



Aleanca për Ardhmërinë e Kosovës

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

01 January 2013 - 31 December 2013



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Independent Auditors' Report

To the council of Aleanca për Ardhmërinë e Kosovës

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the financial statements of the Political Entity “Aleanca për Ardhmërinë e Kosovës” (hereinafter referred to as “Political Entity” or “AAK” or “PE”), which comprise the statement of financial position as at December 31, 2013, the statement of income and expenses for the year then ended and other explanatory information.

In our opinion, except for the effects of the matters described in Basis for qualified opinion section, the financial statements presents fairly, in all material respects, the financial position of the Political Entity as of 31 December 2013, and its income and expenses for the year then ended in accordance with 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 15 Financial Reporting.

Basis for qualified 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 Kosova, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

- As presented in Note 5 of Financial Statements, other Current Liabilities are stated in the amount of 71,565.69 Euro as of 31 December 2013. In absence of confirmations from third parties, while applying standard and alternative auditing procedures, we were unable to verify whether current liabilities on the amount of 35,423.00 Euro were fully accurate.
- The Political Entity during 2013 has operated with one (1) main bank account and 27 subaccounts in Raiffeisen Bank in Kosovo which is in violation of Law Nr. 04/L-212 amended and supplemented by law Nr. 04/L-058 Article 3, Paragraph 3 which obliges Political Entities to operate with a single bank account.
- During our auditing we found out that within other benefits, the Political Entity has compensated a non-resident of Kosovo on monthly basis for

services on the amount of 28,800.00 euro for which the PE did not account and pay for taxes as required by tax Legislation of the Republic of Kosovo.

- During our auditing we found out that out of total expenses stated on the amount of 631,813.31 Euro for the year ended on 31 December 2013, 73,050 Euro are funds transferred in cash to its branches without being supported by documentation for the occurred expenses.

Emphasis of matter

On our qualified opinion for the PE we draw attention to the following findings:

- The Political Entity has not disclosed notes on the purchases made on the amount of over 5,000.00 to a single recipient during the day as required by Law Nr. 04/L-212 on amending and supplementing the Law Nr. 03/L-174 on Financing of Political Entities, amended and supplemented by Law Nr. 04/L-058, Article 15, Financial Reporting.
- The Political Entity has not maintained proper accounting to enable the recording of financial transactions and the preparation of financial statements according to the applicable accounting standards 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 respected the legal requirements regarding the publication of annual and campaign financial disclosure reports 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 15 Financial Reporting, paragraphs 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 scepticism 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 sh.p.k

Fadil Hyseni
Statutory Auditor
5 December 2017

Statements of Financial Position

Assets		31 December 2013	31 December 2012
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	2	9,903.00	8,245.14
Intangible Assets			
Other long-term assets			
Total long-term assets		9,903.00	8,245.14
Current assets			
Accounts receivable		0.00	0.00
Prepayments		1,439.22	4,285.15
Cash and cash equivalents	3	321.29	8,489.38
Other current assets			
Total current assets		1,760.51	12,774.53
Total Assets		11,663.51	21,019.67
Equity			
Accumulated Fund		12,774.53	4,285.15
Surplus / (deficit) of the year		(114,611.17)	8,489.38
Total Equity		(101,836.64)	12,774.53
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue	2	9,903.00	8,245.14
Total Long-term liabilities		9,903.00	8,245.14
Current liabilities			
Accounts payable and others	4	32,031.46	0.00
Other current liabilities	5	71,565.69	0.00
Total current liabilities		103,597.15	0.00
Total Liabilities		113,500.15	8,245.14
Total equity and liabilities		11,663.51	21,019.67

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2013	2012
Income			
Income from budget		394,433.00	395,899.00
Income from membership			
Donations and cash contributions		0.00	2,000.00
Contributions in kind / goods and services			
Income from campaigns		119,410.00	
Income released from deferred revenues		3,359.14	
Other income			
Total Income for the year		517,202.14	397,899.00
Expenses			
Wages and salaries	6	300,834.00	273,806.97
Transportation expenses	6	26,438.43	14,991.35
Advertising, representation and conferences	6	113,741.87	48,194.05
Campaign expenses	6	99,640.00	
Purchase of goods	6	11,375.81	7,125.80
General expenses	6	58,319.26	15,437.82
Other expenses	6	21,463.94	29,853.63
Total expenses for the year		631,813.31	389,409.62
Surplus / (deficit) for the year		(114,611.17)	8,489.38

