

FC DRITA L.L.C., Gjilan
Unique Number of registration 811186974

**FINANCIAL STATEMENTS AND AUDITOR'S
REPORT FOR THE YEAR ENDING ON DECEMBER 31
2021**

March 2022

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INDEPENDENT AUDITOR'S REPORT

For the shareholders: "FC DRITA" L.L.C., Gjilan

Opinion

We have audited the financial statements of the company "FC DRITA" LLC -GJILAN, which include the statement of financial position on December 31, 2021, Income Statement, Statement of Changes in Equity and the Statement of Cash Flows for the closed year and other explanatory notes.

In our opinion, the attached financial statements present fairly, in all material aspects, the financial position of "FC DRITA" LLC -GJILAN, as of December 31, 2021, and the result of its activity for the year ending on that date in accordance with International Financial Reporting Standards (IFRS) for Small and Medium enterprises (SME).

Basis of opinion

We have completed our audit in line with International Auditing Standards (IAS). Our responsibilities according to standards are prescribed in detailed way on the section of report where are given Auditor's Responsibility for Financial Statements. We are independent from the Company in line with ethical requirements applicable for the auditing of financial statements in Kosovo (IESBA Code), and we have complied with other ethical responsibilities in accordance with IESBA Codes. We believe that the audit evidence we have obtained is sufficient to provide a reasonable basis for our audit opinion.

Management responsibility and Persons in Charge for Governance in relation to Financial Statements

The management is responsible to prepare and present fair financial statements in accordance with International Standards of Financial Reporting of SME, and for the internal control, that management considers necessary to enable the preparation of financial statements that do not contain material misstatements, whether due to fraud or error.

In making financial statements, the management is responsible to evaluate the Company capability to continue providing information, if applicable, for issues related to continuity and by using the accounting principle of continuity, excluding the cases when the management aims to liquidate the Company or cease the activities, or if there is no other real alternative, excluding the above.

Those who are in charge to govern are responsible for the supervision of financial reporting process of the Company.

Auditor's responsibility to audit Financial Statements

Our objectives are obtaining reasonable assurance related to the fact if financial statements in whole are free from material misstatements, due to fraud and error, and to issue an audit report that includes our opinion. Reasonable assurance is an assurance of high level, but it is not a guaranty that an audit completed according to ISA shall always identify a material misstatement when it exists. Misstatements may arise as a result of fraud and are considered material if, individually and

together, is expected that reasonably influence the economic decisions of the users, taken based on these financial statements.

As a part of audit in accordance with ISA, we exercise our professional judgment and we keep our professional scepticism during all audit. Also we:

- Asses the general presentation of structure and the content of financial statements including given explanatory information, and if financial statements present transactions and events within in a way that reaches the fair presentation.
- Identify and estimate material misstatement risks, whether due to fraud or error, we draft and perform the audit procedures in respond to these risks, and we take audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of failure to discover a material misstatement as a result of fraud is higher than risk as a result of error, because the fraud may include secret agreements, falsifications, intentional exclusions, deformed information, and bypass of internal controls. .
- Provide a knowledge of internal control that is related to audit in order to determine audit procedures that are acceptable according to circumstances, but not for the expression of an opinion on internal control effectiveness of the Company.
- Asses the feasibility of accounting policies used and the reasonability of accounting estimation and relevant explanations made by management.
- Extract a conclusion in relation to feasibility of use of continuity accounting basis, and based on audit evidence taken, if there is any material uncertainty in relation to events or terms, which may cast great doubts for the Company capabilities to continue the activity. If we come to a conclusion that there is uncertainty, we should withdraw the attention on auditor's report in relation to explanations provided on financial statements, or if these explanations are inappropriate, we should modify our opinion. Our conclusions are based on audit evidence taken up to the date of our audit report. However, future events and terms may make the Company to cease the activity.

We communicate with persons in charge for the governance, among other things, with regard of goal and time of audit and important findings of audit, including any important deficiency in internal control that we may identify during audit.

