



Samostalna Liberalna Stranka

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

01 January 2013 - 31 December 2013



Table of Contents:

<u>Independent Auditors' report..</u>	3
Statement of financial position.....	7
Statement of income and expenses.....	8
Notes on financial statements	9-13

Independent Auditors' Report

To the council of Samostalna Liberalna Stranka

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity "**Samostalna Liberalna Stranka**" (hereinafter referred to as "Political Entity" or "SLS" or "PE"), which comprise the statement of financial position as at December 31, 2013, 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 "**Samostalna Liberalna Stranka**". 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

- As presented in the Statement of Financial Position, the PE has stated cash and cash equivalents in the amount of 265,999.98 Euro as on 31 December 2013. During our auditing we have found out that the Political Entity has overestimated the state of cash, in the amount of 73,477.17 Euro as of 31 December 2013. In absence of supporting documentation we were unable to ascertain whether the value of the stated assets is accurate.
- As presented in the Statement of Financial Position, the PE has stated long-term assets, property plant and equipment in the amount of 73,477.17 Euro as of 31 December 2013. In absence of supporting documentation we were unable to ascertain whether the value of the stated assets is accurate.
- As presented in the Statement of Financial Position, the PE has stated the equity value as an asset in the amount of 339,477.15 Euro as of 31 December 2013. In absence of supporting documentation we were unable to ascertain whether the value of the stated equity is accurate. Furthermore, the PE has overestimated the surplus of the current year for 177,085.31 Euro as of 31 December 2013.
- As presented in the Statement of Financial Position, the PE SLS has stated income released from deferred revenues in the amount of 151,168.33 Euro for

which it did not provide any evidence. In absence of supporting documentation we were unable to ascertain whether the stated value of this income is accurate.

- During our auditing we found out that the PE has wrongly categorized stated expenses as there is a mismatch between expenses stated in Note 2 and expenses stated in the Statement of Income and Expenses.
- During our auditing, we found out that the PE SLS has not presented notes on payments over 5,000 Euro to a single recipient despite the fact that the PE has made such payments.

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 made payments to a single recipient in amount of over 5,000 Euro during one day which is in violation of Law Nr:03/L0196 for preventing of money laundry and terrorist financing, Article 25, Paragraph 2 of this law. Additional obligations of political parties.
- 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

Ymer Shatri
Statutory Auditor
29 November 2017

Statements of Financial Position

Assets		31 December 2013	31 December 2012
Long-term assets		Amount in Euros	Amount in Euros
Property, plant and equipment	2	73,477.17	0.00
Intangible Assets			
Other long-term assets			
Total long-term assets		73,477.17	0.00
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents	3	265,999.98	151,168.33
Other current assets			
Total current assets		265,999.98	151,168.33
Total Assets		339,477.15	151,168.33
Equity			
Accumulated Fund		73,477.17	0.00
Surplus / (deficit) of the year		265,999.98	128,324.03
Total Equity		339,477.15	128,324.03
Liabilities			
Long-term liabilities			
Loans payable			
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		339,477.15	128,324.03

Statement of income and expenses

	Notes	Year ending on 31 December	
		2013	2012
Income			
Income from budget		265,999.98	0.00
Income from membership		0.00	0.00
Donations and cash contributions		0.00	0.00
Contributions in kind / goods and services		0.00	0.00
Income from campaigns		0.00	0.00
Income released from deferred revenues		151,168.33	0.00
Other income			
Total Income for the year		417,168.31	0.00
Expenses			
Wages and salaries	4	67,703.28	44,075.57
Transportation expenses	4	7,140.00	5,573.06
Advertising, representation and conferences	4	7,727.16	28,376.64
Campaign expenses	4	105,814.94	0.00
Purchase of goods	4	59,549.34	11,948.55
General expenses	4	28,294.33	23,441.71
Other expenses	4	52,024.59	14,908.50
Total expenses for the year	4	328,253.64	128,324.03
Surplus / (deficit) for the year		88,914.67	(128,324.03)

1. General Information

Name: Samostalna Liberalna Stranka

Acronym: SLS

Council: Slobodan Petrovic (Chairman)

Finance Representative:

Establishment Date:

Address: Gracanica, Kosovo

The financial statements of the Samostalna Liberalna 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 the ProCredit Bank Kosovo.

Note 2. Property, plant and equipment

	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			////		
Buildings					
Vehicles					
Office Equipment					
Information technology equipment					
Other Equipment					
Total Property, plant and equipment	0.00	0.00	0.00	0.00	0.00

Note 3. Cash and cash equivalents

	31 December 2013 Amount in Euros	31 December 2012 Amount in Euros
Cash in bank	0.00	0.00
Cash in hand	0.00	0.00
Total cash and cash equivalents	0.00	0.00

Note 4: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	67,703.28	67,703.28	0.00
Pension contributions of the employee	315.12	315.12	0.00
Pension contributions of the employer	961.36	961.36	0.00
Personal Tax income			
Other benefits			
Total	68,979.76	68,979.76	0.00
Transportation expenses			
Borrowed motorized vehicles	7,140.00	7,140.00	0.00
Fuels	23,329.80	23,329.80	0.00
Airplane/bus/train/taxi etc. tickets	1,068.00	1,068.00	0.00
Car insurance and maintenance	294.00	294.00	0.00
Any other transportation expenses			0.00
Total transportation expenses	31,831.80	31,831.80	0.00
Advertising, representation and conferences			

Samostalna Liberalna Stranka

Notes on Financial Statements 01 January 2013 until 31 December 2013

Premises	350.00	350.00	0.00
Food	22,366.79	22,366.79	0.00
Cultural and recreation activities			0.00
Radio and TV advertisements	11,047.50	11,047.50	0.00
Newsstands and newspaper advertisements	60,222.00	60,222.00	0.00
Other advertising, representation and conferences expenses	7,727.16	7,727.16	0.00
Total advertising, representation and conferences expenses	101,713.45	101,713.45	0.00
Campaign Expenses			
Campaign expenses			0.00
Total campaign expenses	0.00	0.00	0.00
Purchase of goods			
Supply of office	36,619.70	36,619.70	0.00
Small equipment	22,929.64	22,929.64	0.00
Total purchase of goods	59,549.34	59,549.34	0.00
General expenses			
Rent of office space	18,954.60	18,954.60	0.00
Telephone, internet and mail	5,459.64	5,459.64	0.00
Electricity and other utilities (water and waste)	2,309.61	2,309.61	0.00

Samostalna Liberalna Stranka*Notes on Financial Statements 01 January 2013 until 31 December 2013*

Depreciation expenses of long-term assets	0.00		
Expenses related to in-kind contributions / goods and services	0.00	0.00	
Total general expenses	26,723.85	26,723.85	0.00
Other expenses			
Maintenance of office space and equipment	5,260.00	5,260.00	0.00
Expenses not included in any other category	34,545.44	34,545.44	0.00
Total other expenses	39,805.44	39,805.44	0.00
Total expenses			
	328,603.64	328,603.64	0.00