



**Partia Demokratike e Kosovës
(PDK)**

**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 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, 2019, the statement of income and expenses for the year then ended and other explanatory information on pages 7-14.

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 2019, 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:

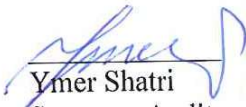
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

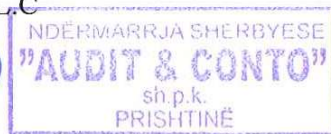


- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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


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	45,445.68	31,005.63
Intangible Assets			
Other long-term assets			
Total long-term assets		45,445.68	31,005.63
Current assets			
Accounts receivable		5,442.08	2,632.11
Prepayments			
Cash and cash equivalents	3	16,155.89	24,306.44
Other current assets			
Total current assets		18,788.00	26,938.55
Total Assets		67,043.65	57,944.17
Equity			
Accumulated Fund		(463,036.32)	(790,120.44)
Surplus / (deficit) of the year		(78,662.60)	327,084.12
Total Equity		(541,698.92)	(463,036.32)
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue	5	45,445.68	31,005.62
Total Long-term liabilities		45,445.68	31,005.62
Current liabilities			
Accounts payable and others	8	505,707.95	463,843.43
Loans payable			
Other current liabilities	9	57,558.94	26,131.44
Total current liabilities		563,296.89	489,974.87
Total Liabilities		608,742.57	520,980.49
Total equity and liabilities		67,043.65	57,944.17

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2019	2018
Income			
Income from budget		1,163,159.50	1,228,500.00
Income from membership			
Donations and cash contributions	3	35,897.00	
Contributions in kind / goods and services	4	520.00	
Income from campaigns		53,521.36	
Income released from deferred revenues	5	7,587.95	10,208.59
Other income			92.28
Total Income for the year		1,260,685.81	1,238,800.87
Expenses			
Wages and salaries	2	419,104.61	299,522.81
Transportation expenses	2	2,488.91	10,772.74
Advertising, representation and conferences	2	43,423.93	9,390.61
Campaign expenses	2	316,966.37	
Purchase of goods	2	5,142.35	3,761.87
General expenses	2	65,044.57	75,232.20
Other expenses	2	487,177.67	513,036.52
Total expenses for the year		1,339,348.41	911,716.75
Surplus / (deficit) for the year		(78,662.60)	327,084.12

1. General Information

Name of Political Entity: Partia Demokratike e Kosovës

Acronym: PDK

Council: Kadri Veseli, (Chairman for 2019)

Finance Representative: Safete Hadergjonaj

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	363,875.89	363,875.89	0.00
Pension contributions of the employee	19,011.00	18,135.50	875.50
Pension contributions of the employer	19,011.00	18,135.50	875.50
Personal Tax income	17,206.72	16,804.79	401.93
Other benefits			0.00
Total	419,104.61	416,951.68	2,152.93
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	10.00	10.00	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance	2,478.91		2,478.91
Any other transportation expenses			0.00
Total transportation expenses	2,488.91	10.00	2,478.91
Advertising, representation and conferences			
Premises	3,208.92		3,208.92
Food	39,915.01		39,915.01
Cultural and recreation activities			0.00
Radio and TV advertisements			0.00
Newsstands and newspaper advertisements	300.00		300.00
Other advertising, representation and conferences expenses			0.00
Total advertising, representation and conferences expenses	43,423.93	0.00	43,423.93
Campaign Expenses			

Partia Demokratike e Kosovës

Notes on Financial Statements 01 January 2019 until 31 December 2019

Campaign expenses	316,966.37	129,537.43	187,428.94
Total campaign expenses	316,966.37	129,537.43	187,428.94
Purchase of goods			
Supply of office	5,038.52		5,038.52
Small equipment	103.83		103.83
Total purchase of goods	5,142.35	0.00	5,142.35
General expenses			
Rent of office space	45,025.43		45,025.43
Telephone, internet and mail	672.23	583.51	88.72
Electricity and other utilities (water and waste)	11,238.96	9,747.87	1,491.09
Depreciation expenses of long-term assets	7,587.95	////////////////////	////////////////////
Expenses related to in-kind contributions / goods and services	520.00	////////////////////	////////////////////
Total general expenses	65,044.57	10,331.38	46,605.24
Other expenses			
Maintenance of office space and equipment	5,236.77	5,236.77	0.00
Expenses not included in any other category	481,940.90	458,465.77	23,475.13
Total other expenses	487,177.67	463,702.54	23,475.13
Total expenses	1,339,348.41	1,020,533.03	310,707.43

