

FC DRITA SH.P.K.

Unique No. 811186974

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDING
On December 31 2023

AUDIT REPORT BY INDEPENDENT AUDITOR

For stakeholders and management of FC DRITA L.L.C

Opinion

We have audited the financial statements of FC DRITA L.L.C. (The company), which include the statement of financial position on December 31, 2023, Income Statement, Statement of Changes in Equity and the Statement of Cash Flows for the closed year and notes of financial statements, including significant accounting policies.

In our opinion, the attached financial statements present fairly, in all material aspects, the financial position of The Company, as of December 31, 2023, and the financial performance and cash flow 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 auditing of Financial Statements of this report.

We are independent from the Company in line with Ethical Requirements Applicable for the Auditing of Financial Statements (IESBA Code), together with requirements relevant during our audit of financial statements in Kosovo, 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

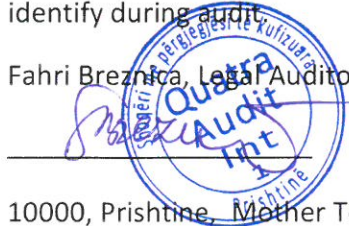
Our objectives are obtaining reasonable assurance related to the fact if financial statements in whole are free from material misstatements, due to fraud and error, and to issue an audit report that includes our opinion. Reasonable insurance is an assurance of high level, but it is not a guaranty that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

- 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.
- 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.

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



10000, Prishtine, Mother Teresa Square, H 2-1

Date 14. 03. 2023

THE STATEMENT OF FINANCIAL POSITION

On 31 December 2023

(Amounts in Euro)

	<u>Notes</u>	<u>31 December</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
<u>Short-term assets</u>			
Monetary means and its equivalents	4	452,356	37
Accounts receivable from transfer of players	5	-	90,633
Accounts receivable from related persons		-	-
Accounts receivable and other	6	32,700	33,400
Other claims	7	32,000	25,000
Total current assets		<u>517,056</u>	<u>149,070</u>
<u>Long-term assets</u>			
Property, plant and equipment	8	5,855	8,542
Intangible assets, players		-	-
Other intangible assets		-	-
Accounts receivable from transfer of players		-	-
Accounts receivable from related persons	9	130,000	-
Accounts receivable and other		-	-
Claim to long-term loans	10	100,000	121,500
Total of long-term assets		<u>235,855</u>	<u>130,042</u>
Total assets		<u>752,912</u>	<u>279,112</u>
<u>Short-term liabilities</u>			
Bank overdraft		-	-
Bank loans and other		-	-
Accounts payable to transfer of players		-	-
Accounts payable to employees	11	104,033	103,224
Accounts payable for social obligations		-	-
Tax liabilities and assets		-	-
Tax liabilities	12	47,556	21,901
Short-term deposits		-	-
Deferred income		-	-
Accounts payable and other	13	24,967	14,497
Tax liabilities		-	-
Total of short-term liabilities		<u>176,556</u>	<u>139,622</u>
<u>Long-term liabilities</u>			
Bank loans and other		-	-
Accounts payable to related persons	14	406,000	40,000
Accounts payable to transfer of players		-	-


Accounts payable to employees	-	-	-
Accounts payable for social obligations	-	-	-
Tax liabilities and assets	-	-	-
Deferred income	-	-	-
Other loan liabilities	-	-	-
Tax liabilities	-	-	-
Other non-asset liabilities – borrowings	15	105,000	115,000
Total of long-term liabilities		511,000	155,000
Total of liabilities		687,556	294,622
Capital			
Initial capital	16	150,000	20,000
Profit/Loss of the year		-	-
Profit/Loss carried forward	22	(84,644)	(35,510)
Reserve			
Total of capitals		65,356	(15,510)
Total of liabilities and capitals		752,912	279,112

On 4 March 2024, this financial statements were prepared and approved:



Feti Murseli - Director





Ilaz Shkodra- Financial Director



Mirlinda Murtezi-Certified Accountant

The following accompanying notes from 1 to 24 are integral part of these Financial Statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year closed on 31 December 2023

(Amounts in Euro)