Fahri Breznica, Legal Auditor

Quatra Audit Int L. L. C.
10000, Prishtine, Sheshi Nena Tereze H1, no. 2,

Date 18.03.2022



FC DRITA L.L.C.
The Statement of Financial Position on 31 December 2021

(Amounts in Euro)

	Notes	2021	2020
Assets			
Short-term assets			
Monetary means and its equivalents	4	17,453	164,229
Accounts receivable	5	41,296	5,600
Other short-term assets	6	134,900	129,900
Total short-term assets		193,649	299,729
Long-term assets			
Building, machinery and equipment	7	9,508	9,501
Total of long-term assets		9,508	9,501
Total assets		203,157	309,230
Liabilities and equity			
Liabilities			
Short-term liabilities			
Payable accounts	8	47,027	6,509
Tax liabilities	9	627	1,347
Deferred income	10	0	271,798
Other short-term liabilities	11	70,562	10,923
Total of short-term liabilities		118,216	290,577
Long-term liabilities			
Borrowings and loans	12	84,000	
Total of long-term liabilities		84,000	0
Total liabilities		202,216	290,577
Equity			
Initial capital	22	20,000	20,000
Profit/Loss of the year	18	(17,712)	(1,347)
Profit/Loss carried forward	18.1	(1,347)	0
Total of capitals		941	18,653
Total of liabilities and capitals		203,157	309,230

The financial position should be read together with explanatory notes, which are constituent part of financial statements on pages 9 to 24.

The Financial Statements were approved on February 27, 2022 by the management of Company "FC DRITA" and were signed on its behalf by:

Feti Murseli-Director
General



Financial Director

Mirinda Murtezi
Mirinda Murtezi -Certified
Accountant

FC DRITA L.L.C.
The Statement of Summary Income for the Year ending on 31 December
2021

(Amounts in Euro)

	Notes	2021	2020
Income	13	1,123,191	1,106,490
Cost of services	14	<u>(262,326)</u>	<u>(268,744)</u>
Gross profit		860,865	837,746
Operating expenses			
Costs of staff			
Depreciation	15	(790,968)	(761,584)
Administrative expenses	7	(1,994)	(366)
Other operating expenses	16	(41,490)	(40,627)
	17	<u>(43,499)</u>	<u>(35,169)</u>
Result from operating activity		(17,085)	0.00
Other income			
Income from interest		<u>0</u>	
Other interest costs			
Interest costs		<u>(0.00)</u>	<u>(0.00)</u>
		(0.00)	(0.00)
Profit/Loss before tax	18	<u>(17,085)</u>	<u>(1,347)</u>
Profit tax	18.1	<u>(627)</u>	
Net profit/loss for the year		<u>(17,712)</u>	<u>(1,347)</u>

The financial position should be read together with explanatory notes, which are constituent part of financial statements on pages 9 to 24.

FC DRITA I.L.C.
Statement of cash flows for the year ending on 31 December 2021

(Amounts in Euro)

Description	Notes	2021	2020
Cash flows from operating activities:			
Profit before tax		(17,712)	(1,347)
Adjustments			
Depreciation		1,994	366
Capital loss/profit		-	2,101
Tax expenses		627	1,347
Interest expenses			
		(15,091)	2,467
Difference on receivable accounts and other assets		(35,696)	(2,000)
Advance payments and prepayments		-	(6,468)
Difference on payable accounts		40,518	-10771
Difference on other liabilities		(212,159)	229,368
		(207,337)	210,129
Tax payments		(1,347)	
Cash flows from operating activities:		(223,775)	212,596
Cash flows from investing activities			
Purchase of intangible durable assets		(2,001)	(3,358)
Purchase of tangible durable assets			-
Sale of tangible durable assets			932
Cash flow generated from investing activities		(2,001)	(2,426)
Cash from financing activities			
Net cash from receivables and payments		84,000	(40,000)
Payment of loans and borrowings		(5,000)	(17,000)
Cash flow generated by financial activities		79,000	(57,000)
Net decrease on monetary assets in cashier and in the bank		(146,776)	153,170
Monetary assets in the cashier and in the bank beginning of the period		164,229	11,059
Monetary assets in the cashier and in the bank ending of the period		17,453	164,229

The financial position should be read together with explanatory notes, which are constituent part of financial statements on pages 9 to 24.

