



# **Partia Demokratike e Kosovës**

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

**01 January 2014 - 31 December 2014**



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# Independent Auditors' Report

To the council of **Partia Demokratike e Kosovës**

## Report on Special Purpose Financial Statement

### Qualified Opinion

We have audited the financial statements of the Political Entity “**Partia Demokratike e Kosovës**” (hereinafter referred to as “Political Entity” or “PDK” or “PE”), which comprise the statement of financial position as at December 31, 2014, 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 2014, 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 Note 2 of Financial Statements – Property, Plant and Equipment, the Political Entity has stated long-term assets on the amount of 139,920.38 Euro as of 31 December 2014 (166,821.47 euro; 31 December 2013). Given the insufficient evidence presented by the PE and in absence of supporting documentation, while applying standard and alternative auditing procedures, we were unable to verify whether the value of the assets on the amount of 77,555.03 Euro as of 31 December 2014 is fully accurate.
- As presented in Note 5 of Financial Statements – Other current liabilities, the PE has stated liabilities on the amount of 359,640.84 Euro as of 31 December 2014; (306,514.07 euro me 31 December 2013). In absence of confirmations by third parties, while applying standard and alternative auditing procedures, we were unable to verify whether the value of the stated liabilities on the amount of 303,868.82 as of 31 December 2014 was fully accurate.

- As presented in Note 6 of Financial Statement – Donations in cash, the Political entity has received cash donations in hand on the amount of 2,780.00 Euro for the year ended on 31 December 2014 which is in violation of Article 4, Paragraph 4 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 which allows receiving of donations to be done only through bank accounts.
- As presented in Note 7 of Financial Statements – Contributions in-kind / goods and services, the Political Entity has stated contributions in kind from observers on the amount of 99,735.00 Euro for the year ended on 31 December 2014. During our auditing we found out that the Political Entity has not presented any supporting documentation, agreements, statements etc. regarding the received contributions.
- As presented in Note 7 of Financial Statements – Expenses, the Political Entity has stated expenses in the category of “Wages and Salaries” on the amount of 664,333.67 Euro, during our auditing we found out that there is a mismatch between the stated Wages and Salaries and the salaries declared in Kosovo Tax Administration on the amount of 12,609.08 Euro.

### **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 has made payments to a single recipient on the amount of over 5,000 Euro within one day which is in violation of the Law on Preventing of Money Laundry and Terrorism Financing, Article 26 Additional Obligation of Political Entities.
- 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 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 on representation expenses, in some cases the PE does not have relevant supporting documentation except receipts of payments and purchase orders which would further support and justify the stated expenses.

## **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

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Qerim Qerimi  
Statutory Auditor  
5 December 2017

## Statements of Financial Position

Assets		31 December 2014	31 December 2013
Long-term assets	Notes	Amount in Euros	Amount in Euros
Property, plant and equipment	2	139,920.38	166,821.47
Intangible Assets			
Other long-term assets			
<b>Total long-term assets</b>		<b>139,920.38</b>	<b>166,821.47</b>
<b>Current assets</b>			
Accounts receivable			
Prepayments			
Cash and cash equivalents	3	671.05	19,735.81
Other current assets			
<b>Total current assets</b>		<b>671.05</b>	<b>19,735.81</b>
<b>Total Assets</b>		<b>140,591.43</b>	<b>186,557.28</b>
<b>Equity</b>			
Accumulated Fund		(296,899.22)	371,417.06
Surplus / (deficit) of the year		(193,399.56)	(668,316.28)
<b>Total Equity</b>		<b>(490,298.78)</b>	<b>(296,899.22)</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans payable			
Deferred revenue	2	139,920.38	166,821.47
<b>Total Long-term liabilities</b>		<b>139,920.38</b>	<b>166,821.47</b>
<b>Current liabilities</b>			
Accounts payable and others	4	131,328.99	10,120.96
Other current liabilities	5	359,640.84	306,514.07
<b>Total current liabilities</b>		<b>490,969.83</b>	<b>316,635.03</b>
<b>Total Liabilities</b>		<b>630,890.21</b>	<b>483,456.50</b>
<b>Total equity and liabilities</b>		<b>140,591.43</b>	<b>186,557.28</b>

## Statement of income and expenses

	Notes	Year ending on 31 <sup>st</sup> December	
		2014	2013
<b>Income</b>			
Income from budget		1,099,374.10	1,000,109.13
Income from membership			186.00
Donations and cash contributions	6	3,280.00	8,661.00
Contributions in kind / goods and services	7	99,735.00	0.00
Income from campaigns			
Income released from deferred revenues	2	45,777.02	43,896.12
Other income			
<b>Total Income for the year</b>		<b>1,148,431.12</b>	<b>1,052,852.25</b>
<b>Expenses</b>			
Wages and salaries	8	664,333.67	570,403.59
Transportation expenses	8	63,612.73	23,905.72
Advertising, representation and conferences	8	140,263.01	60,329.74
Campaign expenses	8	407,312.02	741,308.79
Purchase of goods	8	2,787.48	13,626.98
General expenses	8	123,459.43	135,917.07
Other expenses	8	39,797.34	175,676.64
<b>Total expenses for the year</b>		<b>1,441,565.68</b>	<b>1,721,168.53</b>
<b>Surplus / (deficit) for the year</b>		<b>(193,399.56)</b>	<b>(668,316.28)</b>



## **1. General Information**

Name of Political Entity: Partia Demokratike e Kosovës

Acronym: PDK

Council: Kadri Veseli (Chairman)

Finance Representative:

Date of Establishment: 12.10.1999

Address:

The financial statements of the PE Partia Demokratike e 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.

