

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

**Financial Statements**

For the year ended December 31, 2021

**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, 2021 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, 2021 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



Baker Tilly Kosovo L.L.C.  
Prishtine

Baker Tilly Kosovo  
Prishtina, Kosovo

16 March 2022

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**ACTION FOR MOTHERS AND CHILDREN (AMC)**  
**Statement of Financial Position**  
As of 31 December 2021  
*(all amounts are in Euro)*

	Notes	As at December 31, 2021	As at December 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and Cash equivalents	3	378,433	301,126
Accounts Receivable	4	37,950	24,205
<b>Total current assets</b>		<b>416,382</b>	<b>325,330</b>
<b>TOTAL ASSETS</b>		<b>416,382</b>	<b>325,330</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	11,366	3,035
Deferred revenues	6	405,016	322,295
<b>Total current liabilities</b>		<b>416,382</b>	<b>325,330</b>
<b>TOTAL FUND BALANCE AND LIABILITIES</b>		<b>416,382</b>	<b>325,330</b>

These financial statements are approved and signed on 15 February 2022 on behalf of the management by:

Vlorian Molligaj  
Executive Director

Ariana Hoxha Selmani  
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 2021

*(all amounts are in Euro)*

For the year ended	Notes	As at December 31, 2021	As at December 31, 2020
Income from grants	7	340,787	362,541
<b>Total Income from grants</b>		<b>340,787</b>	<b>362,541</b>
<b>Expenditures</b>			
Personnel Expenses	8	161,878	161,906
Other Operating Expenses	9	178,909	200,635
<b>Total Expenditures</b>	10	<b>340,787</b>	<b>362,541</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 Cash Flows**

For the year ended 31 December 2021

*(all amounts are in Euro)*

<b>For the year ended</b>		<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
<b>Operating Activities</b>	Notes		
(Deficit)/surplus for the year		-	-
<b>Adjustment for:</b>			
Depreciation		-	-
Change in receivables account	4	(13,745)	(24,205)
Change in accounts payable and other short-term liabilities	5	8,331	(3,761)
Change in deferred income	6	82,721	84,442
<b>Net cash from operating activities</b>		<b>77,307</b>	<b>56,477</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	301,126	244,649
<b>Cash and cash equivalents at period end</b>		<b>378,433</b>	<b>301,126</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 2021

(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 in accordance 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.

##### **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.

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

For the year ended 31 December 2021

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

**3. Cash and cash equivalents**

	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
Cash at bank	378,068	300,774
Petty cash	364	352
<b>Total</b>	<b>378,433</b>	<b>301,126</b>

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

For the year ended 31 December 2021

*(all amounts are in Euro)***4. Accounts Receivable**

	As at December 31, 2021	As at December 31, 2020
Prepaid Rent	1,099	1,099
Grant receivable from HMC	36,851	23,106
<b>Total</b>	<b>37,950</b>	<b>24,205</b>

The grant receivable as at December 31, 2020 in the amount of 23,106 Euros relates to receivables that have been received but not received from the donor Dartmouth - Hitchcock Medical Center. These funds were received by the organization in January 2021. On December 31, 2021 the funds receivable from Dartmouth - Hitchcock Medical Center are in the amount of 36,851 Euros. By March 2022, 28,394 Euros were collected, while the rest remains to be collected during 2022.

**5. Accounts Payable**

	As at December 31, 2021	As at December 31, 2020
Accrued liabilities	10,966	-
Other accrual liabilities	-	177
Payroll contributions (CM)	-	1,649
Tax on personal Income	-	1,184
Rent payable	400	-
Tax on rent (WR)	-	25
<b>Total</b>	<b>11,366</b>	<b>3,035</b>

**6. Deferred Revenues**

	As at December 31, 2020	Receipt for the year 2021	Expenses for the year 2021	As at December 31, 2021
Overhead	203,330	59,131	47,535	214,926
GC_1000	76,252	64,550	47,548	93,253
UNICEF	-	57,495	35,320	22,175
UNFPA	8,945	40,361	49,307	-
Save the children	159	41,186	41,345	-
GGP	-	54,370	54,370	-
KCSF	-	6,026	1,629	4,397
EBRD Community Initiative	-	50,000	4,906	45,094
Bulgarian Embassy	-	6,405	-	6,405
Presidency Grant	-	4,000	-	4,000
Solidar Suisse	1,000	-	1,000	-
RBKO	6,316	-	6,316	-
Teshavesha	12,692	15,265	14,153	13,803
CFLI	4,988	9,735	13,761	963
CKC	104	9,896	10,000	-
John Hopkins Uni.	4,641	5,089	9,730	-
CITY / London University	1,962	-	1,962	-
Australian DAP	1,906	-	1,906	-
<b>Total</b>	<b>322,295</b>	<b>423,508</b>	<b>340,787</b>	<b>405,016</b>

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

For the year ended 31 December 2021

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

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, 2021 and 2020 for each donor of the organization.

