AUDIT & CONTO

SRPSKA LISTA

Annual Financial Statements with Independent Auditors' Report thereon

01 January 2018 - 31 December 2018

AUDIT & CONTO

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Independent Auditors' Report

To the council of SRPSKA LISTA

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We have audited the financial statements of the Political Entity "Srpska Lista" (hereinafter referred to as "Political Entity" or "PE"), which comprise the statement of financial position as at December 31, 2018, the statement of income and expenses for the year then ended and other explanatory information on pages 7-14.

We do not express an opinion on the accompanying financial statements for the year 2018 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 appropriate audit evidence sufficient to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

- During our audit we have found out that the Political Entity as a rent holder, for the expenses of rent on the amount of 30,000.00 Euro has not withheld the tax on rent on the amount of 2,967.00 Euro as per the legal obligations of the Article 39 of Law No.05/L-028 on Personal Tax Income.

- As disclosed in Note 2 of financial statements, the PE has stated expenses on the total amount of 279,253.52 euro for the year ended at 31 December 2018. Part of these expenses are expenses for training for two NGO, payments that are not in full accordance with the legal obligations of law No. 04 / L-212 on amending and supplementing the Law no. 03 / L-174 on Financing of Political Entities, Article 3, point 1.1 until 1.5. While one NGO has offered services in the amount of 145,00.00 euro for three projects and the other Ngo for the amount of 35,000.00 Euro for one project. For the amount of these expenses, we as auditors do not have the necessary supporting documentation for the occurrence nor the accuracy of these expenses such as: Report on acceptance of Services, invoices on the services, full narrative and financial reports on implementing of budget with appropriate evidence from the service provide and we have not received the complete information for the service provider nor the service recipient (NGOs have recognized these payments as donations from the PE). In the bank transaction, these payments are recorded as transfers to the NGO (without any payment for service or invoice).

- During our audit we found out that in the framework of reported expenses there are also expenses for car maintenance in the amount of 1,670.00 Euro from a non-active supplier. Furthermore, there are invoices for expenses for which there are no details or supporting documentation regarding the occurrence nor the supply of the services received by the political entity.

- During our audit we found out that within the framework of transportation expenses there is also a deposition in the credit card with the name of the chairman of the political entity in the amount of 5,500.00 Euro which does not belong in this category.

Emphasis of matter

We also 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 accounting standards applicable 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.

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 skepticism 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 L.L.C

NDËRMARRJA SHËRBYESE "AUDIT & CONTO" sh.p.k. PRISHTINË

Besa Sahitaj Berisha
Statutory Auditor
06 October 2021

Statement of Financial Position

Assets **Long-term assets**	Notes	**31 December 2018** **Amount in Euros**	**31 December 2017** **Amount in Euros**
Property, plant and equipment	5		
Intangible Assets			
Other long-term assets			
Total long-term assets			
Current assets			
Accounts receivable		0.00	0.00
Prepayments			
Cash and cash equivalents	7	14,633.84	4,187.36
Other current assets			
Total current assets		14,633.84	14,633.84
Total Assets		**14,633.84**	**14,633.84**
Equity			
Accumulated Fund			
Surplus / (deficit) of the year		14,633.84	14,633.84
Total Equity		**14,633.84**	**14,633.84**
Liabilities **Long-term liabilities**			
Loans payable			
Deferred revenue	5		
Total Long-term liabilities		**0.00**	**0.00**
Current liabilities			
Accounts payable and others	8		
Loans payable			
Other current liabilities	9		
Total current liabilities		**0.00**	**0.00**
Total Liabilities		**0.00**	**0.00**
Total equity and liabilities		**14,633.84**	**14,633.84**

Statement of income and expenses

	Notes	Year ending on 31st December 2018	2017
Income			
Income from budget		293,887.36	143,750.00
Income from membership			
Donations and cash contributions	3	0.00	0.00
Contributions in kind / goods and services	4	0.00	0.00
Income from campaigns			
Income released from deferred revenues	5		
Other income			
Total Income for the year		**293,887.36**	**143,750.00**
Expenses			
Wages and salaries	2	30,896.77	4,588.72
Transportation expenses	2	23,199.25	2,142.26
Advertising, representation and conferences	2	187,000.00	0.00
Campaign expenses	2	0.00	129,904.10
Purchase of goods	2	7,540.00	1,420.00
General expenses	2	30,000.00	1,442.06
Other expenses	2	617.50	65.50
Total expenses for the year		**279,253.52**	**139,562.64**
Surplus / (deficit) for the year		**14,633.84**	**4,187.36**

1. General Information

Name of Political Entity: Srpska Lista
Acronym: GISL
Council: Goran Rakiç (Chairman)
Finance Representative: Darko Radovanoviç
Address:

The financial statements of the PE 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.

