

**ACTION FOR MOTHERS AND CHILDREN (AMC)**  
Prishtina, Kosovo

**Financial Statements**  
For the year ended December 31, 2022

**and**  
**Independent Auditor's Report**

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## 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, 2022 and the Statement of Income 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 present fairly, in all material respects, the financial position of the 'Action for Mothers and Children' (AMC) as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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

Baker Tilly Kosovo  
02 March 2023

**ACTION FOR MOTHERS AND CHILDREN (AMC)****Statement of Financial Position**

As of 31 December 2022

*(all amounts are in Euro)*

		<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
	Notes		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and Cash equivalents	3	318,325	378,433
Accounts Receivable	4	20,692	37,950
<b>Total current assets</b>		<b>339,017</b>	<b>416,382</b>
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<b>TOTAL ASSETS</b>		<b>339,017</b>	<b>416,382</b>
<hr/>			
<b>FUND BALANCE</b>			
Fund balance		-	-
Surplus/(Deficit) for the year		-	-
<b>Total fund balance</b>		<b>-</b>	<b>-</b>
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<b>CURRENT LIABILITIES</b>			
Other liabilities	5	6,178	11,366
Deferred revenues	6	332,839	405,016
<b>Total current liabilities</b>		<b>339,017</b>	<b>416,382</b>
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<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>339,017</b>	<b>416,382</b>
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These financial statements are approved and signed on 15 February 2023 on behalf of the management by:

**Vlorian Molliqaj**

Executive Director

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**Ariana Hoxha Selmani**Head of finance and  
administration

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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 2022

*(all amounts are in Euro)*

<b>For the year ended</b>		<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
	Notes		
Income	7	480,357	340,787
<b>Total Income</b>		<b>480,357</b>	<b>340,787</b>
<b>Expenditures</b>			
Personnel Expenses (including external experts)	8	218,016	161,878
Other Operating Expenses	9	262,341	178,909
<b>Total Expenditures</b>	10	<b>480,357</b>	<b>340,787</b>
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<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 Cash Flows**

For the year ended 31 December 2022

*(all amounts are in Euro)*

<b>For the year ended</b>		<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
<b>Operating Activities</b>	Notes		
(Deficit)/surplus for the year		-	-
<b>Adjustment for:</b>			
Depreciation		-	-
Change in receivables account	4	17,257	(13,745)
Change in accounts payable and other	5	(5,188)	8,331
Change in deferred income	6	(72,178)	82,721
<b>Net cash from operating activities</b>		<b>(60,108)</b>	<b>77,307</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment		-	-
<b>Net cash used in investing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at 01 January	3	378,433	301,126
<b>Cash and cash equivalents end of the year</b>		<b>318,325</b>	<b>378,433</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 2022

*(all amounts are in Euro)*

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**

### **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 in accordance with with the requirements of the law nr. 06/L-043 on Freedom of Association in Non-Governmental Organizations.

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

The Financial Statements are presented in EUR, which is the Organization's functional currency. All amounts reported in the Statement of Financial Position and Net Changes are reported in Euro. Transactions in foreign currencies are registered according to the Ex-change Rates of the time of the Transactions. Monetary Items and Monetary Liabilities in foreign currencies are converted according to the Ex-change rate on the date of the Statement of Financial Position. Profit or Loss as a result of ex-change rates is registered in the Statement of Income.

#### **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.



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

### **Notes to Financial Statements**

For the year ended as at 31 December 2022

*(all amounts are in Euro)*

#### **Statement of Significant Accounting Policies (continued)**

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

The organization does not use a policy on capitalization of non-current assets but debits them through the statement of comprehensive income (annual expenses). The non-current assets organization recognizes annual expenses at the time of occurrence, but also maintains a specific donor list.

##### **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.

##### **2.8. Revenues**

The organization's revenues represent donations received from donors. Revenues are recognized when earned rather than received and expenses are recognized when incurred rather than paid. Revenue is recognized at the level of the expenditure incurred and is treated in accordance with IAS 20. The remainder is presented as deferred revenue or held-to-equity funds for future use.

##### **2.9. Expenses**

The organization recognizes costs at the time of occurrence. Expenditures are recorded on an accrual basis. The organization's expenses consist of personnel expenses, operating and administrative expenses, program and other general expenses.

