



SRPSKA LISTA (SL)

**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 SRPSKA LISTA

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We have audited the financial statements of the Political Entity "Srpska Lista" (hereinafter referred to as "Political Entity" 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 "Srpska Lista". 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 does not support the accompanying notes of the financial statements with relevant evidence regarding the lines of financial statements as at 31 December 2020 as required by law No. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, Article 15 Financial Reporting. Given the nature of notes maintained by the political entity we were unable to determine the necessary corrections as at 31 December 2020.
- As disclosed in Note 2 of financial statements, the PE has stated expenses on the total amount of 155,360.50 Euro for the year ended at 31 December 2020. During our audit we found out that the political entity does not have supporting documentation for the reported amount of 150,000.00 Euro to prove that these expenses were within the activity of the political entity as per the legal obligations of law No. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, Article 3, point 1.1 until 1.5. The political entity for these expenses has three cooperation agreements with three non-governmental organizations. Two of the NGOs (with contracts on the amount of 100,000.00 Euro) do not figure active in the exercise of their activities when the memorandum was signed and when the audit was occurring. For the amount of these expenses, we as auditors do not have the necessary supporting documentation for the occurrence nor the accuracy of these expenses such as: Report on acceptance of Services, invoices on the services, full narrative and financial reports on implementing of budget with appropriate evidence from the service provider and we have not received the complete information for the service provider nor the service recipient (NGOs have recognized these payments as donations from the PE).
- During our audit we found out that the political entity has underestimated the reported income as it has failed to present the income from in-kind contributions received from



KK Leposaviq, the use of a car based on the Memorandum of Understanding No.08/18 of the date 07.03.2018.

- As disclosed in Note 2 of financial statements, the Political Entity as a rent holder, for the expenses of rent on the amount of 30,000.00 Euro has not withheld the tax on rent on the amount of 2,967.00 Euro as per the legal obligations of the Article 39 of Law No.05/L-028 on Personal Tax Income.
- During our audit we found out that the political entity, for the stated expenses has included transactions with entities that appear as non-active taxpayers in the tax administration at the time of auditing procedures. The amount of these expenses is 13,685.00 Euro.
- As disclosed in Note 2 of financial statements, the political entity has stated expenses for fuels in the amount of 3,482.35 euro. During our audit we found out that the presented expenses of the political entity are not supported with evidence regarding the individual, kilometers, destination. Therefore, we were unable, while applying standard and alternative methods of audit to determine whether the stated expense is accurate,

Emphasis of matter

We also draw attention to the following findings:

- 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 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 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.

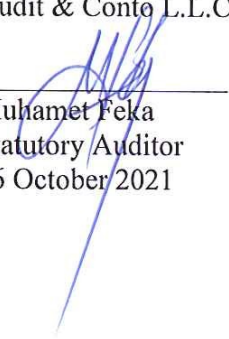
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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


Muhamet Feka
Statutory Auditor
06 October 2021



SRPSKA LISTA*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		
Intangible Assets			
Other long-term assets			
Total long-term assets			
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents	3	98,214.32	40,255.66
Other current assets			
Total current assets		98,214.32	40,255.66
Total Assets		98,214.32	40,255.66
Equity			
Accumulated Fund			
Surplus / (deficit) of the year		98,214.32	40,255.66
Total Equity		98,214.32	40,255.66
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		
Total current liabilities			
Total Liabilities			
Total equity and liabilities		98,214.32	40,255.66

SRPSKA LISTA*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		355,225.66	301,021.34
Income from membership			
Donations and cash contributions	3	0.00	0.00
Contributions in kind / goods and services	4		
Income from campaigns			
Income released from deferred revenues	5		
Other income			
Total Income for the year		355,225.66	301,021.34
Expenses			
Wages and salaries	2	19,775.62	16,993.75
Transportation expenses	2	4,613.35	7,217.49
Advertising, representation and conferences	2	155,360.50	17,299.50
Campaign expenses	2	43,862.00	89,383.44
Purchase of goods	2	0.00	4,495.00
General expenses	2	30,020.57	30,000.00
Other expenses	2	3,379.30	95,406.50
Total expenses for the year		257,011.34	260,795.68
Surplus / (deficit) for the year		98,214.32	40,225.66

SRPSKA LISTA

Notes on Financial Statements 01 January 2020 until 31 December 2020

1. General Information

Name of Political Entity: Srpska Lista

Acronym: GISL

Council: Goran Rakić (Chairman)

Finance Representative: Darko Radovanović

Address: North Mitrovica

The financial statements of the PE Srpska Lista 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 BKT bank.

SRPSKA LISTA*Notes on Financial Statements 01 January 2020 until 31 December 2020***Note 2. Expenses**

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	16,750.00	16,750.00	0.00
Pension contributions of the employee			0.00
Pension contributions of the employer	1,939.00	1,939.00	0.00
Personal Tax income	1,086.62	1,086.62	0.00
Other benefits			0.00
Total	19,775.62	19,775.62	0.00
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	3,482.35	3,482.35	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance	1,131.00	1,131.00	0.00
Any other transportation expenses			0.00
Total transportation expenses	4,613.35	4,613.35	0.00
Advertising, representation and conferences			
Premises			0.00
Food			0.00
Cultural and recreation activities			0.00
Radio and TV advertisements	4,000.00	4,000.00	0.00
Newsstands and newspaper advertisements			0.00
Other advertising, representation and conferences expenses	151,360.50	151,360.50	0.00
Total advertising, representation and conferences expenses	155,360.50	155,360.50	0.00
Campaign Expenses			
Campaign expenses	43,862.00	43,862.00	0.00

SRPSKA LISTA
Notes on Financial Statements 01 January 2020 until 31 December 2020

Total campaign expenses	43,862.00	43,862.00	0.00
Purchase of goods			
Supply of office			0.00
Small equipment			0.00
Total purchase of goods			0.00
General expenses			
Rent of office space	30,000.00	30,000.00	0.00
Telephone, internet and mail	20.57	20.57	0.00
Electricity and other utilities (water and waste)			
Depreciation expenses of long-term assets	0.00	////////////////////////////////////	////////////////////////////////////
Expenses related to in-kind contributions / goods and services	0.00	////////////////////////////////////	////////////////////////////////////
Total general expenses	30,020.57	30,020.57	0.00
Other expenses			
Maintenance of office space and equipment			0.00
Expenses not included in any other category	3,379.30	3,379.30	0.00
Total other expenses	3,379.30	3,379.30	0.00
Total expenses	257,011.34	257,011.34	0.00

SRPSKA LISTA*Notes on Financial Statements 01 January 2020 until 31 December 2020***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

SRPSKA LISTA*Notes on Financial Statements 01 January 2020 until 31 December 2020***Shënimi 5: Toka, objektet dhe pajisjet****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					
Vehicles					
Office Equipment					
Information technology equipment					
Other Equipment					
Total Property, plant and equipment					

Other notes

Note 6. Accounts Receivable	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Total Accounts Receivable and Others	0.00	0.00

Note 7. Cash and cash equivalents	31 December 2020 Amount in Euros	31 December 2019 Amount in Euros
Cash in bank	98,214.32	40,225.66
Cash in hand		
Total cash and cash equivalents	98,214.32	40,225.66

SRPSKA LISTA*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	0.00	0.00

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		0.00

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Shënime për Pasqyrat Financiare Vjetore 01 Janar 2020 deri me 31 Dhjetor 2020

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		
Total payments over 5,000.00 Euro					//////////