



Partia Rome e Bashkuar

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

01 January 2017 - 31 December 2017



Table of Contents:

<u>Independent Auditors' report.....</u>	<u>3</u>
Statement of financial position.....	7
Statement of income and expenses.....	8
Notes on financial statements	9-13

Independent Auditors' Report

To the council of Partia Rome e Bashkuar

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity "**Partia Rome e Bashkuar**" (hereinafter referred to as "Political Entity" or "PREBK" or "PE"), which comprise the statement of financial position as at December 31, 2017, and the statement of income and expenses for the year then ended and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Political Entity "**Partia Demokratike e Ashkanlive të Kosovës**". Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of opinion

- As disclosed in Note 5, property plant and equipment of the attached financial statements, the political entity has stated long term assets in the amount of 3,000.00 Euro as of 31 December 2017. The same value appears in the Statement of Financial Position as at 31.12.2016. Given the lack of supporting evidence presented by the PE and in absence of supporting documentation we were unable to verify without a doubt the unity, existence and the accuracy of the value 3,000.00 Euro as of 31 December 2017.
- The PE, in the Statement of Financial Position has not presented the cash available in bank on the amount of 6,930.78 Euro for the year ended at 31 December 2017 thus underestimating the state cash and cash equivalent as at 31 December 2017.
- As presented in the Statement of Income and Expenses, the PE has stated income from budget on the amount of 15,750.00 Euro for the year ended on 31 December 2017. During our audit we found out that the PE has underestimated the reported income for the year 2017 on the amount of 2,000.00 Euro (Description according to bank "returns from election" dated on 27.07.2017).

In absence of evidence from the bank, we were unable to verify the origin of the value.

- As presented in Note 2, expenses, the PE has stated expenses on the amount of 8778.32 euro for the year ended on 31 December 2017 thus overestimating expenses for the amount of 4600.00 Euro. In absence of supporting documentation we were unable to verify without doubt the unity, existence and the accuracy of these stated expenses.
- The PE does not maintain a cash register for transaction with cash in hand, for withdrawals from the bank account for payments with cash in hand. In absence of evidence for transaction with cash in hand such as a cash register, payment slips, we were unable, while applying standard and alternative procedures of auditing to verify whether the stated expenses were correct. During 2017 the PE has withdrawn from the bank account funds on the amount of 6,368.00 Euro without relevant evidence.
- On 19.08.2017 the amount of 1,321.00 Euro was transferred to a private account with the description "repayment 07.06.2015". The PE was not audited during 2015 and 2016.
- In the absence of confirmations by the bank, we were unable to verify if the PE had only one bank account as required by 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 11, Paragraph 3.

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 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


Sabahate Hasanaj
Statutory Auditor
12 April 2019



Statements 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	3,000.00	3,000.00
Intangible Assets			
Other long-term assets			
Total long-term assets		3,000.00	3,000.00
Current assets			
Accounts receivable	6		
Prepayments			
Cash and cash equivalents	7		
Other current assets			
Total current assets			
Total Assets		3,000.00	3,000.00
Equity			
Accumulated Fund			
Surplus / (deficit) of the year		6,971.68	
Total Equity		6,971.68	
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue		3,000.00	3,000.00
Total Long-term liabilities		3,000.00	3,000.00
Current liabilities			
Accounts payable	8		
Loans payable			
Other current liabilities	9		
Total current liabilities			
Total Liabilities		3,000.00	3,000.00
Total equity and liabilities		9,971.68	3,000.00

Financial Statements have been approved by the Council on January 2018

Statement of Income and Expenses

	Notes	Year ending on 31 st December	
		2017	2016
Income			
Income from budget		15,750.00	0.00
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	0.00
Expenses			
Wages and salaries	2	2,465.00	0.00
Transportation expenses	2	1,030.00	0.00
Advertising, representation and conferences	2	5,283.32	0.00
Campaign expenses	2		
Purchase of goods	2		
General expenses	2		
Other expenses	2		
Total expenses for the year		8,778.32	0.00
Surplus / (deficit) for the year		6,971.68	0.00

1. General Information

Name: Partia Rome e Bashkuar e Kosovës

Acronym: PRBK

Council: Albert Kinolli (PE Chairman)

Finance Representative: Haxhi Merxha

Establishment Date: July, 2001

Address of political entity: Prizren

The financial statements of the Partia Rome e Bashkuar e Kosovës 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.

The Political Entity maintains a single bank account in the BPB Bank.

Note 5. Property, plant and equipment

	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	3,000.00				3,000.00
Buildings					0.00
Vehicles					0.00
Office Equipment					0.00
Information technology equipment					0.00
Other Equipment					0.00
Total Property, plant and equipment	3,000.00	0.00	0.00	0.00	3,000.00

Note 2: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	2,170.12	2,170.12	0.00
Pension contributions of the employee	111.50	111.50	0.00
Pension contributions of the employer	111.50	111.50	0.00
Personal Tax income	71.88	71.88	0.00
Other benefits			0.00
Total	2,465.00	2,465.00	0.00
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	1,030.00	1,030.00	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance			0.00
Any other transportation expenses	3,962.31	3,962.31	0.00
Total transportation expenses	5,283.32	5,283.32	0.00
Advertising, representation and conferences			

Partia Rome e Bashkuar PREBK

Notes on Financial Statements 01 January 2017 until 31 December 2017

Premises				0.00
Food	1,321.00	1,321.00		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
Total advertising, representation and conferences expenses	0.00	0.00	0.00	0.00
Campaign Expenses				
Campaign expenses				0.00
Total campaign expenses	0.00	0.00	0.00	0.00
Purchase of goods				
Supply of office				0.00
Small equipment				0.00
Total purchase of goods	0.00	0.00	0.00	0.00
General expenses				
Rent of office space				0.00

Telephone, internet and mail				0.00
Electricity and other utilities (water and waste)				0.00
Depreciation expenses of long-term assets	0.00			
Expenses related to in-kind contributions / goods and services				
Total general expenses	0.00	0.00	0.00	0.00
Other expenses				
Maintenance of office space and equipment				0.00
Expenses not included in any other category				0.00
Total other expenses	0.00	0.00	0.00	0.00
Total expenses	8,778.32	8,778.32	8,778.32	0.00