



**Partia Demokratike e Kosovës
(PDK)**

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

01 January 2018 - 31 December 2018



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Independent Auditors' Report

To the council of Partia Demokratike te Kosovës

Report on Special Purpose Financial Statement

Opinion

We have audited the financial statements of the Political Entity "Partia Demokratike e Kosovës" (hereinafter referred to as "Political Entity" or "PDK" or "PE"), which comprise the statement of financial position as at December 31, 2018, the statement of income and expenses for the year then ended and other explanatory information on pages 7-14.

In our opinion the financial statements present fairly, in all material respects, the financial position of the Political Entity as of 31 December 2018, and its income and expenses for the year then ended in accordance with the law No.03/L-174 on Financing of Political Entities and Law 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 opinion

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

Without further qualifying our opinion we draw attention to the following findings:

- 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 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 LLC

Elmije Osmani
Elmije Osmani

Statutory Auditor
06 October 2021



Statement of Financial Position

Assets		31 December 2018	31 December 2017
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	5	31,005.62	41,214.21
Intangible Assets			
Other long-term assets			
Total long-term assets		31,005.62	41,214.21
Current assets			
Accounts receivable		2,632.11	2,632.11
Prepayments			
Cash and cash equivalents	3	24,306.44	10,024.21
Other current assets			
Total current assets		26,938.55	12,656.32
Total Assets		57,944.17	53,870.53
Equity			
Accumulated Fund		(790,120.44)	(100,112.71)
Surplus / (deficit) of the year		327,084.12	(690,007.73)
Total Equity		(463,036.32)	(790,120.44)
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue	5	31,005.62	41,214.21
Total Long-term liabilities		31,005.62	41,214.21
Current liabilities			
Accounts payable and others	8	463,843.43	590,704.85
Loans payable			
Other current liabilities	9	26,131.44	212,071.91
Total current liabilities		489,974.87	802,776.76
Total Liabilities		520,980.49	843,990.97
Total equity and liabilities		57,944.17	53,870.53

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2018	2017
Income			
Income from budget		1,228,500.00	1,192,800.00
Income from membership			
Donations and cash contributions	3	0.00	7,500.00
Contributions in kind / goods and services	4		37,480.69
Income from campaigns			111,707.15
Income released from deferred revenues	5	5,216.43	37,551.49
Other income		92.28	2,022.00
Total Income for the year		1,233,808.71	1,389,061.33
Expenses			
Wages and salaries	2	299,522.81	578,633.24
Transportation expenses	2	10,772.74	47,827.70
Advertising, representation and conferences	2	9,390.61	91,924.86
Campaign expenses	2	0.00	579,028.02
Purchase of goods	2	3,761.87	56,768.53
General expenses	2	70,240.04	152,010.52
Other expenses	2	513,036.52	554,876.19
Total expenses for the year		906,724.59	2,079,069.06
Surplus / (deficit) for the year		327,084.12	(690,007.73)

1. General Information

Name of Political Entity: Partia Demokratike e Kosovës

Acronym: PDK

Council: Kadri Veseli, (Chairman for 2018)

Finance Representative: Fexhrije Luta

Address: Prishtina

The financial statements of the PE Partia Demokratike 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.

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.

Note 2. Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	262,673.58	262,673.58	0.00
Pension contributions of the employee	13,740.44	12,898.94	841.50
Pension contributions of the employer	13,740.44	12,898.94	841.50
Personal Tax income	9,368.35	8,970.36	397.99
Other benefits			0.00
Total	299,522.81	297,441.82	2,080.99
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	5,547.49		5,547.49
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance	5,225.25		5,225.25
Any other transportation expenses			0.00
Total transportation expenses	10,772.74	0.00	10,772.74
Advertising, representation and conferences			
Premises	690.00		690.00
Food	4,542.86		4,542.86
Cultural and recreation activities			0.00
Radio and TV advertisements			0.00
Newsstands and newspaper advertisements			0.00
Other advertising, representation and conferences expenses	4,157.75	4,157.75	0.00
Total advertising, representation and conferences expenses	9,390.61	4,157.75	5,232.86
Campaign Expenses			

Partia Demokratike e Kosovës

Notes on Financial Statements 01 January 2018 until 31 December 2018

Campaign expenses			
Total campaign expenses			
Purchase of goods			
Supply of office	3,662.87		3,662.87
Small equipment	99.00		99.00
Total purchase of goods	3,761.87	0.00	3,761.87
General expenses			
Rent of office space	44,688.00		44,688.00
Telephone, internet and mail	8,993.60	7,164.56	1,829.04
Electricity and other utilities (water and waste)	11,342.01	6,000.11	5,341.90
Depreciation expenses of long-term assets	10,208.59	////////////////////////////////////	////////////////////////////////////
Expenses related to in-kind contributions / goods and services	0.00	////////////////////////////////////	////////////////////////////////////
Total general expenses	75,232.20	13,164.67	51,858.94
Other expenses			
Maintenance of office space and equipment	1,643.82		1,643.82
Expenses not included in any other category	511,392.70	511,392.70	0.00
Total other expenses	513,036.52	511,392.70	1,643.82
Total expenses	911,716.75	826,156.94	75,351.22

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				////////	//////////	//////////

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					//////////

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					
Buildings					
Vehicles	107,381.20		107,381.20	0.00	0.00
Office Equipment	64,525.21		56,942.71	3,688.14	3,894.36
Information technology equipment	86,435.70		68,009.99	6,520.45	11,905.26
Other Equipment	22,555.37		7,349.37	0.00	15,206.00
Total Property, plant and equipment	280,897.48	0.00	239,683.27	10,208.59	31,005.62

Other notes

Note 6. Accounts Receivable	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Ip Magazin	600.00	600.00
Kosova Press	2,032.11	2,032.11
Total Accounts Receivable and Others	2,632.11	2,632.11

Note 7. Cash and cash equivalents	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Cash in bank	24,306.32	9,677.49
Cash in hand	0.12	346.72
Total cash and cash equivalents	24,306.44	10,024.21

Note 8. Accounts payable and others	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Supplier 1 – Registry	463,843.43	590,704.85
Total accounts payable and others	463,843.43	590,704.85

Note 9. Other current liabilities	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Liabilities for salaries and taxes	2,080.99	88,622.95
Liabilities for rent	321.16	14,290.50
Liabilities for fines and punishment		33,600.00
Other current liabilities	23,729.29	75,558.46
Total other current liabilities	26,131.44	212,071.91

Note 10: Payment over 5,000.00 Euros

Purpose of payment	Paid to:			ID Number	Date of Payment	Amount in Euro
	Natural/Legal Person	Address				
Coalition Partner	AAK	Prishtinë			Specification	315,000.00
Coalition Partner	NISMA	Prishtinë			Specification	189,000.00
Agreement	ATK	Prishtinë			Specification	64,847.92
Campaign Technical Implementation	D-Line	Prishtinë			Specification	64,339.30
Fees	PZAP	Prishtinë			Specification	33,600.00
Services	Llogaria ASHFKA	Prishtinë			Specification	19,000.00
Petroleum	IP-Group	Prishtinë			Specification	16,487.85
Electricity	KESCO	Prishtinë			Specification	16,360.71
Food and beverages	FK-Ana Benz	Prishtinë			Specification	14,196.00
Food supplies	Tora dpt	Prishtinë			Specification	11,492.90
Food and beverages	Sirius Hotel	Prishtinë			Specification	6,500.00
Total payments over 5,000.00 Euro						750,824.68