	Notes	For the year ending on 31 December 2023	For the year ending on 31 December 2022
Income from advertising and sponsoring	17	678,804	101,216
Income from broadcasting rights	17	56,250	59,530
Income from sales of players	17	-	190,895
Income from FFK donations	17	121,864	78,500
Income from sales of tickets	17	2,119	11,034
Income by UEFA for development	17	54,444	25,000
Income by UEFA	17	450,000	581,000
Other income	17	6,321	863
Deferred income	17	-	-
Total of income		1,369,801	1,048,038
<u>Expenses</u>			
Cost of services	18	(211,241)	(207,307)
Services of employees-players gains	19	(786,003)	(612,805)
Services of other employees' gains	20	(344,703)	(183,503)
Amortization/ Depreciation of fixed basic assets		-	-
Depreciation of tangible assets and non-material assets	8	(2,686)	(2,530)
Other operating expenses	21	(74,302)	(57,232)
Total operating expenses		(1,207,695)	(1,063,377)
Operating profit	22	<u>(49,134)</u>	<u>(15,339)</u>
<u>Trade of players</u>			
Amortization of non-material assets		-	-

Depreciation of non-material assets		-	-
Profit/Loss from sales of players		-	-
Cost of players registration		-	-
Available income form players registration		-	-
<u>Total from sales of players</u>		-	-
Profit/Loss available of tangible assets		-	-
Profit/Loss available of other non-material assets		-	-
Total of profit/loss available of fixed assets		-	-
Financial result		-	-
Finical income		-	-
Financial costs		-	-
Profit/loss of net currency translation		-	-
Net financial income/expenses		-	-
Other non-operating income		-	-
Other non-operating expenses		-	-
<u>Profit/(Loss) before tax</u>	22	(49,134)	(15,339)
Tax on profit	22	-	(1,112)
<u>Not profit/(loss) of the period</u>	22	(49,134)	(16,451)
<u>Total of comprehensive income for the year</u>		(49,134)	(16,451)

The following accompanying notes from 1 to 23 are integral part of these Finacial Statements.

THE STATEMENT OF CHANGES ON EQUITY

For the year closed on 31 December 2022

(Amounts in Euro)

	Charter capital	Withheld profits	Profit of the period	Withdrawals of the owner	Total
Balance on January 1, 2021	20,000	(19,059)			18,653
Profit/(loss) of the year		<u>(16,451)</u>			<u>(16,451)</u>
Differences from foreign currency translation					
Dividend/Withdrawals					
Deposits of additional capital					-
Share of reserves					
Balance on December 31, 2021	20,000	(35,510)	-	-	(15,510)
Profit/(loss) of the year		<u>(49,134)</u>	-	-	<u>(49,134)</u>
Differences from foreign currency translation					
Dividend/Withdrawals					
Deposits of additional capital	130,000				130,000
Share of reserves					
31 December 2022	150,000	(84,644)	-	-	65,356

The following accompanying notes from 1 to 23 are integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

For the year closed on 31 December 2023

(Amounts in Euro)

	Notes	For the year ending on 31 December2023	For the year ending on 31 December2022
<u>Cash flows from operating activities</u>			
Cash collected by invoices on entry into stadium		2,119	11,034
Cash collected by sponsoring and advertisement		770,137	90,816
Cash collected by broadcasting rights	8	56,250	59,530
Cash collected by FFK		121,864	-
Cash collected by UEFA		504,444	606,000
Cash collected by the payments of other activities		6,321	197,921
Cash payments for supplies of goods and services			
Cash payments for and on behalf of employees		(1,086,541)	(724,123)
Cash payments made to agents			
Cash payments made in relation to other operating expenses		(292,775)	(316,649)
Cash payments for supplies of goods and services			
		<hr/>	<hr/>
Net cash flows from operating activities		(81,819)	(75,471)
<u>Cash flows from investing activities</u>			
Cash flows from investing activities			
Cash collected from investing activities			
Cash collected from sales of registered players			
Cash collected from purchase of registered players			
Cash collected from sales of fixed assets			
Cash payments for purchase of assets		-	(1,564)
Cash payments for sales of assets			
Cash payments for acquisition of other assets			
Cash payments for sales of financial investments			
Cash payments for the acquisition of other financial investments			
Cash payments for other investing activities			
		<hr/>	<hr/>
Net cash flow from investing activities		-	(1,564)
Cash flow from financial activities			

Cash collected from borrowings to shareholders	356,000	71,000
Cash repayments to shareholders		
Cash payment for given borrowings		
Cash collected for borrowings	21,500	13,200
Cash collected by capital increase		
Cash payment for dividends to owners		
Cash collected from provision of bonds		
Cash repayments in relation to repayment of bonds		
<u>Cash repayments for other financial activities</u>	<u>(7,000)</u>	<u>(25,000)</u>
<u>Net cash flow from financial activities</u>	<u>370,500</u>	<u>59,200</u>
<u>Net increase/decrease of cash</u>	<u>452,319</u>	<u>(17,835)</u>
<u>Reconciliation</u>		
Cash and its equivalents beginning of the year	37	17,872
<u>Effects of change on exchange of currency translation</u>		
<u>Cash and its equivalents in the end of the year</u>	<u>452,356</u>	<u>37</u>

The following accompanying notes from 1 to 23 are integral part of these Financial Statements.

