



NISMA për Kosovën

**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 NISMA për Kosovën

Report on Special Purpose Financial Statement

Qualified Opinion

We have audited the financial statements of the Political Entity “**NISMA për Kosovën**” (hereinafter referred to as “Political Entity” or “NISMA” 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 31December 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 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 the accompanying Financial Position statements, the PE did not transfer the losses from the previous year in amount of 24, 375.38 Euro on 31st December 2016 (19,950.90 euro; 31 December 2015) thus underestimating the sources of funding.

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.

- As described in Note 3, donations and cash contributions, the PE has accepted donations in cash from individuals in the amount of 1000.00 Euro from one person during one day which is in violation of the law Nr. 03/L-196. On 28 November 2016 and 31 November 2016 donations in cash have been accepted through bank accounts from individuals.
- The Political Entity for the conducted purchases did not always apply procurement procedures as required by the Law on Public Procurement for the use of public money which would enable a more efficient, cost-effective, transparent and fair use of political entity funds

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

Nijazi Jakupi
Statutory Auditor
29 November 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	2,224.06	3,609.04
Intangible Assets			
Other long-term assets			
Total long-term assets		2,224.06	3,609.04
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents	3	70.88	0.00
Other current assets			
Total current assets		70.88	0.00
Total Assets		2,294.94	3,609.04
Equity			
Accumulated Fund			0.00
Surplus / (deficit) of the year		(29,843.55)	(24,375.38)
Total Equity		(29,843.55)	(24,375.38)
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue	2	2,224.06	3,609.04
Total Long-term liabilities		2,224.06	3,609.04
Current liabilities			
Accounts payable	4	14,670.06	10,671.31
Other current liabilities	5	15,244.37	13,704.07
Total current liabilities		29,914.43	24,375.38
Total Liabilities		32,138.49	27,984.42
Total equity and liabilities		2,294.94	3,609.04

Statement of income and expenses

	Notes	Year ending on 31 December	
		2016	2015
Income			
Income from budget		189,000.00	179,800.00
Income from membership			
Donations and cash contributions	6	10,900.00	5,805.50
Contributions in kind / goods and services	7	6,620.00	6,315.86
Income from campaigns			
Income released from deferred revenues	2	452.31	751.79
Other income			1,758.90
Total Income for the year		206,972.31	194,432.05
Expenses			
Wages and salaries	8	105,204.23	114,140.39
Transportation expenses	8	10,003.66	16,871.70
Advertising, representation and conferences	8	30,797.49	14,029.54
Campaign expenses	8	11,033.24	0.00
Purchase of goods	8	45.00	1,185.00
General expenses	8	70,200.58	65,585.71
Other expenses	8	9,531.66	6,995.09
Total expenses for the year		236,815.86	218,807.43
Surplus / (deficit) for the year		(29,843.55)	(24,375.38)

1. General Information

Name of Political Entity: **NISMA për Kosovën**

Acronym: Nisma

Council: Fatmir Limaj (Chairman)

Finance Representative: Faton Thaçi

Date of Establishment:

Address: Mujo Ulqinaku” nr. 18 – Pejton

The financial statements of the PE **NISMA për Kosovën** 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 on NLB Bank.

Note 2. Property, plant and equipment

Description	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	2,845.21	0.00	621.06	370.69	1,853.46
Information technology equipment	224.84	0.00	149.90	18.74	56.20
Other Equipment	538.99	0.00	161.71	62.88	314.40
Total Property, plant and equipment	3,609.04	0.00	932.67	452.31	2,224.06

Note 3. Cash and cash equivalents

	31 December 2016 Amount in Euros	31 December 2015 Amount in Euros
Cash in bank	70.88	0.00
Cash in hand		0.00
Total cash and cash equivalents	70.88	0.00

NISMA per Kosoven

Notes on Financial Statements 01 January 2016 until 31 December 2016

Note 4. Accounts payable and others

	31 December 2016 Amount in Euros	31 December 2015 Amount in Euros
Europrinty	12,793.70	6,501.67
HIB Petrol	1,753.52	2,761.81
KEDS	0.00	74.09
AGRO KOP	0.00	900.00
Other accounts payable	122.84	433.74
Total accounts payable and others	14,670.06	10,671.31

Note 5. Other current liabilities

	31 December 2016 Amount in Euros	31 December 2015 Amount in Euros
Liabilities for salaries and taxes	8,598.21	1,164.01
Liabilities for rent	6,646.16	12,540.06
Liabilities for fines and penalties		
Other current liabilities		
Total other current liabilities	15,244.37	13,704.07

