



Nisma Socialdemokrate

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

01 January 2019 - 31 December 2019



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Independent Auditors' Report

To the council of NISMA SOCILADEMOKRATE

Report on Special Purpose Financial Statement

Disclaimer of 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, 2019, the statement of income and expenses for the year then ended and other explanatory information on pages 7-17.

We do not express an opinion on the accompanying financial statements for the year 2019 of the Political Entity "Nisma Socialdemokrate". 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

- The political entity in the Statement of Financial Position has stated assets in the amount of 42,044.13 Euro while the total of equity and liabilities in the amount of 47,633.71 euro. Given the nature of notes maintained by the PE we were unable to determine whether the political entity has underestimated assets or overestimated equity and liabilities for the amount of 5,589.58 Euro,
- As disclosed in Note 2 of financial statements, the PE has stated assets in the amount of 1,048.42 Euro. Given the nature of notes maintained by the political entity and the absence of supporting documentation we were unable to verify the entirety, existence, accuracy of assets presented for the amount 1,048.42 Euro and depreciation expenses stated in the amount of 1,060.25 Euro.
- As disclosed in Note 8 of financial statements, the political entity has stated suppliers in the amount of 43,907.22 Euro as at 31 December 2019 (31 December 2018; 18,580.30 Euro). In absence of confirmation from third parties and other supporting documentation we were unable, while using standard and alternative methods of audit, to obtain reasonable justification regarding the entirety, existence and accuracy of Accounts Payable as at 31 December 2019 and 31 December 2018.
- During our audit we have found out that the Political entity has not stated the income from campaign on the amount of 35,576.56 and the campaign expenses in the amount of 115,863.80 in the annual financial report for the year ended at 31 December 2019, thus underestimating the income and expenses for the year the ended.
- The PE has overestimated the income with the description of income from campaign as I.5 in the amount of 2,000.00 Euro which according to the bank report are return of incorrectly transferred assets and the same amount has been recognized as an expense in the Statement of Income.
- During our audit we found out that the Political Entity has recorded in the accounting books, expenses in the amount of 190,184.10 euro while in the Annual Financial Report for the year 2019 the total expenses were in the amount of 261,274.25 Euro. For the



amount 71,090.15 Euro the PE does not have recorded accounting transactions to enable their verification.

- The PE has paid wages and salaries in the amount of 5,221.01 euro for which it did not withhold taxes and contributions as required by Law No.05/L-28 on Personal Tax Income, Article 7. Therefore, the expenses for wages presented in financial statements do not match those declared in the Tax Administration of Kosovo.
- As stated in Note 2 of financial statements, the PE has stated expenses for rent in the amount of 69,483.50 Euro. In absence of supporting documentation, we were unable to verify whether the value of these expenses was accurate and whether any correction was necessary as at 31 December 2019.
- During our audit we found out that the political entity has completed payments for which it does not have any supporting documentation to justify the reason and in some cases, it has paid the same invoices twice.
- During our audit we found out that there is a mismatch of the stated expenses in the annual report based on the expenses category.
- In the absence of confirmation by banks, we were unable to verify whether the PE has only one bank account as required by law No.04/L-212 on amending and supplementing Law No.03/L-174 on the 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 applied any procurement procedures in purchasing which would enable a more efficient, less costly and more transparent usage of the political entity funds.
- The Political Entity has not maintained proper accounting to enable the recording of financial transactions and the preparation of financial statements according to the 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 complied with the legal requirements regarding the publication of annual financial reports and the campaign financial disclosure report according to law no. 04 / L-212 On supplementing and amending Law no. 03 / L-174 On the 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:

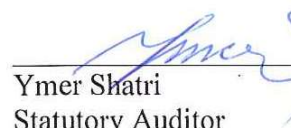
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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


