globally the work processes, projects implementation, timelines and financial forecasts of the organizations, the organization has not had problems with fundings from donors and achieving the objectives of the projects and organization.

However, at this stage management is not able to reliably assess the impact as events are flowing day by day. Long-term impact can also have an impact on income, cash flows and funding. However, on the date of these financial statements, the organisation continues to meet its obligations and therefore continues to apply the basis for the preparation of financial statements according to the principle of continuity.

There are no events subsequent to the date of Statement of Financial Position that require adjustments or disclosure in the Financial Statements.