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**

	<b>Balance at the beginning of the year (historical costs)</b>	<b>Purchases during the year</b>	<b>Accumulated depreciation</b>	<b>Depreciation during the year</b>	<b>Balance at the end of the year (NET value)</b>
Land			////////////////////		<b>0.00</b>
Buildings					<b>0.00</b>
Vehicles	102,702.21	4,679.00	24,250.41	21,476.24	<b>61,654.56</b>
Office Equipment	56,942.71	0	19,401.24	11,388.54	<b>26,152.93</b>
Information technology equipment	56,415.70	5,996.00	15,376.80	12,482.24	<b>34,552.66</b>
Other Equipment	10,509.47	8,200.90	720.14	430	<b>17,560.23</b>
<b>Total Property, plant and equipment</b>	<b>226,570.09</b>	<b>18,875.90</b>	<b>59,748.59</b>	<b>45,777.02</b>	<b>139,920.38</b>

**Note 3. Cash and cash equivalents**

	<b>31 December 2014 Amount in Euros</b>	<b>31 December 2013 Amount in Euros</b>
Cash in bank	156.78	17,541.18
Cash in hand	514.27	2,194.63
<b>Total cash and cash equivalents</b>	<b>671.05</b>	<b>19,735.81</b>

**Note 4. Accounts payable and others**

	<b>31 December 2014 Amount in Euros</b>	<b>31 December 2013 Amount in Euros</b>
Payable to suppliers		
Other accounts payable	131,328.99	10,120.96
<b>Total accounts payable and others</b>	<b>131,328.99</b>	<b>10,120.96</b>

**Note 5. Other current liabilities**

	<b>31 December 2014 Amount in Euros</b>	<b>31 December 2013 Amount in Euros</b>
Liabilities for salaries and taxes	46,549.77	7,821.80
Liabilities for rent	9,722.25	4,164.75
Liabilities for fines and penalties	0.00	93,150.00
Other current liabilities	303,368.82	201,377.52
<b>Total other current liabilities</b>	<b>359,640.84</b>	<b>306,514.07</b>

**Note 6: Donations and cash contributions**

Accepted by			Date of contributions	Amount In Euro	Accepted from:	
Contributors	Address	ID Number			Bank	Cash
Shpend Krasniqi	Junik	1009843361	30.01.2014	100.00		100.00
Astrit Thaçi	Kramovik - Rahovec	1002295411	17.02.2014	500.00		500.00
Muhamet Goçi	Junik	1009372748	25.02.2014	150.00		150.00
Sinan Ymeri	Shtërpçë		14.03.2014	500.00	500.00	0.00
Elvis Pista	Rahovec	1007865275	25.03.2014	250.00		250.00
Ibish Krasniqi	Junik	1009374300	28.03.2014	150.00		150.00
Kadri Shala	Junik	1009374511	30.04.2014	150.00		150.00
Avdyl Gjocaj	Gjocaj - Junik	1009811288	25.05.2014	100.00		100.00
Nevruz Krasniqi	Junik	1009816336	30.06.2014	150.00		150.00
Rrezarta Goçi	Junik	1500329471	30.07.2014	100.00		100.00
Fehmi Hoxha	Rahovec	1007987672	01.11.2014	80.00		80.00
Behar Rama	Rahovec	1002746138	01.11.2014	80.00		80.00
Lulzim Sylejmani	Pataçan I Ulët	1007860877	01.11.2014	80.00		80.00
Lulzim Hasku	Rahovec	1002401823	01.11.2014	80.00		80.00
Muhamet Behra	Krushë e Madhe	1003193213	01.11.2014	80.00		80.00

**Partia Demokratike e Kosovës**

*Notes on Financial Statements 01 January 2014 until 31 December 2014*

Fehim Fetoshi	Fortesë	1002634160	01.11.2014	80.00		80.00
Salih Sallteku	Malesi e Vogël	1006145350	01.11.2014	80.00		80.00
Idriz Vehapi	Zatriq	2006141547	01.11.2014	80.00		80.00
Rasim Fasliu	Celinë	1003190460	05.11.2014	40.00		40.00
Beatrisa Demiri	Rahovec	1002401947	05.11.2014	40.00		40.00
Astrit Thaçi	Kramovik - Rahovec	1002295411	05.11.2014	70.00		70.00
Qazim Qeska	Rahovec	1007984916	05.11.2014	40.00		40.00
Rexhep Oruqi	Rahovec	1030389022	05.11.2014	40.00		40.00
Elvedina Cana	Rahovec	1231515107	05.11.2014	40.00		40.00
Erlira Mullabazi	Rahovec	1176323279	05.11.2014	40.00		40.00
Lirim Berisha	Drenoc	1030382834	05.11.2014	40.00		40.00
Florida Krasniqi	Brestoc	1171961455	05.11.2014	40.00		40.00
Ejup Kabashi	Opterushë	1002291823	05.11.2014	40.00		40.00
Kadri Dellova	Krushë e Madhe	1005934288	05.11.2014	60.00		60.00
<b>Total donations and cash contributions</b>				<b>3,280.00</b>	<b>500.00</b>	<b>2,780.00</b>