Ymer Shatri
Statutory Auditor
06 October 2021



Statement of Financial Position

Assets		31 December 2019	31 December 2018
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	5	1,048.42	2,108.67
Intangible Assets			
Other long-term assets			
Total long-term assets		1,048.42	2,108.67
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents	3	40,995.71	28,949.81
Other current assets		0.00	0.00
Total current assets		40,995.71	28,949.81
Total Assets		42,044.13	31,058.48
Equity			
Accumulated Fund		10,109.36	1,056.80
Surplus / (deficit) of the year		(57,984.00)	9,052.56
Total Equity		(47,874.64)	10,109.36
Liabilities			
Long-term liabilities			
Loans payable		0.00	0.00
Deferred revenue	5	1,048.42	2,108.67
Total Long-term liabilities		1,048.42	2,108.67
Current liabilities			
Accounts payable and others	8	43,907.22	18,580.30
Loans payable		0.00	0.00
Other current liabilities	9	50,552.71	260,15
Total current liabilities		94,459.93	18,840.45
Total Liabilities		95,508.35	20,949.12
Total equity and liabilities		47,633.71	31,058.48

NISMA SOCIALDEMOKRATE*Financial Statements 01 January 2019 until 31 December 2019***Statement of income and expenses**

	Notes	Year ending on 31 st December	
		2019	2018
Income			
Income from budget		189,000.00	189,000.00
Income from membership			
Donations and cash contributions	3	9,130.00	17,740.00
Contributions in kind / goods and services	4	100.00	
Income from campaigns		4,000.00	
Income released from deferred revenues	5	1,060.25	2,108.67
Other income			42,260.30
Total Income for the year		203,290.25	251,108.97
Expenses			
Wages and salaries	2	57,732.78	73,611.55
Transportation expenses	2	1,902.77	6,597.06
Advertising, representation and conferences	2	22,860.00	4,533.60
Campaign expenses	2	0.00	
Purchase of goods	2	4,113.91	18,862.26
General expenses	2	80,735.29	78,229.07
Other expenses	2	93,929.50	60,222.87
Total expenses for the year		261,274.25	242,056.41
Surplus / (deficit) for the year		(57,984.00)	9,052.56

1. General Information

Name of Political Entity: Nisma Socialdemokrate

Acronym: NISMA

Council: Fatmir Limaj (Chairman)

Finance Representative: Albert Maxhuni

Address: Str. Mujo Ulqinaku, Prishtina

The financial statements of the PE Nisma Socialdemokrate 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 NLB bank.

NISMA SOCIALDEMOKRATE*Notes on Financial Statements 01 January 2019 until 31 December 2019***Note 2. Expenses**

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	57,732.78	57,732.78	0.00
Pension contributions of the employee	5,206.60	5,206.60	0.00
Pension contributions of the employer	7,277.86	7,277.86	0.00
Personal Tax income	1,824.76	1,824.76	0.00
Other benefits			0.00
Total	72,042.00	72,042.00	0.00
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	1,902.77	1,902.77	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance	642.00	642.00	0.00
Any other transportation expenses			0.00
Total transportation expenses	2,544.77	2,544.77	0.00
Advertising, representation and conferences			
Premises			0.00
Food	7,187.60	7,187.60	0.00
Cultural and recreation activities			0.00
Radio and TV advertisements	54,000.00	14,000.00	40,000.00
Newsstands and newspaper advertisements			0.00
Other advertising, representation and conferences expenses			0.00
Total advertising, representation and conferences expenses	61,187.60	21,187.60	40,000.00
Campaign Expenses			

NISMA SOCIALDEMOKRATE*Notes on Financial Statements 01 January 2019 until 31 December 2019*

Campaign expenses			0.00
Total campaign expenses	0.00	0.00	0.00
Purchase of goods			
Supply of office	4,113.91	4,113.91	0.00
Small equipment	0.00	0.00	0.00
Total purchase of goods	4,113.91	4,113.91	0.00
General expenses			
Rent of office space	69,483.50	51,974.00	17,509.50
Telephone, internet and mail	862.22	862.22	0.00
Electricity and other utilities (water and waste)	9,329.32	9,329.32	0.00
Depreciation expenses of long-term assets	1,060.25	////////////////////////////////	////////////////////////////////
Expenses related to in-kind contributions / goods and services		////////////////////////////////	////////////////////////////////
Total general expenses	80,735.29	62,165.54	17,509.50
Other expenses			
Maintenance of office space and equipment	5,887.00	4,387.00	1,500.00
Expenses not included in any other category	14,883.28	14,883.28	0.00
Total other expenses	20,770.28	19,270.28	1,500.00
Total expenses	241,393.85	181,324.10	59,009.50