1. GENERAL INFORMATION

“FC DRITA” LLC (hereafter 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 registered capital of the Company was 150,000.00 €.

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

During the year 2023, the Company, in average, had 53 employees (2022:46). The authorized director manages the Company.

The Company has registered activities with KBRA:

Primary activity**9312 Activities of sport clubs**

Secondary activity

9313 Fitness facilities

Other activities

9319 Other sports activities

The football club FC Drita, is registered to participate in competition of the national championship, national cup, international competitions, friendly matches, organization of football trainings, and youth.

2. IMPORTANT ACCOUNTING POLICIES**2.1. BASIS OF PREPARATION**

These financial statements have been prepared in accordance with International Accounting Financial Standards for Small and Medium Enterprises (IAFS for SME) and requirements of UEFA financial criteria

Financial statements are prepared by using the measuring basis specified on the procedures for each type of assets, liabilities, income and expenses. The measuring basis are fully described on below the accounting policies

2.2. The presented currency

The reporting a presenting currency is Euro (EUR), which is in line with European Monetary Union and instructions issued by central Bank of Kosovo, Euro is adopted as legal currency in the territory of Kosovo from January 1, 2002.

2.3. Transactions in Foreign currency

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. The foreign currency profit or loss resulting from adjustments of such transaction, and from re-measurement of monetary items with the exchange rate in the end of the year are presented as profit or loss.

2.4. Use of estimates and judgments

The preparation of financial statements in line with IFRS 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 on prospective way.

2.5. 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.

2.6. Inventory

The inventory is measure at the lower of cost and net realizable value. Net realizable value is the estimate price of sale on normal business flow, less the costs of completion, advertisement and distribution.

The supply costs are placed using the 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

2.7. Land, plant and equipment

Land, plant and equipment are stated at cost less accumulated depreciation. The cost includes expenditures that are directly attributable to acquisition of the asset. The reevaluation of land, plant and equipment is not completed until now.

Subsequent purchases are included on the carrying value of assets or are recognized as sole asset respectively, when there is a chance of future flow of economic gains for the company form the relevant item, and when the value of item can be measured on the reasonable way. The depreciation of land, plant and equipment is calculated by using the straight-line method for the distribution of cost or the cost considered on their remaining value during their lifetime of use, as follows:

	<u>2023</u>	<u>2022</u>
Building	5%	5%
Investments on rented premises	5-10%	5-10%
Equipment	20%	20%
Other transportation means	20%	20%
Vehicles and other equipment	20%	20%

Method of depreciation, life of use and remaining value are reviewed at each reporting date.

2.8. Current and deferred income tax

The liability of current tax on income is calculated based on the tax law in force for corporate income on the date of balance sheet.

Deferred income tax is provided on complete way, by using the method of liabilities, on the temporary differences accruing between the tax base of assets and liabilities, and their carried value on financial statements. The deferred income tax is determined by using a tax rate in force from the date of balance sheet and is waited to be applied when the relevant asset of deferred income tax is made or the liability of deferred income tax is written off.

The asset of deferred income tax is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be used.

2.9. Cash and cash equivalents

Cash comprises cash on hand and demand deposits on banks, other short-term highly liquidity investments that expire within a period of 12 months.

2.10. Equity reserves, carrying profits and dividend payments**- Share capital**

The capital of 130,000 Euro is registered with KBRA and is paid amount of 20,000 Euro.

- Carried profits

Carried profits consist of undistributed profits from previous periods and current..

2.11. Employee benefits

Pension liabilities

The Company has the pension scheme defined by the local legislation of social securities, through which the Company contributes to the plans for the retirement of its employees. Contributions, based on gross wages, are made to the state pension plan, Kosovo Pension Trust, responsible for payment of pensions. It does not have any additional liability in relation to these plans. Pension contributions for non-residents are not calculated and neither withheld.

