

BASHKIMI DEMOKRATIK

REPORT OF ANNUAL FINANCIAL REPORT FOR THE YEAR 2012 AND INDEPENDENT AUDITOR'S REPORT

PRISTINA, JUN 2013

| ANNUAL FINANCIAL REPORTS OF POLITICAL ENTITY | | |
|--|-------------------------|-------------------------|
| | GENERAL INFORMATION | |
| 1 | Political Entity Name | Bashkimi Demokratik |
| 2 | Acronym | BD |
| 3 | Address | Rr. Zahir Pajaziti PN |
| 4 | Municipality | Prizren |
| 5 | Tel | 044 478 111 |
| 6 | The reporting period | 01.01.2012 - 31.12.2012 |
| 7 | The registration number | 177-0610 |

Authorized Financial Representative

| | | |
|----|-----------------|--|
| 8 | Name | Nysret |
| 9 | Surname | Durmishi |
| 10 | Personal Number | 1030465896 |
| 11 | Address | Lulzim Rexhepi nr. 68 |
| 12 | Municipality | Prizren |
| 13 | Tel | 045 202 072 |
| 14 | E-mail | korabi33@hotmail.com |

Statement of Financial Position

31 December 2012

| P P.1 | Assets Long-term assets | Notes | 31 December 2012 Amount in Euro | 31 December 2011 Amount in Euro |
|----------|---|-------|---------------------------------------|------------------------------------|
| P.1.1 | Property, plant and equipment | 5 | 630.00 | 900.00 |
| P.1.2 | Intangible assets | | - | |
| P.1.3 | Other long term assets | | - | |
| | Total long-term assets | | 630.00 | 900.00 |
| P2 | Short-term assets | | | |
| P2.1 | Accounts Receivable | 6 | | |
| P2.2 | Prepayments | | - | - |
| P2.3 | Cash and cash equivalents | 7 | - | - |
| P2.4 | Other short-term assets | | | |
| | Total other short-term assets | | - | - |
| | Total assets P1+P2 | | - | - |
| E | Equity | | 630.00 | 900.00 |
| E.1 | Accumulated funds | | | |
| E.2 | Surplus / (deficit) of the year | | | |
| | Total Equity | | 870.00 | |
| D | Liabilities | | | |
| D.1 | Long-term liabilities | | 870.00 | - |
| D.1.1 | Payable loans | | | |
| D.1.2 | Deferred revenue | | - | - |
| | Total long term liabilities | | 630.00 | |
| D.2 | Short-term liabilities | | 630.00 | |
| D.2.1 | Accounts payable and other | 8 | | |
| D.2.2 | Payable loans | | | |
| D.2.3 | Other short-term liabilities | 9 | - | - |
| | Total short term liabilities | | - | - |
| | Total liabilities (D.1 + D.2) | | 630.00 | - |
| | TOTAL EQUITY AND LIABILITIES (E+D) | | 1,784.54 | 2,923.47 |

Statement of Incomes and Expenses

In the end of the year 31 December 2012

| | | Note | In the end of year 31.12.2012 | In the end of year 31.12.2011 |
|------|--|------|-------------------------------------|-------------------------------------|
| H | Income | | | |
| H.1 | Revenues from budget | | | |
| H.2 | Membership revenues | | - | |
| H.3 | Donations and contributions in cash | 3 | 700.00 | |
| H.4 | Contributions in kind, goods and services | 4 | 200.00 | |
| H.5 | Campaign incomes | | | - |
| H.6 | Revenues released from deferred revenues | 5 | 270.00 | - |
| H.7 | Other Revenues | | | |
| | Total incomes | | 1,170.00 | - |
| SH | Expenses | 2 | | |
| SH.1 | Salaries and compensations | 2 | | |
| SH.2 | Transportation costs | 2 | | |
| SH.3 | Advertising, representation and conferences | 2 | 150.00 | |
| SH.4 | Campaign expenses | 2 | | |
| SH.5 | Purchase of goods | 2 | 50.00 | |
| SH.6 | General expenses | 2 | 100.00 | |
| SH.7 | Other expenses | 2 | | |
| | Total expenses | | 300.00 | - |
| | SURPLUS (+) OR DEFICIDI (-) for the year (H-SH) | | 870.00 | |

