



# **Progresivno Demokratska Stranka**

**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 Progresivno Demokratska Stranka

## Report on Special Purpose Financial Statement

### Unqualified Opinion

We have audited the financial statements of the Political Entity “**Progresivno Demokratska Stranka**” (hereinafter referred to as “Political Entity” or “PDS” 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, 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 Unqualified 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.

### Emphasis of matter

Without further modifying our opinion, we draw attention to the following findings:

- As presented in Note 6, Donation and Cash contributions, the PE has stated donation in the amount of 3,500.00 Euro for the year ended on 31 December 2013. The Political Entity has accepted donation on the amount of 1,000.00 Euro from the same individual during one day which is in violation of the legal requirements of the Law on Prevention of Money Laundering and Financing of Terrorism, Article 25 paragraph 2 of Law No.03/L-196, Additional obligations of political parties.

- 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 responsibility 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

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Muahmet Feka  
Statutory Auditor  
29 November 2017

**Statements of Financial Position**

<b>Assets</b>		<b>31 December 2014</b>	<b>31 December 2013</b>
<b>Long-term assets</b>	Notes	<b>Amount in Euros</b>	<b>Amount in Euros</b>
Property, plant and equipment	2	3,933.33	
Intangible Assets			
Other long-term assets			
<b>Total long-term assets</b>		<b>3,933.33</b>	<b>0.00</b>
<b>Current assets</b>			
Accounts receivable		0.00	0.00
Prepayments		545.00	
Cash and cash equivalents	3	3,047.98	
Other current assets			
<b>Total current assets</b>		<b>3,592.98</b>	<b>0.00</b>
<b>Total Assets</b>		<b>7,526.31</b>	<b>0.00</b>
<b>Equity</b>			
Accumulated Fund			
Surplus / (deficit) of the year		3,592.98	
<b>Total Equity</b>		<b>3,592.98</b>	<b>0.00</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans payable			
Deferred revenue		3,933.33	
<b>Total Long-term liabilities</b>		<b>3,933.33</b>	<b>0.00</b>
<b>Current liabilities</b>			
Accounts payable and others	5	0.00	0.00
Other current liabilities	6	0.00	0.00
<b>Total current liabilities</b>		<b>0.00</b>	<b>0.00</b>
<b>Total Liabilities</b>		<b>3,933.33</b>	<b>0.00</b>
<b>Total equity and liabilities</b>		<b>7,526.31</b>	<b>0.00</b>

## Statement of income and expenses

	Notes	Year ending on 31 <sup>st</sup> December	
		2014	2013
<b>Income</b>			
Income from budget		11,750.00	
Income from membership			
Donations and cash contributions	7	3,500.00	
Contributions in kind / goods and services	8		
Income from campaigns			
Income released from deferred revenues	2	66.67	
Other income		2,072.79	
<b>Total Income for the year</b>		<b>17,389.46</b>	<b>0.00</b>
<b>Expenses</b>			
Wages and salaries	9	4,221.13	
Transportation expenses	9	105.00	
Advertising, representation and conferences	9	2,355.10	
Campaign expenses	9	3,465.80	
Purchase of goods	9	133.07	
General expenses	9	2,900.49	
Other expenses	9	615.89	
<b>Total expenses for the year</b>		<b>13,796.48</b>	<b>0.00</b>
<b>Surplus / (deficit) for the year</b>		<b>3,592.98</b>	<b>0.00</b>

## **1. General Information**

Name of Political Entity: Progresivno Demokratska Stranka

Acronym: PDS

Council: Nenad rasic (PE Chairman)

Finance Representative: Goran Lazic

Date of Establishment:

Address: Gracanica

The financial statements of the Progresivno Demokratska Stranka 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 ProCredit 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					
Buildings					
Vehicles		4,000.00		66.67	<b>3,933.33</b>
Office Equipment					<b>0.00</b>
Information technology equipment					<b>0.00</b>
Other Equipment					<b>0.00</b>
<b>Total Property, plant and equipment</b>	<b>0.00</b>	<b>4,000.00</b>	<b>0.00</b>	<b>66.67</b>	<b>3,933.33</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	3,047.98	
Cash in hand		
<b>Total cash and cash equivalents</b>	<b>3,047.98</b>	<b>0.00</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		
Liabilities for rent	-	
<b>Total other current liabilities</b>	<b>-</b>	<b>0.00</b>

**Note 5: Donations and cash contributions**

Accepted by			Date of contributions	Amount In Euros	Accepted from:	
Contributors	Address	ID Number			Bank	Cash
Zoran Todorovic	Gracanica	1501489707	21.07.2014	1,400.00	PCB	
Jugoslav Popovic	Gracanica	1502034622	21.07.2014	1,500.00	PCB	
Marko Vujovic	Gracanica	1501484888	21.07.2014	600.00	PCB	
<b>Total donations and cash contributions</b>				<b>3,500.00</b>	<b>0.00</b>	<b>0.00</b>

**Note 6: Expenses**

<b>Expenses</b>	<b>Expenses in Euro</b>	<b>Payment in Euro</b>	<b>Outstanding amount in Euro</b>
<b>Wages and salaries</b>			
Net wages and salaries	3,727.95	3,727.95	0.00
Pension contributions of the employee	196.21	196.21	0.00
Pension contributions of the employer	196.21	196.21	0.00
Personal Tax income	100.76	100.76	0.00
Other benefits			0.00
<b>Total</b>	<b>4,221.13</b>	<b>4,221.13</b>	<b>0.00</b>
<b>Transportation expenses</b>			
Borrowed motorized vehicles			0.00
Fuels			0.00
Airplane/bus/train/taxi etc. tickets			0.00
Car insurance and maintenance	105.00	105.00	0.00
Any other transportation expenses			0.00
<b>Total transportation expenses</b>	<b>105.00</b>	<b>105.00</b>	<b>0.00</b>
<b>Advertising, representation and conferences</b>			

Premises			0.00
Food	1,000.00	1,000.00	0.00
Cultural and recreation activities			0.00
Radio and TV advertisements			0.00
Newsstands and newspaper advertisements	1,355.10	1,355.10	0.00
Other advertising, representation and conferences expenses			0.00
<b>Total advertising, representation and conferences expenses</b>	<b>2,355.10</b>	<b>2,355.10</b>	<b>0.00</b>
<b>Campaign Expenses</b>			
Campaign expenses	3,465.80	3,465.80	
<b>Total campaign expenses</b>	<b>3,465.80</b>	<b>3,465.80</b>	
<b>Purchase of goods</b>			
Supply of office	133.07	133.07	0.00
Small equipment			0.00
<b>Total purchase of goods</b>	<b>133.07</b>	<b>133.07</b>	<b>0.00</b>
<b>General expenses</b>			
Rent of office space	2,180.00	2,180.00	0.00
Telephone, internet and mail	538.16	538.16	0.00
Electricity and other utilities (water and waste)	115.66	115.66	0.00

Depreciation expenses of long-term assets	66.67		
Expenses related to in-kind contributions / goods and services			
<b>Total general expenses</b>	<b>2,900.49</b>	<b>2,833.82</b>	<b>0.00</b>
<b>Other expenses</b>			
Maintenance of office space and equipment			
Expenses not included in any other category	615.89	615.89	0.00
<b>Total other expenses</b>	<b>615.89</b>	<b>615.89</b>	<b>0.00</b>
<b>Total expenses</b>			
	<b>13,796.48</b>	<b>13,729.81</b>	<b>0.00</b>