2.12. Income

The income is measured referring to fair value of received or receivable consideration of the company for the offered services, excluding VAT and trade allowances. The income is recognized when the amount of income can be measured on the reliable way, there are chances that economic gains related to transaction will accrue in the Company, expenses made or will be made can be reliably measured, and when criteria for each different activity of the Company are met.

2.12.1 Income from advertisement and sponsoring

Income from advertisement and sponsoring include the income from offering of adds and publications through sponsoring with contracts. These services are gained proportionally through sport activities of matches and outside it during the contract terms and conditions. Income from sponsoring rights are recognized after compliance of terms defined by the club.

2.12.2 Income from broadcasting rights

Income from broadcasting rights present the income from contracts with national and international media. This income are gained proportionally at the moment when sport matches occur during the championship season. The income from broadcasting rights are recognized after compliance of terms defined by the club.

2.12.3 Income from tickets

The income from sales of tickets present the income from tickets for the matches, UEFA club league, annual tickets, memberships and other income during the activities of matches (friendly, etc.)

The income are recognized proportionally at the moment when sport matches occur during the championship season.

2.12.4 Income from donations

Donations are unconditional gifts of compensations, which is recognized when received. The donations are registered in the accounting of the club when trust conditions are met, which the club is obliged to meet for the acceptance of donation and the donation will be paid. In the profit and loss account the donations are reported systematically during the reporting period on which the expenses are recognized to cover the accepted donation.

2.12.5 Expenses/ Income from player registration

Costs of purchase players' registration are capitalized se following:

The registration of the player is declared on the financial report after all important conditions for the transfer are met, therefore the transfer in fact is not conditional, which means that there should be a legal agreement that is bounding for both clubs and between the club that purchased the registration of the player and the player himself.

Only direct costs on player's registration are capitalized. The value of the transfer for an individual player it cannot be re-evaluated for more, but the management may believe that the market value is higher than the transfer value. Costs related to the sector on young age for the license claim are included on the balance, because they are capitalized exclusively from purchased players.

The amortization starts when the player's registration is taken. The amortization stops on the date when the asset is completely amortized, or it is withdrawn depending on the prior event.

For the registration of any individual player, the amortization amount is distributed systematically during the time of usage. The expenses and income for players' transfer the Company recognizes at the moment when the money is completed or the transfer occurred.

2.13. Trade payables and other payables

Trade payables and other payables are recognized on the real value and later are measured with amortization costs using the effective interest method.

2.14. Trade receivable accounts

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Assets with a short maturity are not discounted. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognized as current income in the statement of comprehensive income.

2.15. Loans (transfer of funds – additional cash for related parties)

Loans by shareholders initially are recognized by historic cost. Other loans are recognized initially with fair value. Afterwards loans are made with amortized cost using the effective interest method.

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.

2.16. Operating expenses

Operating expenses are recognized on profit or loss when the service is used or on the date of their origin.

2.17. Taxes

Payable taxes are based on year profits under Law No.05/L-029 on Corporate Income Tax. Taxable profits differ from the tax reported on comprehensive income statement because it excludes the items of income and expenses, which are taxable or excluded on other years and totally excludes the items, which are never accepted. Company obligations for tax year are calculated based on the tax rate of 10%. According to current legislation tax loss can be carried forward for six years after the year a loss occurred.

2.18. Possible liabilities and commissions

Possible liabilities are not recognized on financial statements. They are presented only if their chances and economic gains are not far. A possible asset is not recognized on financial statement, but is presented if any flow of economic gains is expected. A commission is recognized if, as a result of previous events, the Company has a legal or constructive obligation that could be considered on the reliable way, and is possible that economic gains will be required to recover the liability. On 31 December 2023, the Company has no possible commissions and liabilities.

FC DRITA L.L.C.

Explanatory notes for financial statements for the year ending on 31 December 2023

(Values on EUR)

4. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash in the bank	452,356	37
Total	452,356	37

5. ACCOUNTS RECEIVABLE FROM PLAYERS' TRANSFER

	31 December 2023	31 December 2022
Royal Antwerp Football Club NV	-	90,633
Total	-	90,633

6. ACCOUNTS RECEIVABLE

	31 December 2023	31 December 2022
Trade accounts receivable	32,700	33,400
Total	32,700	33,400

7. OTHER SHORT-TERM CLAIMS

	31 December 2023	31 December 2022
Other short-term claims	32,000	25,000
Total	32,000	25,000

FC DRITA L.L.C.