**7. Income from grants**

For the year ended	As at 31 December 2021	As at 31 December 2020
Overhead	59,131	65,677
GC_1000	64,550	112,395
UNICEF	57,495	102,438
UNFPA	40,361	49,318
Save the children	41,186	32,645
GGP	54,370	-
KCSF	6,026	-
EBRD	50,000	-
Bulgarian Embassy	6,405	-
Presidency Grant	4,000	-
Solidar Suisse	-	7,441
RBKO	-	18,600
Teshavesha-Program	15,265	11,592
UNDP	-	5,000
CFLI	9,735	6,634
LDS	-	10,015
CKC	9,896	-
Johns Hopkins Uni.	5,089	-
Bucaj Shpk	-	10,000
CITY / London University	-	7,227
Counsil de Europe (COE)	-	4,000
Australian DAP	-	4,001
<b>Total Income</b>	<b>423,508</b>	<b>446,983</b>
Deferred revenues as at 1 January	322,295	237,853
Deferred revenue as at 31 December	(405,016)	(322,295)
<b>Recognized income for the year</b>	<b>340,787</b>	<b>362,541</b>

**8. Personnel Expenses**

For the year ended	As at December 31, 2021	As at December 31, 2020
Gross Salaries (AMC personnel)	119,647	112,193
Pension contributions 5%	5,982	5,905
<b>Sub Total (I)</b>	<b>125,629</b>	<b>118,098</b>
Gross Salaries (Short term experts)	34,523	41,617
Pension contributions 5%	1,726	2,190
<b>Sub Total (II)</b>	<b>36,249</b>	<b>43,808</b>
<b>Total (I+II)</b>	<b>161,878</b>	<b>161,906</b>

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

For the year ended 31 December 2021

*(all amounts are in Euro)***8. Personnel Expenses (continued)**

Salary expenses of key personnel for the year 2021 and 2020 are in the amount of 118,098 Euros, respectively 94,250 Euros. Other salary expenses for the year 2021 and 2020 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.

**9. Other operating expenses**

<b>For the year ended</b>	<b>As at December 31, 2021</b>	<b>As at December 31, 2020</b>
Training	5,098	25,666
Medical Equipment	72,777	79,872
Marketing	2,220	5,805
Other contracted services	7,648	5,687
Fundraising	1,073	211
Office rent and Maintenance	17,885	13,073
Transport	2,619	5,254
Sub-grants	-	10,421
Other	3,633	4,458
Accommodation	2,205	5,159
Office supply	5,291	5,489
Accounting	2,650	4,300
Bank Fee	470	897
Utilities	5,093	2,718
Research publications	-	200
Telecommunication	5,612	7,235
Representation and meeting costs	617	602
Raising Awareness Campaign	11,778	20,775
Open discussions	2,580	873
Workshop	1,207	1,938
Printing	9,333	-
Other	19,121	-
<b>Total</b>	<b>178,909</b>	<b>200,635</b>

Utility expenses in the amount of 5,093 Euro for the year ended as at December 31, 2021 (for the year ended December 31, 2020; 2,718 Euro) are increased by 87%. The reason for the increase in utilities expenses is due to the pandemic situation during year 2020, where the organization did not operate through its local office causing less utilities expenses.

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

For the year ended 31 December 2021

*(all amounts are in Euro)***10. Expenses by Project**

<b>For the year ended</b>	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>
Overhead	59,737	45,025
GC_1000	47,548	36,143
UNICEF	35,320	102,438
UNFPA	38,244	52,773
Save the children	41,205	32,486
GGP	54,370	-
KCSF	1,629	-
Solidar Suisse	-	6,441
RBKO	6,316	20,289
Teshavesha - Program	14,153	20,819
UNDP	-	5,000
CFLI	13,761	1,645
LDS	-	10,015
CKC	10,000	4,845
Johns Hopkins Uni.	9,730	-
Bucaj Shpk	-	10,000
CITY / London University	1,962	5,265
Council de Europe (COE)	-	4,000
Australian DAP	1,906	2,095
WHRC	-	3,261
EBRD CI	4,906	-
<b>Total</b>	<b>340,787</b>	<b>362,541</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.