FC DRITA L.L.C.

The Statement of Changes on Equity for the Year ending on 31 December 2021

(Amounts in Euro, if otherwise is provided)

	Charter capital €	Withheld profits €	Other reserves €	Total €
Position on January 1, 2020	20,000	0	0	20,000
Profit/(loss) of the year		(1,347)		(1,347)
Differences from foreign currency translation				
Dividends				
Deposits of added capital				
Share of reserves				
Position on December 31, 2020	20,000	(1,347)	0	18,653
Profit/(loss) of the year		(17,712)		(17,712)
Differences from foreign currency translation				
Dividends				
Deposits of added capital				
Share of reserves				-
Position on December 31, 2021	20,000	(19,059)	0	941

The financial position should be read together with explanatory notes, which are constituent part of financial statements on pages 9 to 24.

“FC DRITA” L.L.C.

Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

1. General information

“FC DRITA” LLC (further we will refer as “FC DRITA” or “Company”) is established as limited liability company on 22.07.2016 and is registered with unique no. 811186974 in the Register of Business Organizations within Business Registration Agency within Ministry of Trade and Industry.

The headquarters of and the main site of activity is in Gjilan, City Stadium, no number, Republic of Kosovo.

The main business activity is sport activity, and the initial capital of the Company was 20,000.00 €, registered and paid.

The Company has two shareholders according to List and Annex, and information on business in the KBRA.

During 2021 the Company, in average, had 46 employees (2020:42). The authorized directs manages the Company.

2. Basis of preparation and statement of compliance

These financial statements have been prepared in accordance with International Accounting Financial Standards for SME. The financial statements have been prepared on the historical cost principal. Financial statements are prepared for the years ending on December 31, 2021 and 2020. The current and comparing data on these financial statements are expressed in Euros, except if expressed otherwise. When needed the comparing items are harmonized in line with the changes of the presented year.

The financial statements are prepared for the year ending on December 31, 2021 on accrual basis, with exception of Cash Flow.

2.1 Functional and reporting currency

These financial statements are expressed in Euros, which is functional currency of the Company.

2.2 Accounting policies

The following are the main accounting policies adopted on the preparation of these statements:

(a) Use of estimates and judgments

The preparation of financial statements in line with IFRS of SME requires for management to make judgments, estimation and assumptions that effect on application of reported police and amounts of assets and liabilities, income and expenses. The actual results may differ from these estimations.

Estimations and judgments are reviewed on an ongoing basis. Revision of accounting estimations are recognized in the period in which the estimation is revised and in any future periods if affected

The below accounting policies are applied consistently in all the period presented on these financial statements.

(b) Long-term assets

(i) Recognition and measurement

All significant long-term assets are stated at cost less accumulated depreciation.

The cost includes expenditures that are directly attributable to acquisition of the asset.

The costs of assets constructed by the Company include the costs of materials and direct labour, and any other costs directly attributable to bringing the asset on the place and necessary conditions to be used for the intended use, and the cost of dissemble, remove of elements and returning the environment in the previous state where the element was placed. When a

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

part of a significant long-term asset element has a different useful life, it is accounted as separate element of significant long-term asset.

Summary of accounting policy (cont.)

The profit and loss from the sale of significant long-term are defined by comparing the cash from sale with net accounting value of significant long-term asset, and are recognized on profit or loss. When re-estimated assets are sold, the amounts included on reserve are transferred on carried forward profits.

(ii) Subsequent costs

Subsequent costs are included on accounting value of significant assets or are recognized as sole asset on a case by case basis, only when it is expected with high confidence that in society in the future would occur economic benefits attributable to that element and its cost could be measured with confidence. The costs of the day-to-day servicing of significant long-term assets are recognized on profit or loss as incurred.