Explanatory notes for financial statements for the year ending on 31 December 2023

(Values on EUR)

8. PRONA, PAJISJET

	Equipment	Vehicles	Total
Balance on 1 January 2022	3,301	8,567	11,868
Additions	1,564	-	1,564
Written offs	-	-	-
Total additions- written off	1,564	-	1,564
Balance on 31 December 2022	4,865	8,567	13,432
Accumulated depreciation 01.01.2022	(324)	(2,036)	(2,360)
Depreciation for the year	(817)	(1,713)	(2,530)
Total depreciation	(1,141)	(3,749)	(4,890)
Net value 31 December 2022	3,724	4,818	8,542
Balance on 1 January 2023	4,864	8,567	13,432
Additions			
Written offs			
Total			
Balance on 31 December 2023	4,865	8,567	13,432
Accumulated depreciation	(1,141)	(3,749)	(4,890)
Written offs			
Depreciation for the year 2023	(973)	(1,713)	(2,686)
Total depreciation	(2,114)	(5,462)	(7,576)
Net value 31 December 2023	2,751	3,105	5,856

FC DRITA L.L.C.

Explanatory notes for financial statements for the year ending on 31 December 2023

(Values on EUR)

9. LONG-TERM CLAIMS For non paid capital to the shareholders

	<u>31 December 2023</u>	<u>31 December 2022</u>
Long-term claims non paid capital	<u>130,000</u>	<u>-</u>
Total	<u>130,000</u>	<u>-</u>

10. ACCOUNTS PAYABLE IN RELATION TO PLAYERS' TRANSFER

	<u>31 December 2023</u>	<u>31 December 2022</u>
Long-term loans given	<u>100,000</u>	<u>121,500</u>
Total	<u>100,000</u>	<u>121,500</u>

11. ACCOUNTS PAYABLE TO EMPLOYEES

	<u>31 December 2023</u>	<u>31 December 2022</u>
Liability to employees	<u>104,033</u>	<u>103,224</u>
Total	<u>104,033</u>	<u>103,224</u>

12. TAX LIABILITIES

	<u>31 December 2023</u>	<u>31 December 2022</u>
<u>Liabilities to VAT</u>	<u>2,919</u>	<u>2,784</u>
<u>Liabilities to pension contributions I</u>	<u>10,707</u>	<u>4,205</u>
<u>Liabilities to pension contributions II</u>	<u>10,707</u>	<u>4,205</u>
<u>Liabilities to wage withholding tax</u>	<u>23,223</u>	<u>9,595</u>
<u>Liabilities to profit tax</u>	<u>-</u>	<u>1,112</u>
Total	<u>47,556</u>	<u>21,901</u>

FC DRITA L.L.C.

Explanatory notes for financial statements for the year ending on 31 December 2023

(Values on EUR)

13. ACCOUNTS PAYABLE

	31 December 2023	31 December 2022
Suppliers	24,967	14,497
Total	24,967	14,497

14. LONG-TERM LOANS TO RELATED PERSONS

	31 December 2023	31 December 2022
Flamur Bunjaku	203,000	20,000
Valon Murseli	203,000	20,000
Total	406,000	40,000

15. OTHER LONG-TERM LOANS

	31 December 2023	31 December 2022
Other long-term loans I. SH.	105,000	115,000
Total	105,000	115,000

16. CAPITAL registred

	31 December 2023	31 December 2022
Flamur Bunjaku	75,000	10,000
Valon Murseli	75,000	10,000
Total	150,000	20,000

17. INCOME FROM SALES

	For the year ending on 31 December 2023	For the year ending on 31 December 2022
Income from advertising and sponsoring	678,804	101,216
Income from broadcasting rights	56,250	59,530
Income from sales of players	-	190,895
Income from FFK donations	121,864	78,500
Income from sales of tickets	2,119	11,034
Income by UEFA for development	54,444	25,000
Income by UEFA	450,000	581,000
Other income	6,321	863
Deferred income	-	-
Total	1,369,802	1,048,038

FC DRITA L.L.C.

