



Kosova Demokratik Turk Partisi

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

01 January 2016 - 31 December 2016



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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, 2016, 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 2016, 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 6 of Financial Statements – Expenses, the Political Entity has stated Wages and Salaries on the amount of 26,185 Euro for the year ending on 31 December 2016, 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

Haxhi Nimani
Statutory Auditor
05 December 2017

Statements of Financial Position

Assets		31 December 2016	31 December 2015
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	2	20,050	22,033
Intangible Assets			
Other long-term assets			
Total long-term assets		20,050	22,033
Current assets			
Accounts receivable		-	-
Prepayments			
Cash and cash equivalents	3	3,100	56
Other current assets			
Total current assets		3,100	56
Total Assets		23,150	22,089
Equity			
Accumulated Fund		(2,728)	516
Surplus / (deficit) of the year		4,774	(3,244)
Total Equity		2,017	(2,728)
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue		20,050	22,033
Total Long-term liabilities		20,050	22,033
Current liabilities			
Accounts payable and others		0	
Other current liabilities	4	1,084	2,784
Total current liabilities		1,084	2,784
Total Liabilities		21,134	24,817
Total equity and liabilities		23,150	22,089

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2016	2015
Income			
Income from budget		63,000	63,000
Income from membership		1,644	-
Donations and cash contributions	5	2,656	
Contributions in kind / goods and services			
Campaign income			
Income released from deferred revenues	2	3,083	3,083
Other income		56	389
Total Income for the year		70,439	66,472
Expenses			
Wages and salaries	6	26,185	23,140
Transportation expenses	6	4,423	6,488
Advertising, representation and conferences	6	10,807	12,958
Campaign expenses	6		
Purchase of goods	6	1,100	
General expenses	6	21,260	26,007
Other expenses	6	2,019	1,123
Total expenses for the year		65,695	69,716
Surplus / (deficit) for the year		4,744	(3,244)

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	-	9,350	2,450	15,150
Office Equipment	4,574	744	1,829	457	3,488
Information technology equipment	1,176	356	704	176	1,412
Other Equipment	-	-	-	-	-
Total Property, plant and equipment	30,834	1100	8,800	3,083	20,050

Note 3. Cash and cash equivalents

	31 December 2016 Amount in Euro	31 December 2015 Amount in Euro
Cash in bank	3,100	56
Cash in hand		
Total cash and cash equivalents	3,100	56

Note 4. Other current liabilities

	31 December 2016 Amount in Euro	31 December 2015 Amount in Euro
Liabilities for salaries and taxes	-	-
Liabilities for rent	-	-
Liabilities for fines and penalties	-	--
Other current liabilities	1,084	2,784
Total other current liabilities	1,084	2,784

Note 5: Donations and cash contributions

Accepted by:				Amount	Accepted from:	
Contributors	Address	ID Number	Date of Contributions	in Euro	Bank	Cash
Erim Berisha			20.12.2016	30	30	
Ercan Spat			20.12.2016	64	64	
EROLL ZEKERIJA			01.12.2016	35	35	
Erim Berisha			19.11.2016	25	25	
Ercan Spat			11.11.2016	64	64	
MUFERA SRBICA SINIK			07.11.2016	300	300	
FIKRIM DAMKA			01.11.2016	60	60	
EROLL ZEKERIJA			01.11.2016	35	35	
Kadir Huseyin			26.10.2016	300	300	
Erim Berisha			17.10.2016	30	30	
Ercan Spat			06.10.2016	64	64	
FIKRIM DAMKA			04.10.2016	60	60	
EROLL ZEKERIJA			03.10.2016	35	35	
ERGIN KALA			21.09.2016	135	135	
Erim Berisha			15.09.2016	30	30	
Ercan Spat			02.09.2016	128	128	
EROLL ZEKERIJA			01.09.2016	35	35	
Erim Berisha			13.08.2016	30	30	
FIKRIM DAMKA			02.08.2016	60	60	
EROLL ZEKERIJA			01.08.2016	35	35	
MAHIR YAGCILAR			22.07.2016	60	60	
Erim Berisha			16.07.2016	30	30	

Kosova Demokrat Turk Partisi*Notes on Financial Statements 01 January 2016 until 31 December 2016*

Ercan Spat			02.07.2016	64	64	
EROLL ZEKERIJA			01.07.2016	35	35	
FIKRIM DAMKA			01.07.2016	60	60	
MAHIR YAGCILAR			21.06.2016	60	60	
Erim Berisha			11.06.2016	30	30	
Ercan Spat			06.06.2016	64	64	
EROLL ZEKERIJA			01.06.2016	35	35	
FIKRIM DAMKA			01.06.2016	60	60	
MAHIR YAGCILAR			26.05.2016	60	60	
Erim Berisha			07.05.2016	30	30	
Ercan Spat			06.05.2016	64	64	
FIKRIM DAMKA			03.05.2016	60	60	
EROLL ZEKERIJA			01.05.2016	35	35	
MAHIR YAGCILAR			06.04.2016	60	60	
Erim Berisha			05.04.2016	30	30	
Ercan Spat			05.04.2016	64	64	
FIKRIM DAMKA			01.04.2016	60	60	
EROLL ZEKERIJA			01.04.2016	35	35	
EROLL ZEKERIJA			01.03.2016	35	35	
EROLL ZEKERIJA			01.02.2016	35	35	
EROLL ZEKERIJA			20.01.2016	35	35	
Total donations and cash contributions				2,656	2,656	

Note 6: Expenses

Expenses	Expenses	Payment	Outstanding amount
Wages and salaries			
Net wages and salaries	25,227	25,227	-
Pension contributions of the employee	-	-	-
Pension contributions of the employer	-	-	-
Personal Tax income	-	-	-
Other benefits	958	958	-
Total	26,185	26,185	0
Transportation expenses			
Borrowed motorized vehicles	-	-	-
Fuels	1,357	1,357	-
Airplane/bus/train/taxi etc. tickets	2,418	2,818	(400)
Car insurance and maintenance	648	648	-
Any other transportation expenses	-	-	-
Total transportation expenses	4,423	4,823	(400)
Advertising, representation and conferences			
Premises	550	550	-
Food	5,932	5,932	-
Cultural and recreation activities	1,200	1,200	-
Radio and TV advertisements	-	-	-
Newsstands and newspaper advertisements	-	-	-
Other advertising, representation and conferences expenses	3,125	3,125	-

Total advertising, representation and conferences expenses	10,807	10,807	0
Campaign Expenses			
Campaign expenses	-	-	-
Total campaign expenses	-	-	-
Purchase of goods			
Supply of office	744	744	-
Small equipment	356	356	-
Total purchase of goods	1,100	1,100	-
General expenses			
Rent of office space	14,586	14,586	-
Telephone, internet and mail	1,124	1,339	(215)
Electricity and other utilities (water and waste)	2,370	3,121	(751)
Depreciation expenses of long-term assets	3,083	////////////////////	////////////////////
Expenses related to in-kind contributions / goods and services		////////////////////	////////////////////
Total general expenses	21,160	19,043	(966)
Other expenses			
Maintenance of office space and equipment	957	957	-
Expenses not included in any other category	1,063	1,396	(334)
Total other expenses	3,431	3,431	(334)
Total expenses	65,695	64,312	(1,700)