



**PARTIA DEMOKRATIKE E ASHKANLIVE TË
KOSOVËS**

**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 Partia Demokratike e Ashkanlive të Kosovës

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity “**Partia Demokratike e Ashkanlive të Kosovës**” (hereinafter referred to as “Political Entity” or “PDAK” or “PE”), which comprise the statement of financial position as at December 31, 2016, and the statement of income and expenses for the year then ended and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Political Entity “**Partia Demokratike e Ashkanlive të Kosovës**”. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of opinion

- The Political Entity has not disclosed notes on assets, liabilities and equity of the PE on 31 December 2016 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. In the absence of supporting documentation we were unable to verify whether the stated assets, liabilities and equity correctly reflect the state of the PE on 31 December 2016. Furthermore assets and sources of funding are imbalanced in the statements of financial position for 31 December 2016 and 2015.
- The PE has paid wages and salaries on the amount of 12,140 Euro without accounting and declaring taxes and tax contributions as required by the law nr.03/L-161 on Taxes and Personal Income, Articles 6 and 7.
- The Political Entity has not submitted to the Central Election Committee (hereinafter referred to as “CEC”) copies of invoices on stated transportation expenses on the amount of 9,533 Euro as required by 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. In the absence of supporting documentation we were unable to verify if the stated expenses were accurate and correctly represent the activity of the PE.
- The Political Entity has not reported income from contributions in kind / goods and services, in the absence of supporting documentation we were unable to

verify whether the PE had or had not accepted contributions in kind / goods and services.

- The Political Entity has not reported the payments made in the amount of over 5,000.00 EUR to a single recipient, in the absence of supporting documentation we were unable to verify whether the PE made payments in the amount of over 5,000.00 EUR to a single recipient.
- In the absence of confirmations by the bank, we were unable to verify if the PE had only one bank account as required by 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 11, paragraph 3.

Emphasis of matter

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 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.

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

Agron Mustafa
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		-	-
Intangible Assets		-	-
Other long-term assets		-	-
Total long-term assets		-	-
Current assets			
Accounts receivable		-	-
Prepayments		-	-
Cash and cash equivalents		-	-
Other current assets		-	-
Total current assets		-	-
Total Assets		0.00	0.00
Equity			
Accumulated Fund		20	-
Surplus / (deficit) of the year		100	20
Total Equity		120	20
Liabilities			
Long-term liabilities			
Loans payable		-	-
Deferred revenue		-	-
Total Long-term liabilities			
Current liabilities			
Accounts payable		-	-
Other current liabilities		-	-
Total current liabilities		-	-
Total Liabilities		-	-
Total equity and liabilities		120	20

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2016	2015
Income			
Income from budget		31,500	31,500
Income from membership		-	-
Donations and cash contributions		-	-
Contributions in kind / goods and services		-	-
Income from campaigns		-	-
Income released from deferred revenues		-	-
Other income		-	-
Total Income for the year		31,500	31,500
Expenses			
Wages and salaries	2	12,140	18,150
Transportation expenses	2	9,533	2,935
Advertising, representation and conferences	2	3,923	-
Campaign expenses	2	-	-
Purchase of goods	2	510	54
General expenses	2	5,151	7,214
Other expenses	2	144	3,125
Total expenses for the year		31,400	31,478
Surplus / (deficit) for the year		100	22

1. General Information

Name: Partia Demokratike e Ashkanlive të Kosovës

Acronym: PDAK

Council: Danush Adem (Chairman)

Finance Representative: Besim Limani

Address: Street Vudrov Wilson nn. Ferizaj

The financial statements of Partia Demokratike e Ashkanlive të Kosovës 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.

The Political Entity maintains a single bank account at ProCredit Bank Kosovo.

Note 2: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	12,140	12,140	-
Pension contributions of the employee	-	-	-
Pension contributions of the employer	-	-	-
Personal Tax income	-	-	-
Other benefits	-	-	-
Total	12,140	12,140	-
Transportation expenses			
Borrowed motorized vehicles	-	-	-
Fuels	3,045	3,045	-
Airplane/bus/train/taxi etc. tickets	-	-	-
Car insurance and maintenance	-	-	-
Any other transportation expenses	6,488	6,488	-
Total transportation expenses	9,533	9,533	-
Advertising, representation and conferences			
Premises	-	-	-
Food	3,923	3,923	-
Cultural and recreation activities	-	-	-
Radio and TV advertisements	-	-	-
Newsstands and newspaper advertisements	-	-	-
Other advertising, representation and conferences expenses	-	-	-
Total advertising, representation and conferences expenses	3,923	3,923	-
Campaign expenses			

Partia Demokratike e Ashkalive të Kosovës

Notes on Financial Statements 01 January 2016 until 31 December 2016

Campaign expenses	0	0	-
Total Campaign expenses	0	0	-
Purchase of goods			
Supply of office	70	70	-
Small equipment	440	440	-
Total purchase of goods	510	510	-
General expenses			
Rent of office space	4,330	4,330	-
Telephone, internet and mail	736	736	-
Electricity and other utilities (water and waste)	85	85	-
Depreciation expenses of long-term assets	0	////////////////////	
Expenses related to in-kind contributions / goods and services	0	////////////////////	
Total general expenses	5,151	5,151	-
Other expenses			
Maintenance of office space and equipment	-	-	-
Expenses not included in any other category	144	144	-
Total other expenses	144	144	-
Total expenses	31,400	31,400	0