| SH | Expenses | Expenses in Euro | Payments in Euro | The remaining debt in Euro |
|------|---|------------------|------------------|----------------------------|
| SH.1 | Salaries and compensations | | | |
| | Salaries and compensations, net | - | - | - |
| | Employee pension contribution | - | - | - |
| | Employer pension contribution | - | - | - |
| | Personal Income Tax | - | - | - |
| | Other Benefits | - | - | - |
| | Total salaries and compensations | - | - | - |
| SH.2 | Transportation costs | - | - | - |
| | Borrowed vehicles | - | - | - |
| | Fuels | - | - | - |
| | Tickets - airplane / bus, train, taxi, etc. | - | - | - |
| | Insurance and maintaining the vehicles | - | - | - |
| | Other transport insurance | - | - | - |
| | Total transport costs | - | - | - |
| SH.3 | Advertising, representation and conferences | - | - | - |
| | Offices | - | - | - |
| | Food | - | - | - |
| | Cultural and recreational activities | - | - | - |
| | Radio and television advertisements | - | - | - |
| | Billboards and advertisements in newspapers | - | - | - |
| | Other advertising costs, representation and conferences | - | - | - |
| | Total advertising, representation and conferences | - | - | - |
| SH.4 | Campaign expenses | - | - | - |
| | Campaign expenses | - | - | - |
| | Total campaign expenses | - | - | - |
| SH.5 | Purchase of goods | - | - | - |
| | Office supply | 50.00 | | 50.00 |
| | Small equipment | 30.00 | | 30.00 |
| | Total purchases of goods | 80.00 | - | 80.00 |
| SH.6 | General expenses | | | |
| | Office rent | | | - |
| | Telephone, internet and Post | 100.00 | | 100.00 |
| | Electricity, municipal services (water and waste) | 350.00 | | 350.00 |
| | Depreciation costs of long-term assets | 270.00 | | |
| | Costs associated with donations and in-kind contributions, goods and services | | | - |
| | Total general expenses | 720.00 | - | 450.00 |
| SH.7 | Other expenses | | | |
| | Maintenance of equipment and offices | - | - | - |
| | Expenses that are not including in any other category | - | - | - |
| | Total other expenses | - | - | - |
| | Total expenses (from SH.1 to SH.7) | 800.00 | - | 530.00 |

| Note 6. Accounts Receivable | 31 December 2012 Amounts in Euro | 31 December 2011 Amounts in Euro |
|---|---|---|
| | 0 | |
| | 0 | |
| | 0 | |
| | 0 | |
| | 0 | |
| | 0 | |
| | 0 | |
| Total accounts receivable | | |
| | | |
| Note 7. Cash and cash equivalents | 31 December 2012 Amounts in Euro | 31 December 2011 Amounts in Euro |
| | | |
| Cash in Bank | | |
| Cash | | |
| | | |
| In total cash and cash equivalents | | |
| | | |
| | | |
| Note 8. Accounts payable and other | 31 December 2012 Amounts in Euro | 31 December 2011 Amounts in Euro |
| | | |
| | | |
| Accounts payable and other | | |
| Total accounts payable and other | | |
| | | |
| Note 9. Other short-term liabilities | 31 December 2012 Amounts in Euro | 31 December 2011 Amounts in Euro |
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| | | |
| | | |
| | | |
| Total other short-term liabilities | | |

| | Balance at beginning of year (historical cost) | Purchases during the year | Accumulated depreciation | Depreciation of the year | Balance at end of year (net) |
|--|--|---------------------------|--------------------------|--------------------------|------------------------------|
| Property | | | | | |
| Facilities | | | | | |
| Vehicles | | | | | |
| Equipment for office | 300.00 | | | 90.00 | 210.00 |
| Information technology equipment | 600.00 | | | 180.00 | 420.00 |
| Other equipment | | | | | |
| Total property, plant and equipment | 900.00 | | | 270.00 | 630.00 |

Contributions in kind, goods and services
In the end of year 31 December 2012

Acronym BD

| Goods / services description | Received by | | | Date when contribution is provided | Amount in Euro |
|---|-------------|---------|-----------------|------------------------------------|----------------|
| | Contributor | Address | Personal Number | | |
| | | | | | |
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| Total in-kind contribution, goods and services : | | | | | |

Donations and contributions in cash
In the end of year 31 December 2012

Acronym BD

| Received by | | | Date when contribution is provided | Amount in Euro | Accepted through | |
|--|------------------|-----------------|------------------------------------|----------------|------------------|----------|
| Contributor | Address | Personal Number | | | Bank | Checkout |
| TPT Korabi | Prizren | | 22.02.2012 | 400.00 | | 400.00 |
| DPH Keshtjella | Vlashnje-Prizren | | 07.05.2012 | 300.00 | | 300.00 |
| | | | | | | |
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| Total donations and contributions in cash : | | | | | | |

Payments over 5,000.00 Euro
In the end of year 31 December 2012

Acronym BD

| Purpose of Payment | Received by | | | Date when payment is made | Amount in Euro |
|--|--------------------------|---------|-----------------|---------------------------|----------------|
| | Personal / Institutional | Address | Personal Number | | |
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| Total payments over 5,000.00 Euro : | | | | | |

Findings:

It is presented in IS (statement of revenue and expenditure) for 2012, contribution in kind, goods and services 200.00E but not fulfilled the form-Note 4: Contribution in kind, goods and services.

DOCUMENTATION missing for donations and expenditures declared.

Costs presented in IS (300.00 E) and their disclosure in Note 2 form. Expenses (800.00) - are different.

Recommendations:

Revenues in the statement and disclosures should harmonize.

Must adhere to Article 15 paragraph 3 of the Law Nr.03/L-174-Ligji for financing of political parties, for the content of documents in an annual financial report.