



# Nisma Socialdemokrate - NISMA

**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 Nisma Socialdemokrate

## Report on Special Purpose Financial Statement

### Qualified Opinion

We have audited the financial statements of the Political Entity “**Nisma Socialdemokrate**” (hereinafter referred to as “Political Entity” or “NISMA” 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

- The political entity has not respected the fiscal legislation in power on withholding tax (also for observers) as well as in rent as required by Law No.05/L-029 on Corporate Tax, Article 30 and 38.
- The political entity does not maintain a cash register for transactions with cash in hand, for withdrawals from the bank account, for payments with cash in hand. In absence of evidence for transactions with cash in hand such as the cash register as well as invoices, we were unable to apply standard and alternative auditing procedures to verify whether the stated expenses were accurate.
- As disclosed in Note 3 Donations and Cash Contributions and Note 4 Contributions in-kind / products and services, the political entity on some cases has received donation exceeding 1,000.00 Euro from physical person and legal entities which is in violation with the requirements of Law No.03/L-174 on Financing of Political Entities.

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 Kosovo, 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 proper accounting to enable the recording of financial transactions and the preparation of financial statements according to the applicable accounting standards in Kosovo.
- The Political Entity for the conducted purchases did not apply any procurement procedures which would enable a more efficient, cost-effective, transparent and fair use of political entity funds
- 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.

### **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



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	978.85	2,224.07
Intangible Assets			
Other long-term assets			
<b>Total long-term assets</b>		<b>978.85</b>	<b>2,224.07</b>
<b>Current assets</b>			
Accounts receivable	6		
Prepayments			
Cash and cash equivalents	7	1,056.80	70.88
Other current assets			
<b>Total current assets</b>		<b>1,056.80</b>	<b>70.88</b>
<b>Total Assets</b>		<b>2,035.65</b>	<b>2,294.95</b>
<b>Equity</b>			
Accumulated Fund		(29,843.55)	0.00
Surplus / (deficit) of the year		5,923.14	(29,843.55)
<b>Total Equity</b>		<b>(23,920.41)</b>	<b>(29,843.55)</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans payable			
Deferred revenue		978.85	2,224.07
<b>Total Long-term liabilities</b>		<b>978.85</b>	<b>2,224.07</b>
<b>Current liabilities</b>			
Accounts payable	8	12,793.70	14,670.06
Loans payable			
Other current liabilities	9	12,183.51	15,244.37
<b>Total current liabilities</b>		<b>24,977.21</b>	<b>29,914.43</b>
<b>Total Liabilities</b>		<b>25,956.06</b>	<b>32,138.50</b>
<b>Total equity and liabilities</b>		<b>2,035.65</b>	<b>2,294.95</b>

Financial Statements of the Political Entity have been approved by the council on 26 February 2018.

## Statement of Income and Expenses

	Notes	Year ending on 31 <sup>st</sup> December	
		2017	2016
<b>Income</b>			
Income from budget		141,750.00	189,000.00
Income from membership		0.00	0.00
Donations and cash contributions	3	16,123.00	10,900.00
Contributions in kind / goods and services	4	2,000.00	6,620.00
Income from campaigns		75,242.00	0.00
Income released from deferred revenues	5	1,245.23	452.31
Other income		735.00	0.00
<b>Total Income for the year</b>		<b>237,095.23</b>	<b>206,972.31</b>
<b>Expenses</b>			
Wages and salaries	2	65,741.52	105,204.23
Transportation expenses	2	2,252.33	10,003.66
Advertising, representation and conferences	2	0.00	30,797.49
Campaign expenses	2	116,234.01	11,033.24
Purchase of goods	2	58.30	45.00
General expenses	2	44,074.94	70,200.58
Other expenses	2	2,810.99	9,531.66
<b>Total expenses for the year</b>		<b>231,172.09</b>	<b>236,815.86</b>
<b>Surplus / (deficit) for the year</b>		<b>5,923.14</b>	<b>(29,843.55)</b>



## **1. General Information**

Name of Political Entity: **NISMA për Kosovën**

Acronym: Nisma

Council: Fatmir Limaj (Chairman)

Finance Representative: Albert Maxhuni

Date of Establishment:

Address: Mujo Ulqinaku” nr. 18 – Pejton

The financial statements of the PE **NISMA për Kosovën** 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.

The Political Entity maintains a single bank account on NLB Bank.



