

**LIDHJA DEMOKRATIKE E KOSOVËS**

**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	Lidhja Demokratike e Kosoves
2	Acronym	LDK
3	Address	Kompleksi Qafa, Rr.UÇK 2B
4	Municipality	Prishtine
5	Tel	038/ 242-242
6	The reporting period	01.01.2012 - 31.12.2012
7	The registration number	<a href="#">600296108</a>

Authorized Financial Representative

8	Name	Lutfi
9	Surname	Zharku
10	Personal Number	1012499988
11	Address	Dushkaja,pnr
12	Municipality	Kaçanik
13	Tel	044/501-896
14	E-mail	<a href="mailto:lutfi.zharku@hotmail.com">lutfi.zharku@hotmail.com</a>

# Statement of Financial Position

31 December 2012

Acronym LDK

P	Assets	Notes	31 December 2012 Amount in Euro	31 December 2011 Amount in Euro
P.1	<b>Long-term assets</b>			
P.1.1	Property, plant and equipment	5	17,974.05	10,261.25
P.1.2	Intangible assets		-	-
P.1.3	Other long term assets		-	-
	<b>Total long-term assets</b>		17,974.05	10,261.25
P2	<b>Short-term assets</b>			
P2.1	Accounts Receivable	6	-	237.27
P2.2	Prepayments		-	-
P2.3	Cash and cash equivalents	7	564,397.35	120,522.66
P2.4	Other short-term assets		-	-
	<b>Total other short-term assets</b>		564,397.35	120,759.93
	<b>Total assets P1+P2</b>		582,371.40	131,021.18
E	<b>Equity</b>			
E.1	Accumulated funds		162,193.19	
E.2	Surplus / (deficit) of the year		453,917.28	162,193.19
	<b>Total Equity</b>		616,110.47	162,193.19
D	<b>Liabilities</b>			
D.1	<b>Long-term liabilities</b>			
D.1.1	Payable loans		17,974.05	10,261.25
D.1.2	Deferred revenue			
	<b>Total long term liabilities</b>		17,974.05	10,261.25
D.2	<b>Short-term liabilities</b>			
D.2.1	Accounts payable and other	8	9,400.78	17,427.66
D.2.2	Payable loans			
D.2.3	Other short-term liabilities	9	5,459.81	
	<b>Total short term liabilities</b>		14,860.59	17,427.66
	<b>Total liabilities ( D.1 + D.2)</b>		32,834.64	27,688.91
	<b>TOTAL EQUITY AND LIABILITIES (E+D)</b>		648,945.11	189,882.10

## 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	<b>Income</b>			
H.1	Revenues from budget		897,747.00	521,079.75
H.2	Membership revenues			
H.3	Donations and contributions in cash	3	1,090.00	21,306.95
H.4	Contributions in kind, goods and services	4	5,674.80	20,071.70
H.5	Campaign incomes			
H.6	Revenues released from deferred revenues	5		
H.7	Other Revenues			
	<b>Total incomes</b>		904,511.80	562,458.40
SH	<b>Expenses</b>	2		
SH.1	Salaries and compensations	2	229,245.58	225,497.58
SH.2	Transportation costs	2	35,010.92	23,089.31
SH.3	Advertising, representation and conferences	2	61,133.90	19,002.48
SH.4	Campaign expenses	2	54,532.94	
SH.5	Purchase of goods	2	12,620.71	5,224.80
SH.6	General expenses	2	34,238.22	26,836.86
SH.7	Other expenses	2	23,812.25	100,614.18
	<b>Total expenses</b>		450,594.52	400,265.21
	<b>SURPLUS (+) OR DEFICIDI (-) for the year (H-SH)</b>		453,917.28	162,193.19

SH	Expenses	Expenses in Euro	Payments in Euro	The remaining debt in Euro
SH.1	<b>Salaries and compensations</b>			
	Salaries and compensations, net	200,753.80	200,753.80	-
	Employee pension contribution	10,300.49	9,437.64	862.85
	Employer pension contribution	10,300.49	9,437.64	862.85
	Personal Income Tax	7,890.80	7,197.19	693.61
	Other Benefits			
	<b>Total salaries and compensations</b>	229,245.58	226,826.27	2,419.31
SH.2	<b>Transportation costs</b>			
	Borrowed vehicles	400.00	400.00	-
	Fuels	17,164.20	15,844.47	1,319.73
	Tickets - airplane / bus, train, taxi, etc.	8,953.85	8,953.85	-
	Insurance and maintaining the vehicles	7,807.87	7,476.59	331.28
	Other transport insurance	685.00	685.00	-
	<b>Total transport costs</b>	35,010.92	33,359.91	1,651.01
SH.3	<b>Advertising, representation and conferences</b>			
	Offices	314.20	314.20	-
	Food	39,940.87	39,017.77	923.10
	Cultural and recreational activities	4,095.00	4,095.00	-
	Radio and television advertisements	4,680.82	4,680.82	-
	Billboards and advertisements in newspapers	2,240.96	2,240.96	-
	Other advertising costs, representation and conferences	9,862.05	9,484.26	377.79
	<b>Total advertising, representation and conferences</b>	61,133.90	59,833.01	1,300.89
SH.4	<b>Campaign expenses</b>			
	Campaign expenses	54,532.94	54,532.94	
	<b>Total campaign expenses</b>	54,532.94	54,532.94	
SH.5	<b>Purchase of goods</b>			
	Office supply	12,525.09	12,525.09	
	Small equipment	95.62	95.62	
	<b>Total purchases of goods</b>	12,620.71	12,620.71	
SH.6	<b>General expenses</b>			
	Office rent	3,962.50	3,922.00	40.50
	Telephone, internet and Post	16,191.85	15,629.11	562.74
	Electricity, municipal services (water and waste)	12,283.87	10,878.39	1,405.48
	Depreciation costs of long-term assets			
	Costs associated with donations and in-kind contributions, goods and services	1,800.00		
	<b>Total general expenses</b>	34,238.22	30,429.50	2,008.72
SH.7	<b>Other expenses</b>			
	Maintenance of equipment and offices	1,451.02	1,451.02	-
	Expenses that are not including in any other category	22,361.23	19,361.23	3,000.00
	<b>Total other expenses</b>	23,812.25	20,812.25	3,000.00
	<b>Total expenses ( from SH.1 to SH.7 )</b>	450,594.52	438,414.59	10,379.93