(iii) Depreciation

Depreciation is not recognized on land and assets under construction. Repairs on rented premises are depreciated during the shortest period between useful life and rent terms. Depreciation is recognized for other assets on profit and loss on a straight-line basis for distribution of cost or re-evaluated value up to remained value over the useful life.

Rates below are used for depreciation on the current and comparative period:

	2021	2020
Land	-	-
Building	5%	5%
Equipment	20%	20%
Other transporting motor vehicles	20%	20%
Vehicles and other equipment	20%	20%

(a) Assets on rent

Rents where the Company considerably carries all ownership risks and benefits on property are classified as financial rent. On initial recognition, the property rented is measured with the smallest value between fair value and current value of minimal rent payments. After the initial recognition, the property is accounted in accordance with applicable accounting policy for that property.

Other rents are usual rents for which that property that is hired is not recognized on the statement of financial position.

(b) Inventory

The inventory is measure at the lower of cost and net realizable value. The cost of inventory is based on weighted average principal and includes all costs of acquisition, costs of transformation and other costs related to bringing the inventory on the current place and conditions. Net realizable value is the estimate price of sale on normal business flow, less the estimated costs of ending and the estimated costs required to realize the sale

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

Summary of accounting policy (cont.)

(e) Financial Instruments

The Company keeps only non-derivative financial instruments that include monetary and its equivalents, accounts receivables, payable accounts, bank loans. Non-derivative financial instruments are initially measured with fair value plus, for non-fair value through profit or loss, transaction costs related to direct to its acquisition. The following recognition of non-derivative financial instruments is described below.

Monetary assets and equivalents to it

Monetary assets and equivalents to it include cash values, bank cash flow account, other short-term investments with original maturity of three months or less from the date of financial position statement, which are subject to insignificant risk of changes in value and are used by the company on short-term administrative engagements.

Monetary assets and equivalents to it are kept with depreciated cost on financial position statement.

Collection claim

Collection claims initially are recognized with fair value and subsequently with depreciated cost reduced by loss for depreciation.

Payable accounts

Payable accounts are presented with fair value and subsequently with depreciated cost.

Bank loans, borrowings

Subsequent to initial recognition, borrowings and loans with depreciated cost with any difference between cost and the value of repurchase that is recognized on profit or loss during the period of loan on the basis of effective interest.

Other

Other non-derivative financial instruments are measured with depreciated cost using the effective interest method and by reducing the loss from amortization.

Share capital

Share capital is recognized on nominal value.

(d) Depreciation

(i) Financial assets

A financial asset that is not kept on fair value through the profit or loss is estimated on each date of reporting to define if there is depreciation objective evidence. Financial asset is considered as depreciated if objective evidence shows that a depreciation event occurred after initial recognition of asset, and it had a negative effect on future estimated flow of monetary assets of financial assets, which can be measured reliably.

The loss from depreciation of financial asset measured with depreciated cost is calculated as difference between account value and current value of estimated future flows of monetary assets, actualized with initial rate of effective interest.

Financial assets that are important are individually tested for depreciation on individual basis. The remained part of financial assets is measured together on groups' carrying similar risk characteristics. All losses from depreciation are

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

recognized on profit or loss. A depreciation loss can be cancelled if the reduction on depreciation occurred because of an event occurred after the depreciation is recognized. Cancellation is recognized on profit or loss.

Summary of accounting policy (cont.)

(ii) Non-financial assets

Accounting value of Company non-financial assets, apart from significant investing long-term assets, inventory and deferred tax assets, are reviewed on each reporting date to define if there is evidence for depreciation. If there is such evidence, then is measured the recovered value of assets. Loss from depreciation is recognized on profit or loss.

Loss from depreciation is recognized if book value of an asset or generating unit of monetary means exceeds recovered amount. Generating unit of monetary means is the smallest identified group of assets that generates monetary flows that are independent from assets and other groups. Loss from depreciation is recognized on profit or loss.

Recoverable amount of an asset or generating unit of monetary means is the largest between sales net price and its value in use.