**Note 3: Donations and cash contributions**

Accepted by			Date of contributions	Amount		Accepted from:	
Contributors	Address	ID Number		In Euro	Bank	Cash	
Valdete Dushica Bajrami	Gjilan		04.01.2017	160.00	160.00	0.00	
Ilir Bajrami	Gjilan		04.01.2017	40.00	40.00	0.00	
Valdete Dushica Bajrami	Gjilan		01.02.2017	160.00	160.00	0.00	
Ilir Bajrami	Gjilan		02.02.2017	40.00	40.00	0.00	
Baton Dushi	Prishtinë		02.03.2017	1,530.00	1,530.00	0.00	
Faton Thaçi	Prishtinë		11.04.2017	700.00	700.00	0.00	
Fehmi Cakiqi			05.05.2017	2,000.00	2,000.00	0.00	
City Projects Shpk			25.05.2017	5,000.00	5,000.00	0.00	
Islam Ejupi			08.06.2017	1,500.00	1,500.00	0.00	
Ali Xhyliqi	Malishevë		07.07.2017	2,000.00	2,000.00	0.00	
Enver Hoti	Malishevë		11.07.2017	1,500.00	1,500.00	0.00	
Arben Pajaziti	Lipjan		03.11.2017	50.00	50.00	0.00	
Çerkin Dukolli	Malishevë		18.10.2017	1,500.00	1,500.00	0.00	
Nysret Vojvoda	Vushtri		18.10.2017	1,000.00	1,000.00	0.00	
Vjollca Xhota	Prishtinë		21.11.2017	2,000.00	2,000.00	0.00	
Rinor Balaj	Suharekë		21.11.2017	1,500.00	1,500.00	0.00	
Albert Maxhuni	Vushtri		21.11.2017	1,500.00	1,500.00	0.00	
Fatmir Bytyqi	Suharekë		22.11.2017	50.00	50.00	0.00	
Mervan Rexhepi	Killokot		29.11.2017	50.00	50.00	0.00	
Nysret Vojvoda	Vushtri		29.11.2017	50.00	50.00	0.00	
Faton Thaçi	Prishtinë		30.11.2017	100.00	100.00	0.00	
Bajram Tahiri	Ferizaj		30.11.2017	125.00	125.00	0.00	
Enver Hajrullahu	Gjilan		30.11.2017	50.00	50.00	0.00	
Besnik Hoti	Rahovec		30.11.2017	140.00	140.00	0.00	
Vesel Krasniqi	Malishevë		01.12.2017	100.00	100.00	0.00	
Bashkim Musliu	Skenderaj		03.12.2017	110.00	110.00	0.00	
Heset Sahiti	Lipjan		03.12.2017	100.00	100.00	0.00	

*Nisma Socialdemokrate – ( NISMA )*

*Notes on Financial Statements 01 January 2017 until 31 December 2017*

Sami Hajdaraj	Suharekë		04.12.2017	100.00	100.00	0.00
Vlora Hoti	Malishevë		04.12.2017	50.00	50.00	0.00
Endrit Shala	Prishtinë		05.12.2017	180.00	180.00	0.00
Afrim Bekteshi	Prizren		05.12.2017	100.00	100.00	0.00
Fatmir Bytyqi	Suharekë		05.12.2017	50.00	50.00	0.00
Sami Hajdaraj	Suharekë		08.12.2017	50.00	50.00	0.00
Visar Fezullahu	Prishtinë		12.12.2017	100.00	100.00	0.00
Mentor Tershnjaku			12.12.2017	100.00	100.00	0.00
Shyqeri Bytyqi	Prishtinë		13.12.2017	300.00	300.00	0.00
Arbenita Halili	Prishtinë		20.12.2017	52.00	52.00	0.00
Faton Thaçi	Malishevë		22.12.2017	100.00	100.00	0.00
Leotrim Berisha	Klinë		26.12.2017	50.00	50.00	0.00
Arben Pajaziti	Lipjan		27.12.2017	100.00	100.00	0.00
Enver Hajrullahu	Gjilan		28.12.2017	50.00	50.00	0.00
Nysret Vojvoda	Vushtrri		28.12.2017	50.00	50.00	0.00
Mervan Rexhepi	Klllokot		28.12.2017	50.00	50.00	0.00
Bajram Hasani	Gjilan		28.12.2017	300.00	300.00	0.00
Hyser Gashi	Shtime		29.12.2017	100.00	100.00	0.00
Rexhep Mazreku	Malishevë		30.12.2017	236.00	236.00	0.00
<b>Total donations and cash contributions</b>				<b>25,173.00</b>	<b>25,173.00</b>	<b>0.00</b>

The personal number of donors are known to the auditor and CEC, but according to Law No.03/L-172 on the protection of personal data, the number does not appear in Note 3.

