



Subjekti Politik (S.P.) Kosovaki Nevi Rmani Partia (KNRP)

**Annual Financial Statements with Independent Auditors' Report
thereon**

01 January 2017 - 31 December 2017



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Independent Auditors' Report

To the council of Kosovaki Nevi Rmani Partia

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the financial statements of the Political Entity "**Kosovaki Nevi Rmani Partia**" (hereinafter referred to as "Political Entity" or "KNRP" or "PE"), which comprise the statement of financial position as at December 31, 2017, the statement of income and expenses for the year then ended and other explanatory information.

In our opinion, except for the effects of the matters described in Basis for qualified opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the Political Entity as of 31 December 2017, and its income and expenses for the year then ended in accordance with the law no. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 15 Financial Reporting.

Basis for qualified opinion

- As disclosed in note 2 of the statement "Revenues and Expenses" in "General Expenses", where the value of the rent is disclosed in the amount of 500 Euro and the rent included in campaign expenses in the amount of 100 Euro, tax at source regarding these expenses has not been calculated nor declared for 2017 which is in violation of the legal requirements of Article 30, paragraph 3 of Law no.05/L-029 on Corporate Income Tax.
- PE, KNRP has not calculated and declared the tax on salaries for the chairman of the party, Jollxhi Shala for the salary in the amount of 2,461.40 Euro received for the months January 2017 until May 2017, while the tax on salary is in the amount of 123.29 Euros without including the penalties and interests for not declaring the payment on time as required by Law no.05/L-028 on Personal Income required by Article 9, paragraph 1.
- Furthermore, it was found that cash payments are in the amount of 5,932 Euro which is withdrawn from the current bank account by the responsible officer and are then used to pay various invoices which transactions were not recorded in the cash register. As a result, this has made it impossible for the CEC office to carry out the proper financial control of expenditures incurred and paid in accordance with the requirements of Article 19, paragraph 2 of Law no. 04/L-212 On Amending and Supplementing the Law no. 03 / L-174 on Financing of Political Entities amended and supplemented by Law No. 04 / L-058.

- In the absence of evidence for cash transactions such as cash register or cash payment receipts, we have been unable to apply the audit procedures and alternative procedures to confirm whether the paid expenses for contractors in the amount of 5,932 Euro have been carried out accordingly.
- As disclosed in Note 8 of the Statement of Financial Position in "Accounts payable and other" the value amounts to 29.92 Euro. The political entity, KNRP and other responsible individuals, have failed to provide the specification of accounts payable carried from previous years. In the absence of analytical accounts payable we were unable to apply the audit and alternative procedures to confirm whether the accounts payable are accurate and their carried value is confirmed on 31.12.2017.

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 Political Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kosova, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the following findings:

- The Political Entity has not maintained registers required for financial reporting as required by Article 15 of the Law on Financing of Political Entities no.04/L-212 amending the Law no.03/L-174 on the Financing of Political Entities amended and supplemented by Law No.04/L-058 to enable the recording of financial transactions and the preparation of financial statements in accordance with accounting standards applicable in Kosovo.
- The Political Entity has not defined in its Statute the possibility of exercising internal financial control and the right for its members to be informed of all revenues and expenses of political entities as well as the responsibly of relevant body for financial transaction as required by the law no. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 17 Internal Control.
- The Political Entity has not respected the legal requirements regarding the publication of annual and campaign financial disclosure reports as required by the law no. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 15 Financial Reporting, paragraphs 5.1 and 5.2.

- Personnel contracts were not ready during the course of the audit. They had not been signed by the responsible individuals nor were they harmonized with the legal requirements of the Law on Labour No.03/L-212.

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 Law No. 04/L-212 on amending and supplementing the Law no. 03/L-174 on the financing of Political Parties, amended and supplemented by law no. 04/L-058 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 Organization'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 Political Party 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 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.

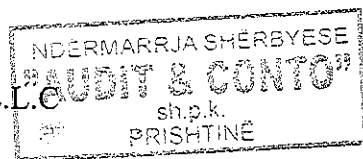
-Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.


- 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. However, future events or conditions may cause the Company 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.

