



Iniciativa e Re Demokratike e Kosovës

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

01 January 2014 - 31 December 2014



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Independent Auditors' Report

To the council of Iniciativa e Re Demokratike e Kosovës

Report on Special Purpose Financial Statement

Disclaimer of Opinion

We were engaged to audit the financial statements of the Political Entity “**Iniciativa e Re Demokratike e Kosovës**” (hereinafter referred to as “Political Entity” or “IRDK” or “PE”), which comprise the statement of financial position as at December 31, 2014, 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 “**Iniciativa e Re Demokratike e Kosovës**”. 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 the attached statements of financial position, the liabilities and funds of the Political Entity exceed the assets of the PE for 265.00 Euro on 31 December 2014 as a consequence there is a mismatch between the assets presented and the sources of financing, in the absence of the relevant notes we were unable to determine if the PE overestimated the sources of funding or underestimated the presented assets.
- As presented in the statement of financial position, Property, plant and equipment are in the amount of Euro 5,000.00 at December 31, 2014 (Euro 5,000.00, 31 December 2013). The Political Entity did not provide supporting documentation and at the same time did not disclose the information regarding the property, plant and equipment 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. Given the nature of the records provided by the PE and the lack of accounting books we, through applying standard and alternative auditing procedures, were unable to fully determine the value of the necessary adjustments in terms of asset value.
- The Political Entity has not submitted to the CEC copies of invoices on reported expenditures 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 if the reported expenses were accurate and correctly represent the activity of the PE

- The Political Entity did not submit to the CEC the banking report for the period 01 January 2014 until 31 December 2014 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 Political Entity has not reported income from cash donations, in the absence of supporting documentation, we were unable to verify whether the PE had or had not accepted cash donations.
- The Political Entity has not reported revenues and expenditures for the previous year 2013 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, despite the fact that the PE has developed its activity throughout this year.
- The Political Entity has not reported income from contributions in kind / goods and services, in the absence of supporting documentation we were unable to verify whether the PE had or had not accepted contributions in kind / goods and services.
- The Political Entity has not reported the payments made in the amount of over 5,000.00 EUR to a single recipient, in the absence of supporting documentation we were unable to verify whether the PE made payments in the amount of over 5,000.00 EUR to a single recipient.
- 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.

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
29 November 2017

Statements of Financial Position

| Assets | | 31 December 2014 | 31 December 2013 |
|-------------------------------------|-------|-------------------------|-------------------------|
| Long-term assets | Notes | Amount in Euros | Amount in Euros |
| Property, plant and equipment | | 5,000.00 | 5,000.00 |
| Intangible Assets | | | |
| Other long-term assets | | | |
| Total long-term assets | | 5,000.00 | 5,000.00 |
| Current assets | | | |
| Accounts receivable | | 0.00 | 0.00 |
| Prepayments | | | |
| Cash and cash equivalents | | | |
| Other current assets | | | |
| Total current assets | | | |
| Total Assets | | 5,000.00 | 5,000.00 |
| Equity | | | |
| Accumulated Fund | | 0.00 | |
| Surplus / (deficit) of the year | | 265.00 | 0.00 |
| Total Equity | | 265.00 | 0.00 |
| Liabilities | | | |
| Long-term liabilities | | | |
| Loans payable | | | |
| Deferred revenue | | 5,000.00 | 5,000.00 |
| Total Long-term liabilities | | 5,000.00 | 5,000.00 |
| Current liabilities | | | |
| Accounts payable | 5 | | |
| Other current liabilities | 6 | | |
| Total current liabilities | | | |
| Total Liabilities | | 5,000.00 | 5,000.00 |
| Total equity and liabilities | | 5,265.00 | 5,000.00 |