In estimation of value in use, estimated future cash flows of monetary means are current by using a balance rate before taxes that reflects current estimation of markets for the value of money in time and specific risks for asset.

With regard of other assets, a loss for depreciation is cancelled if there is evidence that there is no depreciator and there were changes on estimations used for determination of recoverable value. Loss from depreciation is cancelled at the extent the book value of asset does not exceed book value that would be determined by deduction the amortization, and if no loss from depreciation is recognized

(d) Recognition of revenues

Revenues from sales of goods are measured with fair value of amount taken or to be taken, net from returns and trade deductions. The revenue is recognized when risks and benefits related to ownership are transferred to purchaser and it is possible that economic benefits will be received, costs related to transition can be measured reliably and Company is not involved any more on sale of goods and products and the amount of revenues can be measured reliably. If it is thought on high reliability that will be applied deductions and values can be measured with high reliability, then the deduction is recognized as deduction of revenue when sales are recognized.

Revenues from construction contracts are recognized with fair value of consideration collected or collectable. The revenues from construction contracts can be increased or decreased from one period to another because they are impacted by the number of uncertainties depending on future circumstances. As result, estimation on revenue are reviewed after the event occurred or resolution of uncertainties.

When the result (end) from a construction contract can be estimated reliably, the income and costs related to those revenues should be recognized as income and expenses respectively referring to the extent of completion contract at the end of reporting period. An expected loss of a construction contract should be recognized immediately as an expense on profit and loss statement.

(e) Employee benefits

Mandatory pensions

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

The company pays the mandatory pension contribution that defines the benefits of employees going on retirement. State authorities of Republic of Kosovo are responsible to define legal limit for pensions in Kosovo under the pension contribution plan defined. Company contributions towards pension plan are charged on profit or loss when occurred.

Summary of accounting policy (cont.)

Unpaid annual leaves

The company recognizes as liability the unbalance value of estimated costs in relation to annual leave that is expected to be paid in exchange of employees' service over the period.

(f) Rent payments

Payments made for usual rent are charged on profit or loss on linear basis over the rent period. Motivation payment taken from landlord is recognized as integral part of expense, the total over the rent period.

(g) Income and financial expenses

Financial income includes income from bank interest and gains from exchange rate recognized on profit or loss. The income from interest is recognized when it is gained by using the effective interest method.

Financial expenses include the interest expenses for borrowings and loss from exchange rate. All costs of loans are recognized on profit or loss by using the effective interest method.

(h) Income tax

Tax on profit or loss of the year includes the tax of current year and differed tax. Tax on profit is recognized on profit or loss except that is related to items recognized directly in capital or on other summarized income.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized for temporary differences between the net book value assets and liabilities for financial reporting purposes and the tax base. Deferred tax is measured based on realization method or compensation of book values of assets and liabilities using the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which unused tax loss and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Transactions in Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency profit or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

currency differences arising on retranslation are recognized in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments (if any).

Summary of accounting policy (cont.)

(k) Principle of continuity

Financial statements are prepared based on continuity principle, which estimated the realization of assets and compliance of liabilities in the normal course of business.

I . ADOPTION OF NEW AND REVIEWED INTERNATIONAL FINANCIAL REPORTING STANDARDS

Non-effective issued standards and interpretations

On the date on authorization of these consolidated financial statements, the following new and reviewed standards and interpretations are issued, but are not effective yet:

Changes on existing standards issued by the International Accounting Standards Board (IASB) are effective on or after January 1st, 2021. Amendments on standards:

- * Changes on IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Reform of Interest Rate estimation - Phase 2
- * Changes on IFRS 4 "Insurance Contracts" - extension of temporary exclusion by implementation of IFRS SNRF 9 for economic units where the main activity is the issuance of contracts within the topic of IFRS 4
- * Changes on IFRS 16 Leases – Lease concession related to Covid-19 after the date of June 30, 2021

Standards and interpretations issued by IASB, but still not applicable for the annual year starting on January 1, 2021 and ending on December 31, 2021,