Note 3: Donations and cash contributions

Accepted by				Amount.	Accepted by:	
Contributors	Address	ID Number	Date of contributions	In Euros	Bank	Cash
Bashkim Musliu	Skenderaj		03.01.2019	110.00	110.00	
Hyzer Gashi	Shtime		29.01.2019	100.00	100.00	
Endrit Shala	Prishtine		19.01.2019	100.00	100.00	
Mimoza Kqiku	Drenas		20.01.2019	100.00	100.00	
Arbenita Halilaj	Prishtine		22.01.2019	100.00	100.00	
Durim Limaj	Prishtine		22.01.2019	50.00	50.00	
Fehmi Hysenaj	Shtime		29.01.2019	50.00	50.00	
Agim Caka	Kacanik		01.02.2019	400.00	400.00	
Arbenita Halilaj	Prishtine		02.02.2019	100.00	100.00	
Durim Limaj	Prishtine		02.02.2019	50.00	50.00	
Sarni Hajdaraj	Suhareke		04.02.2019	100.00	100.00	
Leotrim Berisha	Malisheve		04.02.2019	90.00	90.00	
Endrit Shala	Prishtine		05.02.2019	100.00	100.00	
Bashkim Musliu	Skenderaj		06.02.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.02.2019	50.00	50.00	
Shyqiri Bytyqi	Prishtine		12.02.2019	1,200.00	1,200.00	
Enver Hajrushahu	Gjilan		27.02.2019	70.00	70.00	
Shkodran Imeraj	Decan		01.03.2019	100.00	100.00	
Hyzer Gashi	Shtime		01.03.2019	100.00	100.00	
Durim Limaj	Prishtine		01.03.2019	50.00	50.00	
Sarni Hajdaraj	Suhareke		04.03.2019	100.00	100.00	
Besnik Berisha	Ferizaj		04.03.2019	100.00	100.00	
Bashkim Musliu	Skenderaj		06.03.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.03.2019	50.00	50.00	
Agim Caka	Kacanik		11.03.2019	100.00	100.00	
Jeton Svirca	Prishtine		15.03.2019	100.00	100.00	
Arbenita Halilaj	Prishtine		15.03.2019	100.00	100.00	
Ragip Shala	Malisheve		22.03.2019	200.00	200.00	
Leotrim Berisha	Malisheve		26.03.2019	90.00	90.00	

NISMA SOCIALDEMOKRATE

Notes on Financial Statements 01 January 2019 until 31 December 2019

Hyzer Gashi	Shtime		29.03.2019	100.00	100.00	
Be snik Berisha	Ferizaj		01.04.2019	100.00	100.00	
Durim Limaj	Prishtine		01.04.2019	50.00	50.00	
Heset Sahiti	Lipjan		03.04.2019	100.00	100.00	
Sarni Hajdaraj	Suhareke		04.04.2019	100.00	100.00	
Arbenita Halilaj	Prishtine		05.04.2019	100.00	100.00	
Bashkim Musliu	Skenderaj		06.04.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.04.2019	70.00	70.00	
Hyzer Gashi	Shtime		30.04.2019	100.00	100.00	
Durim Limaj	Prishtine		01.05.2019	50.00	50.00	
Besnik Berisha	Ferizaj		02.05.2019	100.00	100.00	
Leotrim Berisha	Malisheve		03.05.2019	90.00	90.00	
Heset Sahiti	Lipjan		03.05.2019	100.00	100.00	
Bashkim Musliu	Skenderaj		06.05.2019	100.00	100.00	
Endrit Shala	Prishtine		08.05.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		13.05.2019	70.00	70.00	
Hyzer Gashi	Shtime		29.05.2019	100.00	100.00	
Enver Hajrushaliku	Gjilan		29.05.2019	70.00	70.00	
Durim Limaj	Prishtine		01.06.2019	50.00	50.00	
Heset Sahiti	Lipjan		03.06.2019	100.00	100.00	
Besnik Berisha	Ferizaj		05.06.2019	100.00	100.00	
Bashkim Musliu	Skenderaj		06.06.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.06.2019	70.00	70.00	
Endrit Shala	Prishtine		28.06.2019	100.00	100.00	
Hyzer Gashi	Shtime		01.07.2019	100.00	100.00	
Durim Limaj	Prishtine		01.07.2019	50.00	50.00	
Besnik Berisha	Ferizaj		02.07.2019	100.00	100.00	
Heset Sahiti	Lipjan		03.07.2019	100.00	100.00	
Bashkim Musliu	Skenderaj		06.07.2019	100.00	100.00	
Ragip Shala	Malisheve		09.07.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.07.2019	70.00	70.00	
Hyzer Gashi	Shtime		29.07.2019	100.00	100.00	
Durim Limaj	Prishtine		01.08.2019	50.00	50.00	
Besnik Berisha	Ferizaj		02.08.2019	100.00	100.00	
Heset Sahiti	Lipjan		05.08.2019	100.00	100.00	