**Note 4: Contributions in kind / goods and services**

Description of goods/services	Accepted by			Date of Contribution	Amount In Euro
	Contributors	Address	ID number		
Rent of headquarters - Prishtinë	Bardhyl Mahmuti	Prishtinë		28.02.2017	2,000.00
Printing of advertising material Z.L.	Orange Shpk	Prishtinë		22.10.2017	9,460.00
Lighting, sound and LED	NSh Sonus	Prishtinë	70215814	24.10.2017	3,000.00
Lighting, sound and LED	AMC Corporation	Prishtinë	600857083	18.10.2017	5,900.00
<b>Total contributions in kind / goods and services</b>					<b>20,360.00</b>

**Note 5. Property, plant and equipment**

Description	Balance at the beginning of the year (historical costs)	Purchases during the year	Accumulated depreciation	Depreciation during the year	Balance at the end of the year (NET value)
Land			////////////////////		0.00
Buildings					0.00
Vehicles					0.00
Office Equipment	4,656.37		3,991.48	931.27	664.89
Information technology equipment	599.58		479.66	119.92	119.92
Other Equipment	970.19		776.15	194.04	194.04
<b>Total Property, plant and equipment</b>	<b>6,226.14</b>	<b>0.00</b>	<b>5,247.29</b>	<b>1,245.23</b>	<b>978.85</b>



**Note 7. Cash and cash equivalents**

	<b>31 December 2017 Amount in Euros</b>	<b>31 December 2016 Amount in Euros</b>
Cash in bank	1,056.80	70.88
Cash in hand		
<b>Total cash and cash equivalents</b>	<b>1,056.80</b>	<b>70.88</b>

**Note 8. Accounts payable and others**

	<b>31 December 2017 Amount in Euros</b>	<b>31 December 2016 Amount in Euros</b>
Europrinty Shpk	12,793.70	12,793.70
HIB Petrol Shpk	0.00	1,753.52
Other accounts payable		
<b>Total accounts payable and others</b>	<b>12,793.70</b>	<b>14,547.22</b>

**Note 9. Other current liabilities**

	<b>31 December 2017 Amount in Euros</b>	<b>31 December 2016 Amount in Euros</b>
Liabilities for salaries and taxes	729.41	8,598.21
Liabilities for rent	11,454.10	6,646.16
Liabilities for fines and penalties		
Other current liabilities		
<b>Total other current liabilities</b>	<b>12,183.51</b>	<b>15,244.37</b>



*Nisma Socialdemokraterne – ( NISMA )*

*Notes on Financial Statements 01 January 2017 until 31 December 2017*

**Note 2. Expenses**

<b>Expenses</b>	<b>Expenses in Euro</b>	<b>Payment in Euro</b>	<b>Outstanding amount in Euro</b>
<b>Wages and salaries</b>			
Net wages and salaries	55,826.50	55,826.50	0.00
Pension contributions of the employee	3,517.10	3,239.17	277.93
Pension contributions of the employer	3,517.10	3,239.17	277.93
Personal Tax income	2,880.82	2,707.27	173.55
Other benefits		0.00	0.00
<b>Total</b>	<b>65,741.52</b>	<b>65,012.11</b>	<b>729.41</b>
<b>Transportation expenses</b>			
Borrowed motorized vehicles			0.00
Fuels	2,252.33	2,252.33	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance			0.00
Any other transportation expenses			0.00

*Nisma Socialdemokrate – ( NISMA )*

*Notes on Financial Statements 01 January 2017 until 31 December 2017*

<b>Total transportation expenses</b>		<b>2,252.33</b>	<b>2,252.33</b>	<b>0.00</b>
<b>Advertising, representation and conferences</b>				
Premises				0.00
Food				0.00
Cultural and recreation activities				0.00
Radio and TV advertisements				0.00
Newsstands and newspaper advertisements				0.00
Other advertising, representation and conferences expenses				0.00
<b>Total advertising, representation and conferences expenses</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Campaign Expenses</b>				
Campaign expenses		116,234.01	116,234.01	0.00
<b>Total campaign expenses</b>		<b>116,234.01</b>	<b>116,234.01</b>	<b>0.00</b>
<b>Purchase of goods</b>				
Supply of office		58.30	58.30	0.00
Small equipment				0.00
<b>Total purchase of goods</b>		<b>58.30</b>	<b>58.30</b>	<b>0.00</b>
<b>General expenses</b>				

*Nisma Socialdemokrate – ( NISMA )*

*Notes on Financial Statements 01 January 2017 until 31 December 2017*

Rent of office space	33,595.84	22,141.74	11,454.10
Telephone, internet and mail	2,130.32	2,130.30	0.00
Electricity and other utilities (water and waste)	5,103.55	5,103.55	0.00
Depreciation expenses of long-term assets	1,245.23	//////////	
Expenses related to in-kind contributions / goods and services	2,000.00	//////////	
<b>Total general expenses</b>	<b>44,074.94</b>	<b>29,375.61</b>	<b>11,454.10</b>
<b>Other expenses</b>			
Maintenance of office space and equipment	963.00	963.00	0.00
Expenses not included in any other category	1,847.99	1,847.99	0.00
<b>Total other expenses</b>	<b>2,810.99</b>	<b>2,810.99</b>	<b>0.00</b>
<b>Total expenses</b>	<b>231,172.09</b>	<b>215,743.35</b>	<b>12,183.51</b>