<b>Note 6. Accounts Receivable</b>	<b>31 December 2012 Amounts in Euro</b>	<b>31 December 2011 Amounts in Euro</b>
Hajdin Berisha	0	167.36
Xhafer Tahiri	0	69.91
	0	0
	0	0
	0	0
	0	0
	0	0
<b>Total accounts receivable</b>		237.27
<b>Note 7. Cash and cash equivalents</b>	<b>31 December 2012 Amounts in Euro</b>	<b>31 December 2011 Amounts in Euro</b>
Cash in Bank	564,397.35	120,522.66
Cash	-	-
<b>In total cash and cash equivalents</b>	564,397.35	120,522.66
<b>Note 8. Accounts payable and other</b>	<b>31 December 2012 Amounts in Euro</b>	<b>31 December 2011 Amounts in Euro</b>
Specification	9,400.78	17,427.66
	0	0
	0	0
	0	0
	0	0
<b>Accounts payable and other</b>		
<b>Total accounts payable and other</b>	9,400.78	17,427.66
<b>Note 9. Other short-term liabilities</b>	<b>31 December 2012 Amounts in Euro</b>	<b>31 December 2011 Amounts in Euro</b>
Liabilities for tax and taxes	2,419.31	0
Rent liabilities	40.50	0
Liabilities for fines and penalties	3,000.00	0
Short-term liabilities	-	0
<b>Total other short-term liabilities</b>	5459.81	0

	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	5,500.00	-	-	-	5,500.00
Vehicles	-	-	-	-	-
Equipment for office	3,441.25	724.00	-	-	4,165.25
Information technology equipment	-	6,988.80	-	-	6,988.80
Other equipment	1,320.00	-	-	-	1,320.00
<b>Total property, plant and equipment</b>	<b>10,261.25</b>	<b>7,712.80</b>	<b>-</b>	<b>-</b>	<b>17,974.05</b>

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

**Acronym LDK**

Goods / services description	Received by			Date when contribution is provided	Amount in Euro
	Contributor	Address	Personal Number		
Qiraja e zyreve	Ismet Gashi	Prishtine,Rr.Shkodres,nr.13	1019463415	02.01.2012	1,800.00
Pajime te TI	Dukagjini Business Consulting	Eliot Engel,26,Peje	600506557	26.09.2012	3,874.80
<b>Total in-kind contribution, goods and services :</b>					<b>5,674.80</b>

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

Acronym LDK

Received by			Date when contribution is provided	Amount in Euro	Accepted through	
Contributor	Address	Personal Number			Bank	Checkout
Ismet Beqiri	Prishtine ,Sylejman Vokshi, nr.9	1011354986	03.12.2012	590.00		590.00
Lutfi Zharku	Kacanik,Dushkaja, pn.	1012499988	03.12.2012	500.00		500.00
<b>Total donations and contributions in cash :</b>				1,090.00	0	1,090.00

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

Acronym: LDK

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



**Findings:**

Failure to apply the accrual principle - (payment of electricity from month 12/2011-nr.10863903-155.06 Euro and invoice nr.10863880-1,035.13 Euro in 12.01.2012- are calculated as expenses in 2012 (principle of cash), also the payment for internet 12/2011 but the amount do not exceed 100.00, telephone costs for 10, 11 and 12/2011 are also included in and were paid 2012 (see report for expenditures of telephone costs ). Fuels for 01.12.-31.12.2011-invoice Nr. 32021879-1,164.0 from Petrol Oti Slovenia, invoice nr.21/11 on date 29.12.2011 from- KD Events-3,807.34 E the total cost of 12,947.00 (see specification) belong to last year but are calculated and paid in 2012.

High amount of the resources left at the end of the year EUR 564,397.35.

**Recommendations:**

The accrual principle should be respected and only revenues and expenses in the reporting period should be reported.

PP should review the high financial resources left at end of the reporting period which has continued from the previous year.