NISMA SOCIALDEMOKRATE
Notes on Financial Statements 01 January 2019 until 31 December 2019

Bas hkim Musliu	Skenderaj		06.08.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.08.2019	70.00	70.00	
Hyzer Gashi	Shtime		29.08.2019	100.00	100.00	
Durim Limaj	Prishtine		01.09.2019	50.00	50.00	
Ragip Shala	Malisheve		02.09.2019	200.00	200.00	
Besnik Berisha	Ferizaj		02.09.2019	100.00	100.00	
Heset Sahiti	Lipjan		03.09.2019	100.00	100.00	
Endrit Shala	Prishtine		10.09.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		18.09.2019	70.00	70.00	
Besnik Berisha	Ferizaj		01.10.2019	100.00	100.00	
Durim Limaj	Prishtine		01.10.2019	50.00	50.00	
Ragip Shala	Malisheve		03.10.2019	200.00	200.00	
Heset Sahiti	Lipjan		03.10.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.10.2019	70.00	70.00	
Hyzer Gashi	Shtime		29.10.2019	100.00	100.00	
Heset Sahiti	Lipjan		03.11.2019	100.00	100.00	
Besnik Berisha	Ferizaj		04.11.2019	100.00	100.00	
Fehmi Hysenaj	Shtime		11.11.2019	70.00	70.00	
He set Sahiti	Lipjan		03.12.2019	100.00	100.00	
Besnik Berisha	Ferizaj		04.12.2019	100.00	100.00	
Total donations and cash contributions				9,130.00	9,130.00	0.00

Note 4: Contributions in kind / goods and services

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

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					0.00
Buildings					0.00
Vehicles					0.00
Office Equipment	4,656.37		3,991.48	598.72	66.17
Information technology equipment	599.58	1,073.67	479.66	345.11	848.48
Other Equipment	970.19	56.15	776.15	116.42	133.77
Total Property, plant and equipment	6,226.14	1,129.82	5,247.29	1,060.25	1,048.42

Other notes

Note 6. Accounts Receivable	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Total Accounts Receivable and Others	0.00	0.00

NISMA SOCIALDEMOKRATE*Notes on Financial Statements 01 January 2019 until 31 December 2019*

Note 7. Cash and cash equivalents	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Cash in bank	40,750.56	28,704.66
Cash in hand	245.15	245.15
Total cash and cash equivalents	40,995.71	28,949.81

Note 8. Accounts payable and others	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Euro Printy	12,793.70	12,793.70
HIB Petroll	1,753.52	1,753.52
KOSOVA PRESS	20,000.00	
KLAN KOSOVA	1,000.00	
Other accounts payable	8,360.00	
Total accounts payable and others	43,907.22	14,547.22

Note 9. Other current liabilities	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Liabilities for salaries and taxes		
Liabilities for rent	17,509.50	
Liabilities for fines and punishment	32,900.00	
Other current liabilities	143.21	260.15
Total other current liabilities	50,552.71	260.15

NISMA SOCIALDEMOKRATE*Notes on Financial Statements 01 January 2019 until 31 December 2019***Note 10: Payment over 5,000.00 Euros**

Purpose of payment	Paid to:			Date of Payment	Amount in Euro
	Natural/Legal Person	Address	ID Number		
KOSOVA PRESS		PRISHTINE	600115928	25.09.2019	1,000.00
AVOLITE MIX		PRISHTINE		24.06.2019	5,000.00
Total payments over 5,000.00 Euro					6,000.00