



Kosova Demokratik Turk Partisi

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

01 January 2015 - 31 December 2015



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Independent Auditors' Report

To the council of **Kosova Demokratik Turk Partisi**

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the financial statements of the Political Entity “**Kosova Demokratik Turk Partisi**” (hereinafter referred to as “Political Entity” or “KDTP” or “PE”), which comprise the statement of financial position as at December 31, 2015, 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 2015, 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 Kosovo, 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 – Expenses, the Political Entity has stated Wages and Salaries on the amount of 23,140 Euro for the year ending on 31 December 2015, in absence of supporting documentation, tax declarations, working contracts, decisions etc. we were unable to verify whether the stated expenses were fully accurate. Furthermore, the PE has not declared nor paid for the taxes and contributions of salaries as required by the tax legislation in power.

Emphasis of matter

On our qualified opinion for the PE we 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 applicable accounting standards in Kosovo.
- 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 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.
- During our auditing we found out that representation and fuel expenses, in some instances the PE does not have the relevant supporting documentation except receipts which would be useful to justify and support the stated expense.

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

Njazi Jakupi
Statutory Auditor
5 December 2017

Statements of Financial Position

Assets		31 December 2015	31 December 2014
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	2	22,033	25,175
Intangible Assets			
Other long-term assets			
Total long-term assets		22,033	25,175
Current assets			
Accounts receivable		-	0
Prepayments			
Cash and cash equivalents	3	56	516
Other current assets			
Total current assets		56	516
Total Assets		22,089	25,691
Equity			
Accumulated Fund		516	(4,481)
Surplus / (deficit) of the year		(3,244)	4,997
Total Equity		(2,728)	516
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue		22,033	25,175
Total Long-term liabilities		22,033	25,175
Current liabilities			
Accounts payable and others			
Other current liabilities	4	2,784	0
Total current liabilities		2,784	
Total Liabilities		24,817	25,175
Total equity and liabilities		22,089	25,691

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2015	2014
Income			
Income from budget		63,000	78,500
Income from membership		-	140
Donations and cash contributions			
Contributions in kind / goods and services			
Campaign income			5,000
Income released from deferred revenues	2	3,083	3,083
Other income		389	250
Total Income for the year		66,472	86,973
Expenses			
Wages and salaries	5	23,140	15,490
Transportation expenses	5	6,488	2,895
Advertising, representation and conferences	5	12,959	6,033
Campaign expenses	5		21,336
Purchase of goods	5		4,225
General expenses	5	26,007	19,944
Other expenses	5	1,123	12,052
Total expenses for the year		69,716	81,976
Surplus / (deficit) for the year		(3,244)	4,997

1. General Information

Name of Political Entity: **Kosova Demokratik Turk Partisi**

Acronym: KDTP

Council: Mahir Jagcilar (Chairman)

Finance Representative:

Date of Establishment: 1990

Address: Prizren, Kosovo

The financial statements of the PE Kosova Demokratik Turk Partisi 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 NLB 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	-	-	////////////////////	////////////////////	-
Buildings	-	-	-		-
Vehicles	24,500	-	6,900	2,450	17,.600
Office Equipment	4,574	-	1,372	457	3,201
Information technology equipment	1,176	-	528	176	1,232
Other Equipment	-	-	-	-	-
Total Property, plant and equipment	30,834	-	8,800	3,083	22,033

Note 3. Cash and cash equivalents

	31 December 2015 Amount in Euro	31 December 2014 Amount in Euro
Cash in bank	56	516
Cash in hand		
Total cash and cash equivalents	56	516

Note 4. Other current liabilities

	31 December 2015 Amount in Euro	31 December 2014 Amount in Euro
Liabilities for salaries and taxes	-	-
Liabilities for rent	-	-
Liabilities for fines and penalties	-	--
Other current liabilities	2,784	0
Total other current liabilities	2,784	0

Note 5: Expenses

Expenses	Expenses	Payment	Outstanding amount
Wages and salaries			
Net wages and salaries	22,060	22,060	-
Pension contributions of the employee	-	-	-
Pension contributions of the employer	-	-	-

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Notes on Financial Statements 01 January 2015 until 31 December 2015

Personal Tax income	-	-	-
Other benefits	1,080	1,080	-
Total	23,140	23,140	-
Transportation expenses			
Borrowed motorized vehicles	390	390	
Fuels	850	850	
Airplane/bus/train/taxi etc. tickets	4,289	3889	400
Car insurance and maintenance	869	869	-
Any other transportation expenses	90	90	-
Total transportation expenses	6,488	6,088	400
Advertising, representation and conferences			
Premises	350	350	-
Food	6,522	6,522	-
Cultural and recreation activities	1,500	1,500	-
Radio and TV advertisements	-	-	-
Newsstands and newspaper advertisements	-	-	-
Other advertising, representation and conferences expenses	4,587	4,587	-
Total advertising, representation and conferences expenses	12,959	12,959	0
Campaign Expenses			
Campaign expenses	-	-	-

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Notes on Financial Statements 01 January 2015 until 31 December 2015

Total campaign expenses	-	-	-
Purchase of goods			
Supply of office	-	-	-
Small equipment	-	-	-
Total purchase of goods	-	-	-
General expenses			
Rent of office space	16,805	15,757	1,048
Telephone, internet and mail	1,145	930	215
Electricity and other utilities (water and waste)	4,973	4,186	787
Depreciation expenses of long-term assets	3,083	////////////////////	////////////////////
Expenses related to in-kind contributions / goods and services		////////////////////	////////////////////
Total general expenses	26,007	20,873	2,050
Other expenses			
Maintenance of office space and equipment	-	-	-
Expenses not included in any other category	1,123	789	334
Total other expenses	1,123	789	334
Total expenses	69,716	63,849	2,784