



Koalicioni VAKAT
**(Demokratska Stranka Boshnjaka (DSB); Demokratska Stranka Vatan (DSV) &
Ujedinjena Stranka Boshnjaka (USB).)**

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

01 January 2020 - 31 December 2020



Table of Contents:

Independent Auditors' Report	3
Statement of financial position	7
Statement of income and expenses	8
General Information	9
Notes on Financial Statements	09 - 14



Independent Auditors' Report

To the council of KOALICIONI VAKAT

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We have audited the financial statements of the Political Entity "Koalicioni Vakati" (hereinafter referred to as "Political Entity" or "VAKAT" or "PE"), which comprise the statement of financial position as at December 31, 2020, the statement of income and expenses for the year then ended and other explanatory information on pages 7-14.

We do not express an opinion on the accompanying financial statements for the year 2020 of the Political Entity "Koalicioni Vakati - VAKAT". 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 appropriate audit evidence sufficient to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- As disclosed in Note 5 of the Financial Statements, property plant and equipment were stated in the amount of 1,471.91 Euro as at 31 December 2020 (31 December 2019: in the amount of 643.60 Euro). The PE does not possess a detailed list of fixed assets and inventory to enable a verification of the state of assets on the reporting day. Furthermore, the PE has recognized depreciation assets as a category and not for each individual asset. Considering the nature of the notes maintained by the political entity we were unable to verify the existence, accuracy and the amount of assets presented as at 31 December 2020 and whether any correction would be necessary.
- As stated in the Position of Financial Statement as at 31 December 2020 and 31 December 2019, the political entity has not stated any accounts receivable nor accounts payable on the reporting date. Given the nature of notes maintained by the political entity and in absence of confirmations by third parties even while applying alternative procedure of auditing we are unable to provide justification on the entirety, existence and accuracy of Accounts Receivable and Accounts Payable on the reporting date.
- As disclosed in Note 2 of the Financial Statements, the Expenses, under the expense category "fuels", the political entity stated the amount of 867.00 for the year ended at 31 December 2020. Given the nature of notes maintained by the political entity and in absence of accounting record and supporting evidence we were unable to verify whether the reported expenses were accurate and fairly present the activity of the PE.
- The PE VAKAT, does not have recording in the cash book for the transactions paid in cash on the amount of 28,745.00 Euro which have been withdrawn from the current bank account. Given the nature of notes maintained by the political entity and in absence of supporting documentation, we were unable to verify the accuracy and validity of all the cases of reported cash transactions and whether that fairly presents the activity of the PE VAKAT.

- During our audit we have concluded that a considerable amount of stated expenses are not accompanied by supporting documentation to enable the verification of expenses on whether they are within the activity of the political entity or whether for the stated expenses the political entity has received any services or supply.

Emphasis of matter

We also draw attention to the following findings:

- The Political Entity in absence of an application/software, has not maintained proper accounting to enable the recording of financial transactions and 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 responsibility 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 expenses for food were not accompanied by justification regarding the occurrence.
- The amount of 5.1 "office expenses" 15,928.80 Euro are high and account for 33% of the total of expenses.
- 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 provided aid to physical persons which is in violation of Article 11 of Law No.03/L-174 on Financing of Political Entities, amended and supplemented by Law No.04/L-056 and Law No.04/L-212.
- The political entity has not respected the legal requirement regarding the publication of annual financial reports and campaign financial disclosure reports as required by Law No.04/L-212 on amending and supplementing Law No.03/L-174 on Financing of Political Entities, amended and supplemented by Law No.04/L-058, Article 15 Financial Reporting, paragraph 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.

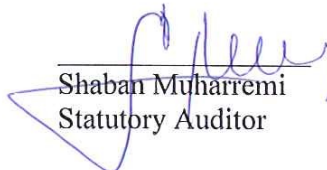
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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


Shaban Muharremi
Statutory Auditor





06 October 2021

Koalicioni Vakati*Financial Statements 01 January 2020 until 31 December 2020***Statement of Financial Position**

Assets		31 December 2020	31 December 2019
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	5	1,471.91	643.60
Intangible Assets		-	-
Other long-term assets		-	-
Total long-term assets		1,471.91	643.60
Current assets			
Accounts receivable		-	-
Prepayments		-	-
Cash and cash equivalents	3	2.22	-
Other current assets		-	-
Total current assets		2.22	-
Total Assets		1,474.13	643.60
Equity			
Accumulated Fund		-11,906.40	643.60
Surplus / (deficit) of the year		13,380.53	-12,550.00
Total Equity		1,474.13	-11,906.40
Liabilities			
Long-term liabilities			
Loans payable		-	-
Deferred revenue	5	-	-
Total Long-term liabilities		-	-
Current liabilities			
Accounts payable and others	8	-	-
Loans payable		-	-
Other current liabilities	9	-	12,550.00
Total current liabilities		-	-
Total Liabilities		-	12,550.00
Total equity and liabilities		1,474.13	643.60