Explanatory notes for financial statements for the year ending on 31 December 2023

(Values on EUR)

18. COST OF DIRECT SERVICES

	For the year ending On 31 December 2023	For the year ending On 31 December 2022
<u>Expenses of sport equipment</u>	8,340	5,700
<u>Expenses of accommodation and transport</u>	60,361	85,307
<u>Expenses of transportation</u>	16,424	11,618
<u>Expenses of traveling</u>	19,445	48,142
<u>Expenses on match organization</u>	19,153	-
<u>Expenses on match security</u>	5,758	4,035
<u>Expenses on referring</u>	5,100	1,595
<u>Expenses on players' transfer</u>	28,689	31,385
<u>Expenses of players' food</u>	20,647	11,184
<u>Expenses on ticket printing</u>	446	1,380
<u>Expenses for GPS sistem</u>	9,050	-
<u>Other expenses (VAT adjustment)</u>	17,830	6,961
Total	211,241	207,307

19. EXPENSES ON PLAYERS' BENIFITS

	For the year ending on 31 December2023	For the year ending on 31 December2022
<u>Expenses on players' wages</u>	755,103	592,071
<u>Expenses on pension contributions for players</u>	30,901	20,734
Total	786,003	612,805

20. EXPENSES ON OTHER EMPLYEES' BENEFITS

	For the year ending on 31 December 2023	For the year ending on 31 December2022
<u>Expenses on technical staff</u>	207,724	82,553
<u>Expenses on pension contributions</u>	6,230	3,865
<u>Expenses on wages for administrative staff and others</u>	124,523	72,130
<u>Expenses on pension contributions</u>	6,226	2,709
Total	344,703	183,503

FC DRITA L.L.C.

Explanatory notes for financial statements for the year ending on 31 December 2023

(Values on EUR)

21. OPERATING EXPENSES

	For the year ending on 31 December 2023	For the year ending on 31 December 2022
<u>Accounting expenses</u>	<u>13,400</u>	<u>12,000</u>
<u>Audit expenses</u>	<u>1,270</u>	<u>1,500</u>
<u>Office and telephone costs</u>	<u>4,117</u>	<u>1,913</u>
<u>Commission costs</u>	<u>2,198</u>	<u>2,166</u>
<u>Advertisement expenses</u>	<u>7,733</u>	<u>7,037</u>
<u>Health expenses</u>	<u>7,724</u>	<u>2,466</u>
<u>Fuel costs</u>	<u>3,147</u>	<u>2,425</u>
<u>Maintenance costs</u>	<u>3,743</u>	<u>307</u>
<u>Costs on vehicle insurance</u>	<u>0</u>	<u>0</u>
<u>Other operating expenses</u>	<u>1,000</u>	<u>959</u>
<u>Unacceptable expenses</u>	<u>30,770</u>	<u>26,459</u>
<u>Other expenses</u>	<u>200</u>	
Total	<u>74,302</u>	<u>57,232</u>

22. PROFIT TAX

	For the year ending on 31 December 2023	For the year ending on 31 December 2022
Profit before tax	<u>(49,134)</u>	<u>(15,339)</u>
<i>Adjustments:</i>		-
Change on depreciation and amortization		-
Change on non-deductible expenses	<u>30,770</u>	<u>26,459</u>
Change on income, fee -IFRS		-
Change of cost, fee - IFRS		-
Change on non-deductible expenses		-
Capital loss/profit for the sale of assets		-
Tax base after adjustments	<u>(18,365)</u>	<u>11,120</u>
Loss carried forward from the previous period	-	-
Tax base	<u>(18,365)</u>	<u>11,120</u>
Profit tax (10%)	-	<u>1,112</u>

23. TRANSACTIONS WITH REALTED PARTIES

In relation to related parties, the Company applies the regulation according to IAS 24. The related parties include:

- Parties that directly or indirectly control or are controlled by economic unit
- Parties for which the Company has an interest that would have significant impact or control over the Company
- Private individuals who directly or indirectly have impact on company decision-making starting from employees, management up to directors of the company
- When any transaction is taken into consideration with related parties, the grate attention is on content of relationship and not only legal form.

The year ending on 31 December 2023 and 2022, the Company had the following transactions with related parties:

Description of transaction	<u>On 31 December 2022</u>	<u>On 31 December 2022</u>
<i>Accounts receivable and other</i> <u>Shareholders – given loans</u>	-	-
<i>Accounts payable</i> <u>Shareholders – received loans</u>	<u>406,000</u>	<u>40,000</u>

24. CONTINGENCIES AND COMMITMENTS

a) Capital commitments

There is no significant contracted capital on the date of balance sheet that now is not known on financial statements.

b) Liabilities to taxes

Financial statements and accounting records of the Company are not audited by tax authorities (Tax Administration of Kosovo – TAK) for the year ending on 31 December 2023, therefore tax obligations of the Company cannot be considered as completed.

25. FOLLOWING EVENTS

There is no event after the reporting date that require explanatory information on business financial statements.