1. General Information

Name of Political Entity: Aleanca për Ardhmërinë e Kosovës

Acronym: AAK

Council: Ramush Haradinaj (Chairman)

Finance Representative:

Date of Establishment:

Address:

The financial statements of the PE Aleanca për Ardhmërinë 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 single bank account in RBKO Bank Kosovo.

Note 2. 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	5,191.10	785.00	1,557.30	1,195.22	3,223.58
Information technology equipment	4,715.56	4,232.00	1,414.66	1,789.51	5,743.39
Other Equipment	1,872.05		561.61	374.41	936.03
Total Property, plant and equipment	11,778.71	5,017.00	3,533.57	3,359.14	9,903.00

Note 3. Cash and cash equivalents

	31 December 2013 Amount in Euros	31 December 2012 Amount in Euros
Cash in bank	21.33	8,489.38
Cash in hand	299.96	
Total cash and cash equivalents	321.29	8,489.38

Note 4. Accounts payable and others

	31 December 2013 Amount in Euros	31 December 2012 Amount in Euros
Payable to media	32,031.46	
Other accounts payable		
Total accounts payable and others	32,031.46	0.00

Note 5. Other current liabilities

	31 December 2013 Amount in Euros	31 December 2012 Amount in Euros
Liabilities for salaries and taxes	71,565.69	
Other current liabilities		
Total other current liabilities	71,565.69	0.00

Note 6: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	259,094.62	187,528.93	71,565.69
Pension contributions of the employee			-
Pension contributions of the employer	12,939.38	12,939.38	-
Personal Tax income			-
Other benefits	28,800.00	28,800.00	-
Total	300,834.00	229,268.31	71,565.69
Transportation expenses			
Borrowed motorized vehicles	1,385.00	1,385.00	-
Fuels	3,180.03	3,180.03	-
Airplane/bus/train/taxi etc. tickets	11,447.19	10,257.19	1,190.00
Car insurance and maintenance	10,426.21	6,606.23	3,819.98
Any other transportation expenses	0.00	0.00	-
Total transportation expenses	26,438.43	21,428.45	5,009.98

Advertising, representation and conferences			
Premises	16,597.00	4,509.00	12,088.00
Food	8,051.86	8,051.86	-
Cultural and recreation activities	150.00	150.00	-
Radio and TV advertisements	61,500.00	61,500.00	-
Newsstands and newspaper advertisements	8,726.13	8,726.13	-
Other advertising, representation and conferences expenses	18,716.88	18,716.88	-
Total advertising, representation and conferences expenses	113,741.87	101,653.87	12,088.00
Campaign Expenses			
Campaign expenses	99,640.00	99,640.00	0.00
Total campaign expenses	99,640.00	99,640.00	0.00
Purchase of goods			
Supply of office	8,276.40	8,274.40	2.00
Small equipment	3,099.41	2,345.61	753.80
Total purchase of goods	11,375.81	10,620.01	755.80
General expenses			

Aleanca për Ardhmërin e Kosovës

Notes on Financial Statements 01 January 2013 until 31 December 2013

Rent of office space	44,389.60	30,439.60	13,950.00
Telephone, internet and mail	2,482.31	2,482.31	-
Electricity and other utilities (water and waste)	8,088.21	3,000.00	5,088.21
Depreciation expenses of long-term assets	3,359.14	-	-
Expenses related to in-kind contributions / goods and services			-
Total general expenses	58,319.26	35,921.91	19,038.21
Other expenses			
Maintenance of office space and equipment			0.00
Expenses not included in any other category	21,463.94	13,549.94	7,914.00
Total other expenses	21,463.94	13,549.94	7,914.00
Total expenses	631,813.31	512,082.49	116,371.68