Note 3: Donations and cash contributions

Accepted by			Date of contributions	Amount	Accepted by:	
Contributors	Address	ID Number		In Euros	Bank	Cash
Shafi Gashi		1007985572	2/8/2019	1,000.00	1,000.00	
Nuri Bexheti			2/8/2019	1,000.00	1,000.00	
Muhamet Morina		1005711050	3/21/2019	1,000.00	1,000.00	
Fitim Polloshka		1236867093	3/21/2019	999.00	999.00	
Fexhrie Luta		1015470859	3/21/2019	900.00	900.00	
Alije Bunjaku		1010834208	3/21/2019	1,000.00	1,000.00	
Muhamet Morina		1005711050	3/21/2019	800.00	800.00	
Arsim Ajeti		1012791158	3/21/2019	1,000.00	1,000.00	
Besnik Shaqiri		1012111408	3/21/2019	1,000.00	1,000.00	
Behar Sekiraqa		1174185863	3/21/2019	999.00	999.00	
Sami Ismjali		1005893310	3/21/2019	999.00	999.00	
Blerand Stavileci			3/22/2019	1,000.00	1,000.00	
Abelard Tahiraj			3/22/2019	1,000.00	1,000.00	
Arben Gecaj		1015496009	3/22/2019	1,000.00	1,000.00	
Ferid Pula		1176594965	3/22/2019	1,000.00	1,000.00	
Gjobat Pzap Deputetet		Registry	Specification	20,200.00	8,300.00	11,900.00
Bujar Cakolli		1010617550	3/22/2019	1,000.00	1,000.00	
Total donations and cash contributions				35,897.00	23,997.00	11,900.00

Note 4: Contributions in kind / goods and services

Description of goods/services	Paid by			Date of contribution	Amount
	Contributor	Address	ID Number		in Euro
Payment to the Lipjan branch	Njazi Peja			5/11/2019	520.00
Total contributions in kind / goods and services					520.00

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					
Buildings					
Vehicles	107,381.20	21,100.00	107,381.20	703.33	20,396.67
Office Equipment	64,525.21		60,630.85	2,077.10	1,817.26
Information technology equipment	86,435.70		74,530.43	4,693.15	7,212.12
Other Equipment	22,555.37	928.00	7,349.37	114.37	16,019.63
Total Property, plant and equipment	280,897.48	22,028.00	249,891.85	7,587.95	45,445.68

Other notes

Note 6. Accounts Receivable	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Ip Magazin	600.00	600.00
Kosova Press	2,032.11	2,032.11
Other request - TAK	2,809.97	
Total Accounts Receivable and Others	5,442.08	2,632.11

Note 7. Cash and cash equivalents	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Cash in bank	16,017.06	24,306.32
Cash in hand	138.83	0.12
Total cash and cash equivalents	16,155.89	24,306.44

Note 8. Accounts payable and others	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Supplier 1 – Registry	505,707.95	463,843.43
Total accounts payable and others	505,707.95	463,843.43

Note 9. Other current liabilities	31 December 2019 Amount in Euros	31 December 2018 Amount in Euros
Liabilities for salaries and taxes	2,152.93	2,080.99
Liabilities for rent	335.99	321.16
Liabilities for fines and punishment	55,100.00	
Other current liabilities		23,729.29
Total other current liabilities	57,588.94	26,131.44

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	286,125.00
Coalition Partner	Nisma	Prishtinë			Specification	171,675.00
Technical campaign implementation	D-Line	Prishtinë			Specification	105,000.00
Fines	PZAP	Prishtinë			Specification	45,000.00
Agreement	ATK	Prishtinë			Specification	40,797.01
TV Advertisement	RTK	Prishtinë			Specification	24,124.00
Automobile purchase	Brikenë Haxhiu	Prishtinë			Specification	21,100.00
Electricity	Kesko	Prishtinë			Specification	14,570.72
Office	Komuna Drenas	Prishtinë			Specification	13,929.72
TV Advertisement	Tv-Dugagjini	Prishtinë			Specification	12,675.00
Food supplies	Tora Dpt	Prishtinë			Specification	9,475.00
Technological Supplies	Comtade Computers	Prishtinë			Specification	6,613.00
Total payments over 5,000.00 Euro						751,084.45