**Note 7: Contributions in kind / goods and services**

Description of goods/services	Accepted by			Date of Contributions	Amount
	Contributors	Address	ID number		In Euro
Commissioners					99,735.00
<b>Total contributions in kind / goods and services</b>					<b>99,735.00</b>

**Note 8: Expenses**

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
<b>Wages and salaries</b>			
Net wages and salaries	569,698.24	554,356.81	15,341.43
Pension contributions of the employee	30,399.40	25,300.26	5,099.14
Pension contributions of the employer	30,399.40	25,300.26	5,099.14
Personal Tax income	33,636.63	27,748.14	5,888.49
Other benefits	200.00	200.00	0.00
<b>Total</b>	<b>664,333.67</b>	<b>632,905.47</b>	<b>31,428.20</b>
<b>Transportation expenses</b>			

**Partia Demokratike e Kosovës**

*Notes on Financial Statements 01 January 2014 until 31 December 2014*

Borrowed motorized vehicles	0.00	0.00	0.00
Fuels	35,330.65	31,019.09	4,311.56
Airplane/bus/train/taxi etc. tickets	315.00	315.00	0.00
Car insurance and maintenance	26,144.48	5,384.27	20,760.21
Any other transportation expenses	1,822.60	1,822.60	0.00
<b>Total transportation expenses</b>	<b>63,612.73</b>	<b>38,540.96</b>	<b>25,071.77</b>
<b>Advertising, representation and conferences</b>			
Premises	0.00	0.00	0.00
Food	86,131.40	30,927.70	55,203.70
Cultural and recreation activities	21,710.00	21,710.00	0.00
Radio and TV advertisements	0.00	0.00	0.00
Newsstands and newspaper advertisements	32,421.61	32,421.61	0.00
Other advertising, representation and conferences expenses		0.00	0.00
<b>Total advertising, representation and conferences expenses</b>	<b>140,263.01</b>	<b>85,059.31</b>	<b>55,203.70</b>
<b>Campaign Expenses</b>			
Campaign expenses	407,312.02	252,838.54	154,473.48
<b>Total campaign expenses</b>	<b>407,312.02</b>	<b>252,838.54</b>	<b>154,473.48</b>
<b>Purchase of goods</b>			
Supply of office	2,787.48	2,191.70	595.78

Partia Demokratike e Kosovës

Notes on Financial Statements 01 January 2014 until 31 December 2014

Small equipment			0.00
<b>Total purchase of goods</b>	<b>2,787.48</b>	<b>2,191.70</b>	<b>595.78</b>
<b>General expenses</b>			
Rent of office space	46,379.50	43,300.00	3,079.50
Telephone, internet and mail	15,113.52	15,246.72	(133.20)
Electricity and other utilities (water and waste)	16,189.39	16,742.46	(553.07)
Depreciation expenses of long-term assets	45,777.02	////////////////////	////////////////////
Expenses related to in-kind contributions / goods and services	-	-	-
<b>Total general expenses</b>	<b>123,459.43</b>	<b>75,289.18</b>	<b>2,393.23</b>
<b>Other expenses</b>			
Maintenance of office space and equipment	9,621.40	9,621.40	0.00
Expenses not included in any other category	30,175.94	30,175.94	0.00
<b>Total other expenses</b>	<b>39,797.34</b>	<b>39,797.34</b>	<b>0.00</b>
<b>Total expenses</b>	<b>1,441,565.68</b>	<b>1,126,622.50</b>	<b>269,166.16</b>



**Note 9: Payments over 5,000.00 Euro**

Description	Paid to:			Date of payment	Amount in Euro
	Natural/Legal Person	Address	ID Number		
Supplies	TORA	Prishtinë			27,045.10
Fuels	RACIONAL COMERCE	Prishtinë			77,797.76
Rent	ZYRET	Prishtinë			27,388.00
Supplies	TORA	Prishtinë			27,045.10
Prepayment of news	KOSOVA PRESS	Prishtinë			30,600.00
Electricity	KEK	Prishtinë			32,269.27
Logo	GAN DIZAJN	Prishtinë			13,000.00
Venue services	EMERALD HOTEL	Prishtinë			19,775.30
Advertising – campaign	STUDIO D-LINE	Prishtinë			190,753.05
Computer equipment	COMETRADE COMP.	Prishtinë			17,595.00
<b>Total payments over 5,000.00 Euro</b>					<b>434,304.93</b>