##### **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.

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

For the year ended as at 31 December 2022

*(all amounts are in Euro)***3. Cash and cash equivalents**

	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Cash at bank	316,239	378,068
Petty cash	2,086	364
<b>Total</b>	<b>318,325</b>	<b>378,433</b>

**4. Accounts Receivable**

	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Prepaid Rent	1,099	1,099
Grant receivable from HMC	19,594	36,851
<b>Total</b>	<b>20,692</b>	<b>37,950</b>

**5. Accounts Payable**

	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Accrued liabilities	1,996	10,966
Payroll contributions (CM)	2,274	-
Tax on personal Income	1,805	-
Rent payable	25	400
Tax on rent (WR)	79	-
<b>Total</b>	<b>6,178</b>	<b>11,366</b>

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

For the year ended as at 31 December 2022

*(all amounts are in Euro)***6. Deferred Revenues**

	<b>As at 31 December 2021</b>	<b>Income for the year 2022</b>	<b>Expenses for the year 2022</b>	<b>As at 31 December 2022</b>
Overhead	213,926	128,512	102,015	240,424
GC_1000 Horizon	93,253	-	75,623	17,630
UNICEF	22,175	201,452	203,085	20,542
UNFPA	-	44,524	42,333	2,191
KCSF	4,397	8,034	12,431	-
EBRD	45,094	-	16,343	28,751
Bulgarian Embassy The office of the President	6,405	6,405	12,810	-
Solidar Suisse	4,000	-	4,000	-
Teshavesha	1,000	-	-	1,000
CFLI	13,803	-	1,099	12,704
CKC	963	5,814	5,937	840
Australian DAP	-	9,879	1,190	8,689
	-	3,560	3,492	68
<b>Total</b>	<b>405,016</b>	<b>408,180</b>	<b>480,357</b>	<b>332,839</b>

Deferred revenues at the end of the year represent funds remaining from donor funds, funds that will be used during the implementation of future projects. The balance of unearned income is presented as follows.

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

For the year ended as at 31 December 2022

*(all amounts are in Euro)***6. Income**

<b>For the year ended</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Overhead	128,512	59,131
GC_1000	-	64,550
UNICEF	201,452	57,495
UNFPA	44,524	40,361
Save the children	-	41,186
GGP	-	54,370
KCSF	8,034	6,026
EBRD	-	50,000
Bulgarian Embassy	6,405	6,405
The office of the President	-	4,000
Teshavesha - Program	-	15,265
CFLI	5,814	9,735
CKC	9,879	9,896
Johns Hopkins Uni.	-	5,089
Australian DAP	3,560	-
<b>Total Income</b>	<b>408,180</b>	<b>423,508</b>
Deferred revenues as at 1 January	405,016	322,295
Deferred revenue as at 31 December	(332,839)	(405,016)
<b>Recognized income for the year</b>	<b>480,358</b>	<b>340,787</b>

**7. Personnel Expenses**

<b>For the year ended</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Gross Salaries (AMC personnel)	134,248	119,647
Pension contributions 5%	6,712	5,982
<b>Sub Total (I)</b>	<b>140,960</b>	<b>125,629</b>
Gross Salaries (Short term experts)	73,741	34,523
Pension contributions 5%	3,314	1,726
<b>Sub Total (II)</b>	<b>77,055</b>	<b>36,249</b>
<b>Total (I+II)</b>	<b>218,016</b>	<b>161,878</b>

Salary expenses of key personnel for 2022 are in the amount of 140,960 Euros (2021; 125,629 Euros). Other salary expenses for 2022 in the amount of 77,055 Euros (2021; 36,249 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 as at 31 December 2022

*(all amounts are in Euro)***8. Other operating expenses**

<b>For the year ended</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Capacity building activities	74,643	8,885
Medical and other equipment	28,550	91,898
Public relations and communication	5,921	7,832
Philanthropy fundraising and awareness	27,294	1,690
Rent and other general expenses	28,911	28,269
Travel and accommodation expenses	18,260	4,824
Expenses of grantees	35,161	-
Other expenses	6,451	11,281
Expenses for financial services	2,800	2,650
Awareness raising campaign expenses	21,032	11,778
Expenses for printed materials	12,683	9,333
Bank charges	635	470
<b>Total</b>	<b>262,341</b>	<b>178,909</b>

**9. Expenses by Project**

<b>For the year ended</b>	<b>As at 31 December 2022</b>	<b>As at 31 December 2021</b>
Overhead	102,015	48,535
GC_1000 Horizon	75,623	47,548
UNICEF	203,085	35,320
UNFPA	42,333	49,307
Save the children	-	41,345
GGP	-	54,370
KCSF	12,431	1,629
EBRD	16,343	4,906
Bulgarian Embassy	12,810	-
The office of the President	4,000	-
RBKO	-	6,316
Teshavesha	1,099	14,153
CFLI	5,937	13,761
CKC	1,190	10,000
Johns Hopkins Uni.	-	9,730
CITY / London University	-	1,962
Australian DAP	3,492	1,906
<b>Total</b>	<b>480,357</b>	<b>340,787</b>

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

**Notes to Financial Statements**

For the year ended as at 31 December 2022

*(all amounts are in Euro)*

**10. Contingencies and Commitments**

***Legal issues***

For the year ended December 31, 2022 and December 31, 2021, the organization has not been involved in any legal issues.

**11. Subsequent Events**

There are no events after the date of authorization of the financial statements that require adjustments or disclosures in the financial statements.