

**Partia Demokratike e Kosovës
(PDK)**

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

01 January 2020 - 31 December 2020

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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, 2020, the statement of income and expenses for the year then ended and other explanatory information on pages 7-15.

In our opinion, except for the effects of the matters described in Basis for Qualified Opinion section, the financial statements present fairly, in all material respects, the financial position of the Political Entity as of 31 December 2020, 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



- The Financial Statements of the political entity have not been signed in accordance with the Law No.06/L-32 on Accounting, Financial Reporting and Auditing; and Administrative Instruction AI MF-NO.07/2019 Article 8; Signature of Financial Statements; point 2. If the financial director or chief financial officer is not certified as an accountant, then the certified statements are also signed by the financial accountant.

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



Fatmir Mehmeti
Statutory Auditor
06 October 2021

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	36,430.78	45,445.68
Intangible Assets			
Other long-term assets			
Total long-term assets		36,430.78	45,445.68
Current assets			
Accounts receivable		2,814.20	5,442.08
Prepayments			
Cash and cash equivalents	3	10,395.68	16,155.89
Other current assets			
Total current assets		13,027.79	18,788.00
Total Assets		49,640.66	67,043.65
Equity			
Accumulated Fund		(541,698.92)	(463,036.32)
Surplus / (deficit) of the year		113,690.09	(78,662.60)
Total Equity		(428,008.83)	(541,698.92)
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue	5	36,430.78	45,445.68
Total Long-term liabilities		36,430.78	45,445.68
Current liabilities			
Accounts payable and others	8	428,167.15	505,707.95
Loans payable			
Other current liabilities	9	13,051.56	57,588.94
Total current liabilities		441,218.71	563,296.89
Total Liabilities		477,649.49	608,742.57
Total equity and liabilities		49,640.66	67,043.65

Statement of income and expenses

Year ending on 31 st December			
	Notes	2020	2019
Income			
Income from budget		756,000.00	1,163,159.50
Income from membership			
Donations and cash contributions	3	19,899.00	35,897.00
Contributions in kind / goods and services	4		520.00
Income from campaigns		6,360.00	53,521.36
Income released from deferred revenues	5	9,414.90	6,034.13
Other income		4,536.27	
Total Income for the year		796,210.17	1,259,131.99
Expenses			
Wages and salaries	2	592,741.00	419,104.61
Transportation expenses	2	2,578.22	2,488.91
Advertising, representation and conferences	2	10,845.70	43,423.93
Campaign expenses	2	6,601.13	316,966.37
Purchase of goods	2	644.00	5,142.35
General expenses	2	65,109.65	63,490.75
Other expenses	2	4,000.38	487,177.67
Total expenses for the year		682,520.08	1,337,794.59
Surplus / (deficit) for the year		113,690.09	(78,662.60)

1. General Information

Name of Political Entity: Partia Demokratike e Kosovës

Acronym: PDK

Council: Kadri Veseli, (Chairman for 2020)

Finance Representative: Muhamet Morina

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	512,013.24	512,013.24	0.00
Pension contributions of the employee	27,323.93	23,295.88	4,028.05
Pension contributions of the employer	27,323.93	23,295.88	4,028.05
Personal Tax income	26,079.90	21,367.04	4,712.86
Other benefits			0.00
Total	592,741.00	579,972.04	12,768.96
Transportation expenses			
Borrowed motorized vehicles			
Fuels			
Airplane/bus/train/taxi etc. tickets			
Car insurance and maintenance	2,578.22	1,241.56	1,336.66
Any other transportation expenses			0.00
Total transportation expenses	2,578.22	1,241.56	1,336.66
Advertising, representation and conferences			
Premises	500.00		500.00
Food	10,345.70	5,108.80	5,236.90
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	10,845.70	5,108.80	5,736.90
Campaign Expenses			

Partia Demokratike e Kosovës

Notes on Financial Statements 01 January 2020 until 31 December 2020

Campaign expenses	6,601.13	6,460.00	141.13
Total campaign expenses	6,601.13	6,460.00	141.13
Purchase of goods			
Supply of office	244.00	244.00	0.00
Small equipment	400.00	400.00	0.00
Total purchase of goods	644.00	644.00	0.00
General expenses			
Rent of office space	45,020.73	4,103.08	40,917.65
Telephone, internet and mail	457.56	382.47	75.09
Electricity and other utilities (water and waste)	10,216.46	10,216.46	0.00
Depreciation expenses of long-term assets	9,414.90	////////////////////	////////////////////
Expenses related to in-kind contributions / goods and services		////////////////////	////////////////////
Total general expenses	65,109.65	14,702.01	40,992.74
Other expenses			
Maintenance of office space and equipment	1,234.72	1,234.72	0.00
Expenses not included in any other category	2,765.66	70.00	2,695.66
Total other expenses	4,000.38	1,304.72	2,695.66
Total expenses	682,520.08	609,433.13	63,672.05