Statement of income and expenses

| | Notes | Year ending on 31 st December | |
|---|-------|--|-------------|
| | | 2014 | 2013 |
| Income | | | |
| Income from budget | | 16,624.99 | |
| Income from membership | | | |
| Donations and cash contributions | | 0.00 | |
| Contributions in kind / goods and services | | | |
| Income from campaigns | | | |
| Income released from deferred revenues | | 0.00 | |
| Other income | | | |
| Total Income for the year | | 16,624.99 | 0.00 |
| Expenses | | | |
| Wages and salaries | 2 | 4,292.00 | |
| Transportation expenses | 2 | 1,800.00 | |
| Advertising, representation and conferences | 2 | 3,550.00 | |
| Campaign expenses | 2 | 2,872.99 | |
| Purchase of goods | 2 | 735.00 | |
| General expenses | 2 | 3,110.00 | |
| Other expenses | 2 | 0.00 | |
| Total expenses for the year | | 16,359.99 | 0.00 |
| Surplus / (deficit) for the year | | 265.00 | 0.00 |

1. General Information

Name of Political Entity: Iniciativa e Re Demokratike e Kosovës

Acronym: BSDK

Council: Xhevdet Neziraj (Chairman)

Finance Representative: Elbert Krasniqi

Date of Establishment:

Address: Peja

The financial statements of the PE Iniciativa e Re Demokratike e Kosovës 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.

Note 2: Expenses

| Expenses | Expenses in Euro | Payment in Euro | Outstanding amount in Euro |
|--|-----------------------------|----------------------------|---------------------------------------|
| Wages and salaries | | | |
| Net wages and salaries | 4,292.00 | 4,292.00 | 0.00 |
| Pension contributions of the employee | | | 0.00 |
| Pension contributions of the employer | | | 0.00 |
| Personal Tax income | | | 0.00 |
| Other benefits | | | 0.00 |
| Total | 4,292.00 | 4,292.00 | 0.00 |
| Transportation expenses | | | |
| Borrowed motorized vehicles | | | 0.00 |
| Fuels | 1,800.00 | 1,800.00 | 0.00 |
| Airplane/bus/train/taxi etc. tickets | | | 0.00 |
| Car insurance and maintenance | | | 0.00 |
| Any other transportation expenses | | | 0.00 |
| Total transportation expenses | 1,800.00 | 1,800.00 | 0.00 |
| Advertising, representation and conferences | | | |

Iniciativa e Re Demokratike e Kosovës

Notes on financial statements 01 January 2014 until 31 December 2014

| | | | |
|---|-----------------|-----------------|---------------|
| Premises | 100.00 | 100.00 | 0.00 |
| Food | 2,500.00 | 2,500.00 | 0.00 |
| Cultural and recreation activities | | | 0.00 |
| Radio and TV advertisements | 100.00 | 100.00 | 0.00 |
| Newsstands and newspaper advertisements | | | 0.00 |
| Other advertising, representation and conferences expenses | 850.00 | 850.00 | 0.00 |
| Total advertising, representation and conferences expenses | 3,550.00 | 3,550.00 | 0.00 |
| Campaign expenses | | | |
| Campaign expenses | 2,872.99 | 2,872.99 | 0.00 |
| Total Campaign expenses | 2,872.99 | 2,872.99 | 0.00 |
| Purchase of goods | | | |
| Supply of office | 735.00 | | 735.00 |
| Small equipment | | | 0.00 |
| Total purchase of goods | 735.00 | 0.00 | 735.00 |
| General expenses | | | |
| Rent of office space | 2,850.00 | 2,850.00 | 0.00 |
| Telephone, internet and mail | | | 0.00 |
| Electricity and other utilities (water and waste) | 260.00 | 260.00 | 0.00 |

Iniciativa e Re Demokratike e Kosovës

Notes on financial statements 01 January 2014 until 31 December 2014

| | | | |
|--|------------------|----------------------|---------------|
| Depreciation expenses of long-term assets | | //////////////////// | |
| Expenses related to in-kind contributions / goods and services | | //////////////////// | |
| Total general expenses | 3,110.00 | 3,110.00 | 0.00 |
| Other expenses | | | |
| Maintenance of office space and equipment | | | |
| Expenses not included in any other category | | | |
| Total other expenses | | | |
| Total expenses | 16,359.99 | 15,624.99 | 735.00 |