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 main bank account in the BKT bank.

Note 2. Expenses

Expenses	Expenses in Euro	Payment in Euro	Outstanding amount in Euro
Wages and salaries			
Net wages and salaries	26,100.00	26,100.00	0.00
Pension contributions of the employee		0.00	
Pension contributions of the employer	2,854.29	2,854.29	0.00
Personal Tax income	1,942.48	1,942.48	0.00
Other benefits			
Total	**30,896.77**	30,896.77	**0.00**
Transportation expenses			
Borrowed motorized vehicles			
Fuels	10,730.85	10,730.85	0.00
Airplane/bus/train/taxi etc. tickets			
Car insurance and maintenance	6,690.00	6,690.00	0.00
Any other transportation expenses	5,778.40	5,778.40	0.00
Total transportation expenses	**23,199.25**	**23,199.25**	**0.00**
Advertising, representation and conferences			
Premises			
Food			
Cultural and recreation activities			
Radio and TV advertisements	7,000.00	7,000.00	0.00
Newsstands and newspaper advertisements			
Other advertising, representation and conferences expenses	180,000.00	180,000.00	0.00
Total advertising, representation and conferences expenses	**187,000.00**	**187,000.00**	**0.00**
Campaign Expenses			

Campaign expenses			
Total campaign expenses	**0.00**	**0.00**	**0.00**
Purchase of goods			
Supply of office	7,540.00	7,540.00	0.00
Small equipment			
Total purchase of goods	**7,540.00**	**7,540.00**	**0.00**
General expenses			
Rent of office space	30,000.00	30,000.00	0.00
Telephone, internet and mail			
Electricity and other utilities (water and waste)			
Depreciation expenses of long-term assets			
Expenses related to in-kind contributions / goods and services			
Total general expenses	**30,000.00**	**30,000.00**	**0.00**
Other expenses			
Maintenance of office space and equipment	400.00	400.00	
Expenses not included in any other category	217.50	217.50	
Total other expenses	**617.50**	**617.50**	**0.00**
Total expenses	**279,253.52**	**279,253.52**	**0.00**

Note 3: Donations and cash contributions

Accepted by				Amount	Accepted by:	
Contributors	Address	ID Number	Date of contributions	In Euros	Bank	Cash
Total donations and cash contributions				0.00	0.00	0.00

Note 4: Contributions in kind / goods and services

Description of goods/services	Paid by				Amount
	Contributor	Address	ID Number	Date of contribution	in Euro
Total contributions in kind / goods and services					0.00

Note 5: 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					0.00
Buildings					
Vehicles					
Office Equipment					
Information technology equipment					
Other Equipment					
Total Property, plant and equipment					

Other notes

Note 6. Accounts Receivable	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Total Accounts Receivable and Others	**0.00**	**0.00**

Note 7. Cash and cash equivalents	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Cash in bank	14,633.84	4,187.36
Cash in hand		
Total cash and cash equivalents	**14,633.84**	**4,187.36**

Note 8. Accounts payable and others	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Other accounts payable		
Total accounts payable and others	**0.00**	**0.00**

Note 9. Other current liabilities	31 December 2018 Amount in Euros	31 December 2017 Amount in Euros
Liabilities for salaries and taxes		
Liabilities for rent		
Liabilities for fines and punishment		
Other current liabilities		
Total other current liabilities		**0.00**

Note 10: Payment over 5,000.00 Euros

	Paid to:				Amount
Purpose of payment	**Natural/Legal Person**	**Address**	**ID Number**	**Date of Payment**	**in Euro**
Zakup poslovnog prostora	Dusan Dimitrijevic	Sutjeska 70, Mitrovica	1501402172	01.02.2018	30,000.00
Training/Seminar/Conference	Digital Media Association	Prote Stojana 24, Zvecan	5116902-6	21.06.2018	60,000.00
Training/Seminar/Conference	Digital Media Association	Prote Stojana 24, Zvecan	5116902-6	06.08.2018	35,000.00
Training/Seminar/Conference	AK Oblak	Obiliceva 36, Zvecan	5116829-1	06.08.2018	35,000.00
Training/Seminar/Conference	Digital Media Association	Prote Stojana 24, Zvecan	5116902-6	14.11.2018	50,000.00
Total payments over 5,000.00 Euro					**210,000.00**