Note 6: Donations and cash contributions

Accepted by				Amount	Accepted from:	
Contributors	Address	ID Number	Date of contributions	In Euro	Bank	Cash
Valdete Bajrami	Prishtina		06.01.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		06.01.2016	40.00	40.00	0.00
Eshref Vishi	Ferizaj		21.01.2016	100.00	100.00	0.00
Valdete Bajrami	Prishtina		03.02.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		03.02.2016	40.00	40.00	0.00
Valdete Bajrami	Prishtina		07.03.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		07.03.2016	40.00	40.00	0.00
Valdete Bajrami	Prishtina		05.04.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		05.04.2016	40.00	40.00	0.00
Eshref Vishi	Ferizaj		04.05.2016	100.00	100.00	0.00
Illir Bajrami	Gjilan		05.05.2016	100.00	100.00	0.00
Illir Bajrami	Gjilan		01.06.2016	200.00	200.00	0.00
Illir Bajrami	Gjilan		01.07.2016	200.00	200.00	0.00
Valdete Bajrami	Prishtina		01.08.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		01.08.2016	40.00	40.00	0.00
Valdete Bajrami	Prishtina		05.09.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		05.09.2016	40.00	40.00	0.00
Eshref Vishi	Ferizaj		09.09.2016	100.00	100.00	0.00
Valdete Bajrami	Prishtina		03.10.2016	160.00	160.00	0.00
Illir Bajrami	Gjilan		03.10.2016	40.00	40.00	0.00
Jakup Krasniqi	Prishtina		27.10.2016	1,000.00	1,000.00	0.00
Muharrem Kuqi	Prishtina		28.10.2016	2,000.00	2,000.00	0.00
Valdete Bajrami	Prishtina		01.11.2016	160.00	160.00	0.00

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Notes on Financial Statements 01 January 2016 until 31 December 2016

Ilir Bajrami	Gjilan		01.11.2016	40.00	40.00	0.00
Skender rcica	Prishtina		29.11.2016	1,000.00	1,000.00	0.00
Jakup Krasniqi	Prishtina		29.11.2016	1,000.00	1,000.00	0.00
Dardan Krasniqi	Prishtina		30.11.2016	500.00	500.00	0.00
Behar Amerllahu	Lipjan		30.11.2016	1,700.00	1,700.00	0.00
Valdete Bajrami	Prishtina		01.12.2016	160.00	160.00	0.00
Ilir Bajrami	Gjilan		01.12.2016	40.00	40.00	0.00
Enver Hoti	Malisheva		02.12.2016	1,000.00	1,000.00	0.00
Eshref Vishi	Ferizaj		20.12.2016	100.00	100.00	0.00
Total donations and cash contributions				10,900.00	10,900.00	0.00

Note 7: Contributions in kind / goods and services

Description of goods/services	Accepted by			Date of Contribution	Amount In Euro
	Contributors	Address	ID number		
Advertising services	SH.PK. ORANGE	Xheladin Hana	601148796	28.11.2016	1,920.00
Camera during campaign	A.M.C NSH	Lagja Univerziteti Nr.47 Pr	600857083	28.11.2016	1,000.00
Camera during campaign	A.M.C NSH	Lagja Univerziteti Nr.47 Pr	600857083	02.12.2016	800.00
Camera during campaign	A.M.C NSH	Lagja Univerziteti Nr.47 Pr	600857083	16.12.2016	600.00
Other	Te Parku	Malisheve	600336954	18.12.2016	2,300.00
Total contributions in kind / goods and services					6,620.00

NISMA per Kosovo

Notes on Financial Statements 01 January 2016 until 31 December 2016

Note 8: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	91,183.40	83,733.40	7,450.00
Pension contributions of the employee	5,004.63	4,595.19	409.44
Pension contributions of the employer	5,004.65	4,595.21	409.44
Personal Tax income	4,011.55	3,682.22	329.33
Other benefits	0.00	0.00	0.00
Total	105,204.23	96,606.02	8,598.21
Transportation expenses			
Borrowed motorized vehicles			0.00
Fuels	6,790.80	6,790.80	0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance	1,960.00	1,960.00	0.00
Any other transportation expenses	1,252.86	1,252.86	0.00
Total transportation expenses	10,003.66	10,003.66	0.00
Advertising, representation and conferences			

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Notes on Financial Statements 01 January 2016 until 31 December 2016

Premises			0.00
Food	710.70	710.70	0.00
Cultural and recreation activities			0.00
Radio and TV advertisements			0.00
Newsstands and newspaper advertisements			0.00
Other advertising, representation and conferences expenses	30,086.79	17,293.09	12,793.70
Total advertising, representation and conferences expenses	30,797.49	18,003.79	12,793.70
Campaign Expenses			
Campaign expenses	11,033.24	9,156.88	1,876.36
Total campaign expenses	11,033.24	9,156.88	1,876.36
Purchase of goods			
Supply of office	45.00	45.00	0.00
Small equipment			0.00
Total purchase of goods	45.00	45.00	0.00
General expenses			
Rent of office space	59,635.21	52,989.05	6,646.16

NISMA per Kosoven*Notes on Financial Statements 01 January 2016 until 31 December 2016*

Telephone, internet and mail	4,768.65	4,768.65	0.00
Electricity and other utilities (water and waste)	5,344.41	5,344.41	0.00
Depreciation expenses of long-term assets	452.31	//////////	
Expenses related to in-kind contributions / goods and services		////////////////////////////////	
Total general expenses	70,200.58	63,102.11	6,646.16
Other expenses			
Maintenance of office space and equipment	2,100.00	2,100.00	0.00
Expenses not included in any other category	7,431.66	7,431.66	0.00
Total other expenses	9,531.66	9,531.66	0.00
Total expenses	236,815.86	206,449.12	29,914.43