Note 3: Donations and cash contributions

Accepted by				Amount	Accepted by:	
Contributors	Address	ID Number	Date of contributions	In Euros	Bank	Cash
Betim Gjoshi			2/18/2020	500.00	500.00	
Florete Zejnullahi			2/18/2020	500.00	500.00	
Faton Fetahu			2/18/2020	500.00	500.00	
Memli Krasniqi			2/18/2020	500.00	500.00	
Ilir Kurtishi			2/18/2020	500.00	500.00	
Elmi Recica			2/18/2020	500.00	500.00	
Uran Ismaili			2/18/2020	500.00	500.00	
Rizah Veselaj			2/18/2020	499.00	499.00	
Kujtim Gashi			2/18/2020	500.00	500.00	
Mimoza Blakaj			2/18/2020	500.00	500.00	
Milot Krasniqi			2/18/2020	1,000.00	1,000.00	
Donjet Bislimi			2/18/2020	500.00	500.00	
Trim Sylja			2/18/2020	500.00	500.00	
Taulant Kelmendi			2/18/2020	500.00	500.00	
Argent Breznica			2/18/2020	500.00	500.00	
Shqiprim Haziri			2/18/2020	1,000.00	1,000.00	
Ilir Tahiri			2/18/2020	1,000.00	1,000.00	
Bedri Hamza			2/18/2020	500.00	500.00	
Shaqir Totaj			2/18/2020	500.00	500.00	
Blerta Deliu			2/19/2020	500.00	500.00	
Muzafer Shala			2/19/2020	500.00	500.00	
Fehmi Mujota			2/19/2020	300.00	300.00	
Safete Hadergjonaj			2/19/2020	500.00	500.00	
Eliza Hoxha			2/19/2020	500.00	500.00	
Agim Aliu			2/20/2020	500.00	500.00	
Argent Breznica			2/21/2020	500.00	500.00	
Afrim Paqarizi			2/24/2020	500.00	500.00	
Xhavit Haliti			2/25/2020	500.00	500.00	
Rreze Hoxha			2/25/2020	500.00	500.00	
Ramiz Tolaj			2/27/2020	500.00	500.00	
Arianit Tahiri			2/28/2020	500.00	500.00	
Valdete Idrizi			2/29/2020	500.00	500.00	
Granit Tmava			3/2/2020	500.00	500.00	
Edis Kogjbashili			3/2/2020	495.00	495.00	
Shukri Shengyli			3/2/2020	490.00	490.00	
Dilekt Top			3/4/2020	495.00	495.00	
Dardan Gashi			3/6/2020	500.00	500.00	
Fatime Bajraktari			6/4/2020	120.00	120.00	
Total donations and cash contributions				19,899.00	19,899.00	

Note 4: Contributions in kind / goods and services

Description of goods/services	Paid by			Date of contribution	Amount
	Contributor	Address	ID Number		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	128,481.20		108,084.53	4,220.00	16,176.67
Office Equipment	64,525.21		62,707.95	1,591.66	225.60
Information technology equipment	86,435.70	400.00	79,223.58	3,377.64	4,234.48
Other Equipment	23,483.37		7,463.74	225.60	15,794.03
Total Property, plant and equipment	302,925.48	400.00	257,479.80	9,414.90	36,430.78

Other notes

Note 6. Accounts Receivable	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Ip Magazin	600.00	600.00
Kosova Press	2,032.11	2,032.11
Other request	182.09	2,809.97
Total Accounts Receivable and Others	2,814.20	5,442.08

Note 7. Cash and cash equivalents	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Cash in bank	10,238.75	16,017.06
Cash in hand	156.93	138.83
Total cash and cash equivalents	10,395.68	16,155.89

Note 8. Accounts payable and others	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Supplier 1 – Registry	428,167.14	505,707.95
Total accounts payable and others	428,167.14	505,707.95

Note 9. Other current liabilities	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Liabilities for salaries and taxes	12,768.97	2,152.93
Liabilities for rent	282.59	335.99
Liabilities for fines and punishment		55,100.00
Other current liabilities		
Total other current liabilities	13,051.56	57,588.94

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		
Technical campaign implementation	D-Line	Prishtinë		Registry	70,000.00
Campaign fines	PZAP	Prishtinë		Registry	55,100.00
Food and beverages	Emerald Hotel	Prishtinë		Registry	15,000.00
Office Rent	Komuna Drenas	Drenas		Registry	13,931.22
Campaign Advertisement	RTK-Radio Televizioni I Kosoves	Prishtinë		Registry	11,400.00
Electricity	KESKO	Prishtinë		Registry	11,246.61
Technological Equipment	Comtrade-Computers	Prishtinë		Registry	5,748.00
Total payments over 5,000.00 Euro					182,425.83