1. Changes on IAS 16 "Property, Plant and Equipment" -Income prior to the intended use (effective for annual periods starting on or after January 1, 2022),
2. Changes on IAS 37 " Provisions, Contingent Liabilities and Contingent Assets – Variable Contracts – The cost of effective fulfilment of contract for annual periods starting on or after January 1, 2022),
3. • Changes on IFRS 3 "Business Combinations" - References on Conceptual Framework with the changes on IFRS 3 (effective for annual periods starting on or after January 1, 2022),
4. Annual correction of standards IFRS 2018-2020. Changes on IFRS 1, IFRS 9, IFRS 16, IAS 41(applicable for the periods starting on or after January 1, 2022)
 - * IFRS 1 – First time adoption of IFRSs (Entity as first-time adoption and voluntary exclusion in relation to cumulative translation differences
 - * IFRS 9 - "Financial Instruments (Fees on the test "10 per cent" for registration of financial liabilities).
 - *Illustrative examples of IFRS 16 – Lease (lease incentives)
 - *IAS 41 – Agriculture (Tax on fair value measurement)
5. IFRS 17 "Insurance Contracts" (effective for annual periods starting on or after January 1, 2023),
6. Changes on IAS 1 "Presentation of Financial Statements"- Classification of short-term and long-term liabilities (effective for annual periods starting on or after January 1, 2023)

“FC DRITA” L.L.C.

Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

7. Disclosure of Accounting Policies: • Changes on IAS 1 " Presentation of Financial Statements" and the Statement of Practices for IFRSs -2 (applicable for annual periods starting on or after January 1, 2023)
8. Changes on IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (applicable for annual periods starting on or after January 1, 2023)
9. Changes on IAS 12 Deferred tax in relation to assets and liabilities accrued from a sole transaction (applicable for annual periods starting on or after January 1, 2023)

ADOPTION OF NEW AND REVIEWED INTERNATIONAL FINANCIAL REPORTING STANDARDS (cont.)

The Company has chosen not to approve these standards, reviews and interpretations before their effective dates. The Company foresees that adoption of these standards, reviews and interpretations shall have no substantial effect on financial statements of the Company on the initial application period.

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

3. Financial risk management

3.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company has adopted a policy to contract only reliable parties and to provide sufficient proofs, to reduce the risk of financial loss based on the proof of payment completion. The company ensures that recognizes only the receivables from well established companies in Kosovo..

3.2 Market risk

Market risk is a risk that variates on market price, as foreign exchange, interest rates and capital price and it will affect company income or title value of its financial instruments. The goal of risk management is to manage and control the exposure towards market risk within the acceptable parameters, until is optimized the return. Until there is no material transactions on foreign currency and until there is no interest on borrowed funds from local and foreign financial institutions on the date financial position, the Company is not exposed to any change on exchange rate and to risk of interest rates..

	31 December 2021	31 December 2020
Assets		
Cash and cash in the bank	17,453	164,229
Total	17,453	164,229

3.3. Liquidity risk

Basic responsibility for the management of liquidity risk lies on Board of directors.

Careful management of liquidity risk is to maintain sufficient cash and cash equivalents, available funds through facilitation of loans and possibility to collect timely, within the terms of amounts set because of clients. The company manages the liquidity risk keeping the reserves from given borrowings and by monitoring continuously the planning and cash current flow, and by coordinating the maturity profile of financial assets and liabilities.

The table below presents remaining maturity contracts of financial assets and financial liabilities of the Company. The tables are prepared based on discounting cash flow of financial liabilities.

31 December 2021

	Current		Non-current	
	Up to 1 year (Euro)	1 to 2 years (Euro)	2 to 5 years (Euro)	Over 5 years (Euro)
Financial assets				
Cash and cash equivalents	17,453	-	-	-
Receivables accounts	41,296			
Claims for borrowings	134,900	-	-	-
Total assets	193,649	-	-	-

“FC DRITA” L.L.C.

Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

Financial liabilities	
Payable accounts and other liabilities	47,027
Other liabilities	71,189
Total of financial liabilities	118,216
<hr/>	
Liability area	75,433

31 December 2021

	Current		Non-current	
	Up to 1 year	1 to 2 years	2 to 5 years	Over 5 years
	(Euro)	(Euro)	(Euro)	(Euro)
Financial assets				
Cash and cash equivalents	164,229	-	-	-
Receivables accounts	5,600	-	-	-
Claims for borrowings	129,900	-	-	-
Total assets	299,729	-	-	-
<hr/>				
Financial liabilities				
Payable accounts and other liabilities	18,779	-	-	-
Total of financial liabilities	18,779	-	-	-
<hr/>				
Liability area	280,950	-	-	-

Financial instruments that are not presented on fair value

The following table summarizes carrying values and fair values of financial assets and liabilities that are not presented on the Statement of financial position on their fair value

	Carrying value		Fair value	
	2021	2021	2020	2020
Financial assets				
Cash and cash equivalents	17,453	17,453	164,229	164,229
Receivables accounts	41,296	41,296	5,600	5,600
Claims for borrowings	134,900	134,900	129,900	129,900
Total assets	193,649	193,649	299,729	299,729
<hr/>				
Financial liabilities				
Payable accounts and other liabilities	47,027	47,027	18,779	18,779
Other liabilities	71,189	71,189	-	-
Total of financial liabilities	118,216	118,216	18,779	18,779

“FC DRITA” L.L.C.

Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

4. Cash and cash equivalents

Cash and cash equivalents on December 31, December 2021 and 2020 are as bellow:

<i>On 31 December</i>	2021	2020
Amount of cash	0	0
Amount in the bank	17,453	164,229
Total	17,453	164,229

Cash is kept into the local banks and it is in euro as agreed.

5. Accounts receivables

<i>On 31 December</i>	31 December 2021	31 December 2020
Accounts receivable	41,296	5,600
Total	41,296	5,600

6. Other short-term assets

<i>On 31 December</i>	2021	2020
Given Borrowings	134,900	129,900
Total	134,900	129,900

“FC DRITA” L.L.C.

Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

7. Land, plant and equipment

	Land	Equipment	Vehicles	Buildings	Total
Beginning balance 01.01.2020			7,000		7,000
Additions		1,300	8,567		9,867
Written offs			(7,000)		(7,000)
31.12.2020		1,300	8,567	0	9,867
Beginning balance 01.01.2021		1,300	8,567		9,867
Additions		2,001			2,001
Written offs					
31.12.2021		3,301	8,567	0	11,868
Accumulated depreciation					
Beginning balance 01.01.2020			(3,967)		(3,967)
Additions		(43)	(323)		(366)
Written offs			3,967		3,967
31.12.2020		(43)	(323)	0	(366)
Beginning balance 01.01.2020		(43)	(323)		(366)
Additions		(281)	(1,713)		(1,994)
Written offs					
31.12.2021		(324)	(2,036)	0	(2,360)
Net value on the books					
31.12.2020		1,257	8,244	0	9,501
31.12.2021		2,977	6,544	0	9,508

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

8. Trade payable accounts

On 31 December	2021	2020
Payable accounts	47,027	6,509
Total	47,027	6,509

9. Liabilities on wages and taxes

On 31 December	2021	2020
Liabilities for CIT	627	1,347
Total	627	1,347

10. Deferred income

On 31 December	2021	2020
Deferred income from UEFA	0	271,798
Total	0	271,798

11. Other short-term liabilities

On 31 December	2021	2020
Liabilities on wage withholding tax	6,345	5,220
Liabilities on pension contributions	5,490	5,045
Liabilities on VAT	379	658
Liabilities to employees	58,348	
Total	70,562	10,923

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

12. Long-term liabilities

On 31 December	2021	2020
Liability on long-term borrowings by shareholder 1	9,000	0.00
Liability for the borrowing by I.K.	75,000	
Total	84,000	0.00

