

SRPSKA DEMOKRATSKA STRANKA KIM
REPORT OF ANNUAL FINANCIAL REPORT FOR THE YEAR 2012 AND INDEPENDENT AUDITOR'S
REPORT

PRISTINA, JUN, 2013

ANNUAL FINANCIAL REPORTS OF POLITICAL ENTITY		
	GENERAL INFORMATION	
1	Political Entity Name	Srpska Demokratska Stranka Kosova I Metohije
2	Acronym	SDS KIM
3	Address	Gracanica
4	Municipality	Gracanica
5	Tel	
6	The reporting period	01.01.2012 - 31.12.2012
7	The registration number	90010603

Authorized Financial Representative

8	Name	Želimir
9	Surname	Gapič
10	Personal Number	1501410353
11	Address	Laplje Selo
12	Municipality	Gracanica
13	Tel	049 167 309
14	E-mail	sdkim2005@gmail.com

Statement of Financial Position

31 December 2012

Acronym : SDS KIM

P	Assets	Notes	31 December	31 December 2011
P.1	Long-term assets		2012 Amount in Euro	Amount in Euro
P.1.1	Property, plant and equipment	5	1,063.00	
P.1.2	Intangible assets			
P.1.3	Other long term assets			
	Total long-term assets		1,063.00	
P2	Short-term assets			
P2.1	Accounts Receivable	6		
P2.2	Prepayments			
P2.3	Cash and cash equivalents	7		
P2.4	Other short-term assets			
	Total other short-term assets			
	Total assets P1+P2		1,063.00	
E	Equity			
E.1	Accumulated funds		(16,848.36)	
E.2	Surplus / (deficit) of the year		(12,944.35)	(16,848.36)
	Total Equity		(29,792.71)	(16,848.36)
D	Liabilities			
D.1	Long-term liabilities			
D.1.1	Payable loans			
D.1.2	Deferred revenue		850.40	
	Total current liabilities		850.40	
D.2	Short-term liabilities			
D.2.1	Accounts payable and other	8	10,075.00	11,792.50
D.2.2	Payable loans			
D.2.3	Other short-term liabilities	9	1,020.00	6,850.00
	Total short term liabilities		11,095.00	18,642.50
	Total liabilities (D.1 + D.2)		11,945.40	18,642.50
	TOTAL EQUITY AND LIABILITIES (E+D)		(17,847.31)	1,794.14

Statement of Incomes and Expenses

In the end of the year 31 December 2012

		Note	In the end of year 31.12.2012	In the end of year 31.12.2011
H	Income			
H.1	Revenues from budget		-	-
H.2	Membership revenues		-	-
H.3	Donations and contributions in cash	3	33,250.00	28,799.79
H.4	Contributions in kind, goods and services	4	-	-
H.5	Campaign incomes		-	-
H.6	Revenues released from deferred revenues	5	212.60	-
H.7	Other Revenues		-	-
	Total incomes		33,462.60	28,799.79
SH	Expenses	2		
SH.1	Salaries and compensations	2	7,040.00	10,850.00
SH.2	Transportation costs	2	129.50	11,285.11
SH.3	Advertising, representation and conferences	2	3,431.70	200.00
SH.4	Campaign expenses	2	17,275.00	2,875.00
SH.5	Purchase of goods	2	495.96	1,792.50
SH.6	General expenses	2	1,813.19	2,415.54
SH.7	Other expenses	2	16,221.60	16,230.00
	Total expenses		46,406.95	45,648.15
	SURPLUS (+) OR DEFICIDI (-) for the year (H-SH)		(12,944.35)	(16,848.36)

SH	Expenses	Expenses in Euro	Payments in Euro	The remaining debt in Euro
SH.1	Salaries and compensations			
	Salaries and compensations, net	7,040.00	6,260.00	780.00
	Employee pension contribution	-	-	-
	Employer pension contribution	-	-	-
	Personal Income Tax	-	-	-
	Other Benefits	-	-	-
	Total salaries and compensations	7,040.00	6,260.00	780.00
SH.2	Transportation costs			
	Borrowed vehicles	-	-	-
	Fuels	129.50	129.50	
	Tickets - airplane / bus, train, taxi, etc.	-	-	-
	Insurance and maintaining the vehicles	-	-	-
	Other transport insurance	-	-	-
	Total transport costs	129.50	129.50	-
SH.3	Advertising, representation and conferences			
	Offices	-	-	-
	Food	3,431.70	3,431.70	
	Cultural and recreational activities	-	-	-
	Radio and television advertisements	-	-	-
	Billboards and advertisements in newspapers	-	-	-
	Other advertising costs, representation and conferences	-	-	-
	Total advertising, representation and conferences	3,431.70	3,431.70	-
SH.4	Campaign expenses			
	Campaign expenses	17,275.00	5,700.00	11,575.00
	Total campaign expenses	17,275.00	5,700.00	11,575.00
SH.5	Purchase of goods			
	Office supply	495.96	495.96	
	Small equipment	-	-	-
	Total purchases of goods	495.96	495.96	
SH.6	General expenses			
	Office rent	840.00	600.00	240.00
	Telephone, internet and Post	960.00	960.00	-
	Electricity, municipal services (water and waste)	13.19	13.19	-
	Depreciation costs of long-term assets	212.60	-	-
	Costs associated with donations and in-kind contributions, goods and services	-	-	-
	Total general expenses	2,025.79	1,573.19	240.00
SH.7	Other expenses			
	Maintenance of equipment and offices	-	-	-
	Expenses that are not including in any other category	16,221.60	16,221.60	-
	Total other expenses	16,221.60	16,221.60	-
	Total expenses (from SH.1 to SH.7)	46,619.55	33,811.95	12,807.60

