



SRPSKA Lista

**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 **SRPSKA Lista**

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity “**SRPSKA Lista**” (hereinafter referred to as “Political Entity” or “GISL” 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 “**SRPSKA Lista**”. 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

- As presented in Statement of Financial Position for the year ended on 31 December 2016, liabilities exceed assets and funds of the Political Entity on the amount of 32,179.79 Euro for the profit that was to be transferred from the year 2015 into 2016. As a consequence there is an overestimation of the result of the year as the accumulated funds, or the surplus of the previous year, is also presented as the current year's income and at the same time an underestimation of the transferred funds.
- As presented in Note 4 of Financial Statements, the Political Entity has stated expenses on the amount of 215,886.72 Euro for the year ended on 31 December 2016. In absence of supporting documentation we were unable to verify whether expenses on the amount of 170,731.38 Euro for the year ended on 31 December 2014 were accurate.
- During our auditing we have found out that the PE has not correctly stated records for the previous year 2015 as there is a mismatch of notes stated for the year ended on 31 December 2015 and comparative notes for the same year presented for the year ending on 31 December 2016.
- 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.

- During our auditing we found out that the Political Entity has not presented all payments over 5000 Euro on the Statement which shows all payments made to a single recipient for the reporting period, if the total value of all payments made to the recipient during that period is greater than five thousand (5000) Euro, stating the purpose of payment as well.

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 the amount of over 5,000 EUR within 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 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 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

Muhamet Feka
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		0.00	0.00
Intangible Assets			
Other long-term assets			
Total long-term assets		0.00	0.00
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents	2	99,793.08	32,179.00
Other current assets			
Total current assets		99,793.08	32,179.00
Total Assets		99,793.08	32,179.00
Equity			
Accumulated Fund			
Surplus / (deficit) of the year		99,793.07	32,179.69
Total Equity		99,793.07	32,179.69
Liabilities			
Long-term liabilities			
Loans payable			
Deferred revenue		0.00	0.00
Total Long-term liabilities		0.00	0.00
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		99,793.07	32,179.69

Statement of income and expenses

	Notes	Year ending on 31 st December	
		2016	2015
Income			
Income from budget		283,500.00	283,500.00
Income from membership			
Donations and cash contributions		0.00	
Contributions in kind / goods and services			
Income from campaigns			
Income released from deferred revenues		32,179.79	53,754.00
Other income			
Total Income for the year		315,679.79	337,254.00
Expenses			
Wages and salaries	3	45,455.34	11,701.40
Transportation expenses	3	42,100.44	65,049.11
Advertising, representation and conferences	3	58,636.18	116,485.38
Campaign expenses	3	0.00	
Purchase of goods	3	1,455.01	40,016.03
General expenses	3	67,180.37	54,930.00
Other expenses	3	1,059.38	16,892.39
Total expenses for the year		215,886.72	305,074.31
Surplus / (deficit) for the year		99,793.07	32,179.69

1. General Information

Name of Political Entity: Srpska Lista

Acronym: GISL

Council: Aleksander Jabllanovic

Finance Representative:

Date of Establishment:

Address:

The financial statements of the Srpska Lista 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 TEB Bank Kosovo.

Note 2. Cash and cash equivalents

	31 December 2016	31 December 2015
	Amount in Euros	Amount in Euros
Cash in bank	99,793.08	32,179.00
Cash in hand		
Total cash and cash equivalents	99,793.08	32,179.00

Note 3: Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	34,300.00	34,300.00	0.00
Pension contributions of the employee	1,814.33	1,814.33	0.00
Pension contributions of the employer	1,814.33	1,814.33	0.00
Personal Tax income	2,403.98	2,403.98	0.00
Other benefits	5,122.70	5,122.70	0.00
Total	45,455.34	45,455.34	0.00

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Notes on Financial Statements 01 January 2016 until 31 December 2016

Transportation expenses			
Borrowed motorized vehicles			
Fuels	17,590.00	17,590.00	0.00
Airplane/bus/train/taxi etc. tickets	5,568.29	5,568.29	0.00
Car insurance and maintenance	4,392.05	4,392.05	0.00
Any other transportation expenses	1,514.50	1,514.50	0.00
Total transportation expenses	13,035.60	13,035.60	0.00
Transportation expenses	42,100.44	42,100.44	0.00
Advertising, representation and conferences			
Premises	0.00	0.00	0.00
Food	14,593.00	14,593.00	0.00
Cultural and recreation activities	0.00	0.00	0.00
Radio and TV advertisements	0.00	0.00	0.00
Newsstands and newspaper advertisements	0.00	0.00	0.00
Other advertising, representation and conferences expenses	44,043.18	44,043.18	0.00
Total advertising, representation and conferences expenses	58,636.18	58,636.18	0.00
Campaign expenses			
Campaign expenses	0.00	0.00	0.00

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Notes on Financial Statements 01 January 2016 until 31 December 2016

Total Campaign expenses	0.00	0.00	0.00
Purchase of goods			
Supply of office	1,413.80	1,413.80	0.00
Small equipment	41.21	41.21	0.00
Total purchase of goods	1,455.01	1,455.01	0.00
General expenses			
Rent of office space	63,140.00	63,140.00	0.00
Telephone, internet and mail	4,040.37	4,040.37	0.00
Electricity and other utilities (water and waste)	0.00	0.00	0.00
Depreciation expenses of long-term assets	0.00	//////////	
Expenses related to in-kind contributions / goods and services	0.00	//////////	
Total general expenses	67,180.37	67,180.37	0.00
Other expenses			
Maintenance of office space and equipment	0.00	0.00	0.00
Expenses not included in any other category	1,059.38	1,059.38	0.00
Total other expenses	1,059.38	1,059.38	0.00
Total expenses	215,886.72	215,886.72	0.00

Note 4: Payments over 5,000.00 Euro

Purpose of payment	Paid to:			Date of payment	Amount
	Natural/Legal Person	Address	ID Number		In Euro
Representation expenses	Viprint	Mitrovica	70938278	05.02.2016	4,112.30
Representation expenses	Viprint	Mitrovica	70938278	15.04.2016	1,950.00
Representation expenses	Fati NTP	Mitrovica	71134830	07.04.2016.	14,040.00
Borrowed vehicles	Xhemi G NTSH	Mitrovica	71017559	07.04.2016	17,590.00
Beverages	Fast Food Menar DPH	Mitrovica	71083659	07.04.2016.	8,370.00
Representation expenses	Viprint	Mitrovica	70938278	02.08.2016	810.00
Representation expenses	Viprint	Mitrovica	70938278	01.11.2016	82.60
Representation expenses	Viprint	Mitrovica	70938278	19.12.2016	2,300.00
Rent for office space	Stanoje Dimitrijevic	Gracanica		27.01.2016	7,710.00
Rent for office space	Nikola Dimitrijevic	Gracanica		27.01.2016	7,875.00
Rent for office space	Stanoje Dimitrijevic	Gracanica		22.04.2016	7,710.00
Rent for office space	Nikola Dimitrijevic	Gracanica		22.04.2016	7,875.00

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Rent for office space	Stanoje Dimitrijevic	Gracanica		13.07.2016	7,710.00
Rent for office space	Nikola Dimitrijevic	Gracanica		13.07.2016	7,545.00
Rent for office space	Stanoje Dimitrijevic	Gracanica		14.10.2016	7,380.00
Rent for office space	Nikola Dimitrijevic	Gracanica		14.10.2016	7,215.00
Total payments over 5,000.00 Euro					110,274.90