13. Income

For the year ending on 31 December	2021	2020
Income from marketing and sponsoring	21,351	4,491
Income from broadcasting rights	102,042	34,850
Income from KFF donations	65,000	56,000
Income from becoming champion	-	30,000
Income from UEFA	550,000	1,186,080
Other income	10,000	17,943
Deferred income	271,798	(220,773)
Loss on capital sale		(2,101)
Total	1,123,191	1,106,490

14. Costs of services

The cost of services is as follows:

For the year ending on 31 December	2021	2020
Costs of sport equipment	20,304	5,942
Costs of accommodation	88,727	86,178
Costs of traveling	54,746	125,309
Costs of match organization	8,774	-
Costs of match security	2,430	2,356
Costs of referee	600	950
Costs of licenses	0	44,000
Costs of players' transfer	72,700	1,630
Expenses of meal for players	13,596	2,379
Ticket printing costs	449	0
Total		262,326
268,744		

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

15. Staff costs

For the year ending on 31 December	2021	2020
Wage costs for players	606,275	542,149
Wage costs for technical staff	84,679	91,058
Wage costs for administrative staff	72,130	100,876
Pension contribution costs	27,884	27,501
Total	790,968	761,584

The contributions are paid only for resident inhabitants registered with civil registry of Kosovo.

16. Administrative expenses

For the year ending on 31 December	2021	2020
Costs of professional services	17,500	5,400
Costs of office and telephone	3,597	2,316
Costs of commissions	1,999	1,702
Costs of advertising	3,374	4,737
Legal costs		20,000
Costs of webpage maintenance		475
Medical costs	15,020	4,347
Costs of donations	0	1,650
Total	41,490	40,627

17. Operating expenses

For the year ending on 31 December	2021	2020
Costs of fuel	1,541	2,318
Costs of maintenance	3,727	4,700
Costs of vehicle insurance	298	443
Other operating expenses	24,706	14,236
Extraordinary costs	13,227	13,472
Total	43,499	35,169

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

18. Profit tax

Recognized on income statement:

		2021	2020
Profit before tax:		(17,085)	0
1. Starting tax with standard rate	10%	0	0
2. Non-deductible expenses:		24,706	13,473
a. Bad debt costs			
b. Costs on payment delays and missing invoice			
3. Additional profit tax from re-assessment of taxable income by fiscal authorities (2 * 10%)	10%	(627)	(1,347)
Profit tax (1+3)		(627)	(1,347)

Profit tax is deducted from loss carried from previous years based on tax legislation in force.

19. Related persons

For the reporting year 2019 transaction with related persons are:

	Taken borrowings
Shareholder 1	9,000€

20. Accounting estimates and judgments

Management discusses on its regular meetings the development, selection and disclosure of the accounting policies and estimates of the Company and the application of these policies and estimates. The Company makes estimations and presumptions which impact on reported amounts of assets and liabilities within the financial future year. Estimations and judgments are continuously estimated and are based on planning and other factors including future expected events that are believed to be reasonable based on certain circumstances.

21. Commitments and contingences

Commitments

There are no commitments on 31 December 2021, with the exception of the agreement with Municipality for maintenance of stadium.

Legal matters

On 31 December 2021 are not taken into the account the potential loss related to court matters. The Company management, on regular basis analyses potential risks resulting from loss in relation to court actions and potential claims against the Company, which may occur in the future. Although the result of these matters cannot be always specified, the management of the Company believes that there is not chance to result on any material obligation.

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Explanatory notes to the Financial Statements for the end of the year 31 December 2021

(Amounts in Euro, if otherwise is provided)

22. Charter capital

The Company possesses the initial capital of 20,000.00 € registered with Ministry of trade and Industry with two following shareholders:

1. Valon Murseli with the share of capital of 10,000.00€, and
2. Flamur Bunjaku with the share of capital of 10,000.00€

23. Events after reporting date

As it is mentioned on other event or transaction has occurred or is not expected since December 31, 2020 that would have significant effect on financial statements of the Company on that date or for the period completed afterwards, or that are of such importance related to the Company matters that would be required to be noted on the financial statements.