Note 6. Accounts Receivable	31 December 2012 Amounts in Euro	31 December 2011 Amounts in Euro
Total accounts receivable	0.00	0.00
Note 7. Cash and cash equivalents	31 December 2012 Amounts in Euro	31 December 2011 Amounts in Euro
In total cash and cash equivalents	0.00	0.00
Note 8. Accounts payable and other	31 December 2012 Amounts in Euro	31 December 2011 Amounts in Euro
	2,200.00	1,750.00
	7,000.00	42.50
	875.00	10,000.00
Total accounts payable and other	10,075.00	11,792.50
Note 9. Other short-term liabilities	31 December 2012 Amounts in Euro	31 December 2011 Amounts in Euro
	780.00	6,850.00
	240.00	-
Total other short-term liabilities	1,020.00	6,850.00

	Balance at beginning of year (historical cost)	Purchases during the year	Accumulated depreciation	Depreciation of the year	Balance at end of year (net)
Property					
Facilities					
Vehicles					
Equipment for office	280.00		56.00	224.00	280.00
Information technology equipment	330.00		66.00	264.00	330.00
Other equipment	453.00		90.60	362.40	453.00
Total property, plant and equipment	1,063.00		212.60	850.40	1,063.00

Contributions in kind, goods and services
In the end of year 31 December 2012

Acronym : SDS KIM

Goods / services description	Received by			Date when contribution is provided	Amount in Euro
	Contributor	Address	Personal Number		
Total in-kind contribution, goods and services :					

Donations and contributions in cash
In the end of year 31 December 2012

Acronym : SDS KIM

Received by			Date when contribution is provided	Amount in Euro	Accepted through	
Contributor	Address	Personal Number			Bank	Checkout
Total donations and contributions in cash :						

Payments over 5,000.00 Euro
In the end of year 31 December 2012

Acronym : SDS KIM

Purpose of Payment	Received by			Date when payment is made	Amount in Euro
	Personal / Institutional	Address	Personal Number		
Total payments over 5,000.00 Euro :					

Findings:

Even in 2012 (except for two payments KRM Pastrimi) all payments are done with cash despite the fact that PP has opened a bank account.

Presentation of expenses from last year are included in the expenses again -invoice No. 15 by Enis Graf-Pristina, in the amount of Euro 2,775.00, and no invoice Carralevë 16/2011-T by NTP Galway, BRN: 80,004,001, NF: 600 002 729 was € 10,000.00.

Buying flour with coupon No. 11/31 by Lek-OM (Lekiq Nebojsa from Preoci, based on contract from 09.10.2012, No. 21/2012 for the amount of 5,000 kg and another contract No. 122/10 date 09:12.2010-2,500 kg flour), no date, no fiscal number $x0.60 = 7,500$ kg 4,500.00 EUR but is not presented documentation to whom it is given – evidence, name and surname, personal number.

Invoices issued by Market Butrint - on behalf of a person not a political entity physical (No. 1751, date 14.11.2010-110.00 E, on behalf of Sasha, No. 1752, date 16.11.2010-121.00 The name of the buyer Sasha Qokiq - no description of items in the invoice).

Violation of the accrual principle - payment of expenses for 2010.

Taxes and contributions on wages and rental tax are not paid.

Petrol is bought with fiscal coupons.

Recommendations:

PP in order to respect the principle of transparency should liquidate through bank account and not through cash payments.

Must adhere to Article 15 paragraph 3 of the Law Nr.03/L-174- Law for financing of political parties, for the content of documents in an annual financial report.

PP should use tax invoices because they have the status of the legal person whereas coupons, fiscal coupons are issued to physical persons.

The accrual principle should be respected and only revenues and expenses in the reporting period should be reported.

We recommend to PP that with the purpose of complying with the principle of transparency in the use of public money to implement procedures and rules of public procurement law in Kosovo.

According to Article 14 of Law Nr.03/L-174-Law for financing political parties, responsibility for the use of funds lies on authorized financial officer, and chairman of PP and they are legally responsible for the accuracy of the data.

PP shall apply the internal control and separation of functions in order to avoid misuse.

PP must apply the applicable tax laws of the Republic of Kosovo, especially for TTP, pension contributions, personal income and rental tax.

Political entity should increase the level of professionalism of financial representative or the person responsible for keeping records and compilation of financial reports through trainings or continuing professional education.