Koalicioni Vakati*Financial Statements 01 January 2020 until 31 December 2020***Statement of income and expenses**

	Notes	Year ending on 31 st December	
		2020	2019
Income			
Income from budget		61,900.00	62,993.29
Income from membership		-	-
Donations and cash contributions	3	-	-
Contributions in kind / goods and services	4	-	-
Income from campaigns		-	-
Income released from deferred revenues	5	-	1,278.56
Other income		-	-
Total Income for the year		61,900.00	64,271.85
Expenses			
Wages and salaries	2	12,801.60	12,801.66
Transportation expenses	2	1,236.00	2,350.00
Advertising, representation and conferences	2	9,852.38	9,132.30
Campaign expenses	2	-	25,150.00
Purchase of goods	2	15,928.80	17,372.11
General expenses	2	2,960.81	3,953.96
Other expenses	2	5,739.88	6,061.82
Total expenses for the year		48,519.47	76,821.85
Surplus / (deficit) for the year		13,380.53	-12,550.00

1. General Information

Name of Political Entity: Koalicioni Vak

Acronym: VAKAT

Council: Rasim Demiri (Representative)

Finance Representative: Emo Kurtishi

Address: Prizren

The financial statements of the PE Koalicioni Vak 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 main bank account in the Economic Bank.

Note 2. Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	11,130.96	11,130.96	0.00
Pension contributions of the employee	609.60	609.60	0.00
Pension contributions of the employer	609.60	609.60	0.00
Personal Tax income	451.44	451.44	0.00
Other benefits	-	-	0.00
Total	12,801.60	12,801.60	0.00
Transportation expenses			
Borrowed motorized vehicles	-	-	0.00
Fuels	876.00	876.00	0.00
Airplane/bus/train/taxi etc. tickets	360.00	360.00	0.00
Car insurance and maintenance	-	-	0.00
Any other transportation expenses	-	-	0.00
Total transportation expenses	1,236.00	1,236.00	0.00
Advertising, representation and conferences			
Premises	-	-	0.00
Food	4,551.30	4,551.30	0.00
Cultural and recreation activities	-	-	0.00
Radio and TV advertisements	-	-	0.00
Newsstands and newspaper advertisements	4,251.08	4,251.08	0.00
Other advertising, representation and conferences expenses	1,050.00	1,050.00	0.00
Total advertising, representation and conferences expenses	9,852.38	9,852.38	0.00
Campaign Expenses			

Koalicioni Vakati*Notes on Financial Statements 01 January 2020 until 31 December 2020*

Campaign expenses	-	-	0.00
Total campaign expenses	-	-	0.00
Purchase of goods			
Supply of office	15,928.80	15,928.80	0.00
Small equipment	-	-	0.00
Total purchase of goods	15,928.80	15,928.80	0.00
General expenses			
Rent of office space	-	-	0.00
Telephone, internet and mail	1,161.55	1,161.55	0.00
Electricity and other utilities (water and waste)	787.68	787.68	0.00
Depreciation expenses of long-term assets	1,011.58	1,011.58	0.00
Expenses related to in-kind contributions / goods and services	-	-	0.00
Total general expenses	2,960.81	2,960.81	0.00
Other expenses			
Maintenance of office space and equipment	-	-	
Expenses not included in any other category	5,739.88	5,739.88	0.00
Total other expenses	5,739.88	5,739.88	0.00
Total expenses	48,519.47	48,519.47	0.00

Note 3: Donations and cash contributions

Accepted by				Amount	Accepted by:	
Contributors	Address	ID Number	Date of contributions	In Euros	Bank	Cash
Total donations and cash contributions				0.00	0.00	0.00

Note 4: Contributions in kind / goods and services

Description of goods/services	Paid by				Amount
	Contributor	Address	ID Number	Date of contribution	in Euro
Total contributions in kind / goods and services					0.00

Note 5: Property, plant and equipment

Koalicioni Vakati*Notes on Financial Statements 01 January 2020 until 31 December 2020*

	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					
Buildings					
Vehicles					
Office Equipment	6,392.80	1,839.89	5,749.20	1,011.58	1,471.91
Information technology equipment	--	-	-	-	-
Other Equipment					
Total Property, plant and equipment	6,392.80	1,839.89	5,749.20	1,011.58	1,471.91

Other notes

Note 6. Accounts Receivable	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Total Accounts Receivable and Others		

Note 7. Cash and cash equivalents	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Cash in bank	2.22	4.52
Cash in hand	-	-
Total cash and cash equivalents	2.22	4.52

Koalicioni Vakati*Notes on Financial Statements 01 January 2020 until 31 December 2020*

Note 8. Accounts payable and others	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Other accounts payable		
Total accounts payable and others		

Note 9. Other current liabilities	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Liabilities for salaries and taxes		
Liabilities for rent		
Liabilities for fines and punishment		
Other current liabilities		
Total other current liabilities		

Purpose of payment	Paid to:			Date of Payment	Amount in Euro
	Natural/Legal Person	Address	ID Number		
Total payments over 5,000.00 Euro					0.00