



Partia Liberale Egjiptiane

**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 Liberale Egjiptiane

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity “**Partia Liberale Egjiptiane**” (hereinafter referred to as “Political Entity” or “PLE” 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 Liberale Egjiptiane**”. 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 declared notes on assets, liabilities, equity, income and expenses for the previous year 2015 despite the fact that the PE has carried out its activity throughout the year.
- The Political Entity has not disclosed notes on assets, liabilities and equity of the PE on 31st 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 31st December 2015.
- During our auditing we have found out that the PE has not presented expenses for the year ending on 31 December 2016.
- The Political Entity did not submit to the CEC the banking report for the year 2016 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 whether the reported bank balance is accurate and at the same time whether the reported

revenues and expenses correctly represent the activity of the PE.

- The PE has paid wages and salaries on the amount of 13,710.00 Euro as well as rent on the amount of 9,770.00 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. At the same time these expenses are not reflected in the statement of income and expenses.

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.
- Political Entity in the bank account has withdrawals and payments for which there is no reliable evidence. The presented documentation for expenses does not meet the criteria of the document to be recognized as an expense (vouchers, invoices on behalf of natural persons, bill payments, bank payment orders without a designated destination etc.)

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

Fatmir Mehmeti
Statutory Auditor
30 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		00.00	0.00
Intangible Assets			
Other long-term assets			
Total long-term assets			
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents		0.00	0.00
Other current assets			
Total current assets			
Total Assets			
Equity			
Accumulated Fund			
Surplus / (deficit) of the year		0.00	0.00
Total Equity			
Liabilities			
Long-term liabilities			
Deferred revenue		0.00	0.00
Total Long-term liabilities			
Current liabilities			
Accounts payable		0.00	0.00
Other current liabilities		0.00	0.00
Total current liabilities		0.00	0.00
Total Liabilities		0.00	0.00
Total equity and liabilities		0.00	0.00

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2016	2015
Income			
Income from budget		31,500.00	
Income from membership			
Donations and cash contributions		0.00	
Contributions in kind / goods and services		0.00	
Income from campaigns			
Income released from deferred revenues		0.00	
Other income			
Total Income for the year		31,500.00	
Expenses			
Wages and salaries	2	0.00	
Transportation expenses	2	0.00	
Advertising, representation and conferences	2	0.00	
Campaign expenses	2	0.00	
Purchase of goods	2	0.00	
General expenses	2	0.00	
Other expenses	2	0.00	
Total expenses for the year		0.00	
Surplus / (deficit) for the year		31,500.00	

1. General Information

Name of Political Entity: Partia Liberale Egjiptiane

Acronym: PLE

Council: Veton Berisha (PE Chairman)

Finance Representative:

Date of Establishment:

Address: Peja

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.

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

Note 2: Expenses

Expenses	Expenses	Payment	Outstanding amount
Wages and salaries			
Net wages and salaries		13,710.00	(13,710.00)
Pension contributions of the employee			-
Pension contributions of the employer			-
Personal Tax income			-
Other benefits			-
Total	-	13,710.00	(13,710.00)
Transportation expenses			
Borrowed motorized vehicles			-
Fuels		937.71	(937.71)
Airplane/bus/train/taxi etc. tickets			-
Car insurance and maintenance			-
Any other transportation expenses			-
Total transportation expenses	-	937.71	(937.71)
Advertising, representation and conferences			
Premises			-
Food		816.58	(816.58)
Cultural and recreation activities			-
Radio and TV advertisements			-
Newsstands and newspaper advertisements			-
Other advertising, representation and conferences expenses			-

Total advertising, representation and conferences expenses	-	816.58	(816.58)
Campaign expenses			
Campaign expenses			-
Total Campaign expenses	-	-	-
Purchase of goods			
Supply of office		1,011.25	(1,011.25)
Small equipment			-
Total purchase of goods	-	1,011.25	(1,011.25)
General expenses			
Rent of office space		9,770.00	(9,770.00)
Telephone, internet and mail		1,877.39	(1,877.39)
Electricity and other utilities (water and waste)		1,333.42	(1,333.42)
Depreciation expenses of long-term assets	0.00		
Expenses related to in-kind contributions / goods and services			
Total general expenses	-	12,980.81	(12,980.81)
Other expenses			
Maintenance of office space and equipment			-
Expenses not included in any other category	0.00	249.50	(249.50)
Total other expenses	-	249.50	(249.50)
Total expenses	-	29,705.85	(29,705.85)