"Audit & Conto" L.L.C




Muhamet Feka
Statutory Auditor
12 April 2019

Statement of Financial Position

Assets		31 December 2017	31 December 2016
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	5		
Intangible Assets			
Other long-term assets			
Total long-term assets		0.00	0.00
Current assets			
Accounts receivable	6		
Prepayments			
Cash and cash equivalents	7	0.00	36.64
Other current assets			
Total current assets		0.00	36.64
Total Assets		0.00	36.64
Equity			
Accumulated Fund		6.72	68.18
Surplus / (deficit) of the year		(36.64)	(61.46)
Total Equity		(29.92)	6.72
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue			
Total Long-term liabilities		0.00	0.00
Current liabilities			
Accounts payable	8	29.92	29.92
Loans payable			
Other current liabilities	9		
Total current liabilities		29.92	29.92
Total Liabilities		29.92	29.92
Total equity and liabilities		0.00	36.64

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2017	2016
Income			
Income from budget		15,750.00	31,500.00
Income from membership			
Donations and cash contributions	3		
Contributions in kind / goods and services	4		
Income from campaigns			
Income released from deferred revenues	5		
Other income			
Total Income for the year		15,750.00	31,500.00
Expenses			
Wages and salaries	2	9,117.82	24,733.94
Transportation expenses	2	1,776.80	1,755.27
Advertising, representation and conferences	2	1,195.65	266.18
Campaign expenses	2	2,109.46	0.00
Purchase of goods	2	105.00	292.46
General expenses	2	1,226.00	2,584.00
Other expenses	2	255.91	1,929.61
Total expenses for the year		15,786.64	31,561.46
Surplus / (deficit) for the year		(36,64)	(61.46)

1. General Information

Name of Political Entity: Kosovaki Nevi Romani Partia

Acronym: KNRP

Council: Jollxhi Shala (Chairman)

Finance Representative: Rexhep Avdo

Date of Establishment:

Address: Street. Jusuf Gërvalla n.n. Prishtina

The financial statements of the PE Kosovaki Nevi Romani Partia have been prepared in accordance with the requirements of Law no. 04 / L-212 on Amending and Supplementing the Law no. 03 / L-174 on Financing of Political Entities, amended and supplemented by Law No. 04 / L-058, Article 15 Financial Reporting.

According to Article 19, Paragraph 2, Item 7 of Law no.04/L-212 on amending and supplementing Law Nr. 03/L-174 on Financing of Political Entities, amended and supplemented by Law Nr. 04/L-058, the registered political entity within five (5) business days from receiving the draft auditing reports has submitted the revised financial reports and explanations regarding errors and omissions identified by the auditors. Revisions were regarding the discrepancy of financial statements and the auditing report from the year ended 31.12.2016. These revised statements, corrected on 02.04.2019 have been submitted to CEC on 02.04.2019

The Political Entity has maintained a single bank account on ProCredit Bank Kosovo in Prizren which has been closed during the preparation of this report.

Note 7. Cash and cash equivalents

	31 December 2017 Amount in Euros	31 December 2016 Amount in Euros
Cash in bank	0.00	36.664
Cash in hand	0.00	0.00
Total cash and cash equivalents	0.00	36.64

Note 8. Accounts payable and others

	31 December 2017 Amount in Euros	31 December 2016 Amount in Euros
Other Accounts payable	29.92	29.92
Total accounts payable and others	29.92	29.92

Note 2: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	7,901.41	7,901.41	0.00
Pension contributions of the employee	499.65	499.65	0.00
Pension contributions of the employer	499.65	499.65	0.00
Personal Tax income	217.11	217.11	0.00
Other benefits			0.00
Total	9,117.82	9,117.82	0.00
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	724.30	724.30	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance			0.00
Any other transportation expenses	1,052.50	1,052.50	0.00
Total transportation expenses	1,776.80	1,776.80	0.00

Kosovaki Nevi Rmani Partia (KNRRP)

Notes on Financial Statements 01 January 2017 until 31 December 2017

Advertising, representation and conferences			
Premises	0.00	0.00	0.00
Food	1,195.65	1,195.65	0.00
Cultural and recreation activities	0.00	0.00	0.00
Radio and TV advertisements	0.00	0.00	0.00
Newsstands and newspaper advertisements	0.00	0.00	0.00
Other advertising, representation and conferences expenses	0.00	0.00	0.00
Total advertising, representation and conferences expenses	1,195.65	1,195.65	0.00
Campaign expenses			
Campaign expenses	2,109.46	2,109.46	0.00
Total Campaign expenses	2,109.46	2,109.46	0.00
Purchase of goods			
Supply of office	105.00	105.00	0.00
Small equipment			0.00
Total purchase of goods	105.00	105.00	0.00
General expenses			
Rent of office space	500.00	500.00	0.00

Kosovaki Nevi Rmani Partia (KNRP)

Notes on Financial Statements 01 January 2017 until 31 December 2017

Telephone, internet and mail	665.00	665.00	0.00
Electricity and other utilities (water and waste)	61	61	0.00
Depreciation expenses of long-term assets			
Expenses related to in-kind contributions / goods and services			
Total general expenses	1,226.00	1,226.00	0.00
Other expenses			
Maintenance of office space and equipment	20.15	20.15	0.00
Expenses not included in any other category	235.76	235.76	0.00
Total other expenses	255.91	255.91	0.00
Total expenses	15,786.64	15,786.64	0.00