



LEGAL REQUIREMENTS FOR FINANCIAL REPORTING FOR MICRO-Entities, SMEs, LARGE Entities & PIEs

May 2020

SCAAK



PUBLISHER: © Society of Certified Accountants and Auditors of Kosovo

Department of Quality Management in Compliance with Standards

Sylejman Vokshi no.50 Prishtina, 10.000
Kosovo Phone: 038 249 043 and 038 249 045

Web site: www.scaak.org

E-mail: info@scaak.org

CONTENT

Introduction	1
1. Classification of Entities	1
2. Preparation of Annual Financial Statements.....	3
3. Signing of Financial Statements.....	5
4. Additional Reporting.....	6
5. Deadline for submission of documentation to KCFR.....	7
6. Accounting records and preservation of documents.....	8
Annex 1	10
Annex 2	11
Annex 3	13
Annex 4	16
Annex 5	22
Annex 6	28

Introduction

Law no. 06 / L-032 on Accounting, Financial Reporting and Auditing, which entered into force on 1 January 2020 (repealing the previous law no. 04 / L-014), regulates The legal requirements deriving from this law are mandatory for all registered entities that exercise their activity in the Republic of Kosovo.

An entity is considered any type of entity, whether it is registered as individual business (BI), partnership (O), limited liability Company (LLC) or joint stock company (JSC), established in Kosovo under applicable law for entities.

Based on the requirements of the law on accounting, financial reporting and auditing, entities are required to prepare financial statements for general purposes. When preparing general-purpose financial statements, International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), IFRSs for SMEs and bylaws issued by the Kosovo Financial Reporting Council (KCFR) should be applied.

The reporting period of all types of entities in Kosovo is 12 months, 1 January 20xx– 31 December 20xx.

1. Classification of Entities

According to the legislation in force (*Law No. 06 / L-032 on Accounting, Financial Reporting and Auditing, Article 5*) entities are classified as:

- *Micro Entities*
- *Small Entities*
- *Medium Entities*
- *Large Entities*

To be classified in one of these categories, entities shall compare the balance of statement of financial position, the annual net turnover and the average number of employees during the year.

Entities shall meet two of the following three criteria to determine the category they belong to (regardless of the form of organization IB, P, LLC or JSC) and which legal requirements for financial reporting shall meet.

Table 1: Classification of entities in Kosovo according to the criteria defined by law.

	Micro Entities	Small Entities	Medium Entities	Large Entities
Total annual net turnover	€0 – €700,000	Above €700,000 to €8,000,000	Above €8,000,000 to €40,000,000	Above €40,000,000
Total assets on 31.12.20XX	€0 – €350,000	Above €350,000 to €4,000,000	Above €4,000,000 to €20,000,000	Above €20,000,000
Average number of employees during the year	0 – 10	Above 10 to 50	Above 50 to 250	Above 250

Micro entities are sub-classified into three different classes based on *Administrative Instruction No. 01/20120 on Annual Financial Reporting of Micro entities, Article 5*. The purpose of this sub-classification is to determine the content and submission of annual financial statements for this category of entities.

Micro Entities are sub-classified into the following classes:

Table 1a: Sub classification of Micro Entities

Micro Entities	Class 1	Class 2	Class 3
Total annual net turnover	Above €50,000	Above €50,00 to €300,000	Above €300,000

2. Preparation of Annual Financial Statements

Once the entity is classified in one of the above categories, it shall prepare the annual financial statements based on the requirements set out in the legislation in force.

The requirements for the preparation of annual financial statements for Micro Entities are defined in *Law no. 06 / L-032 on Accounting, Financial Reporting and Auditing; Article 9*, as well as *Administrative Instruction No. 01/20120 on Annual Financial Reporting of Micro Entities Article 6*.

If an Entity is initially classified as a Micro Entity according to the criteria given in Table 1 (see above), and if the **Micro Entity** belongs to **Class 1**, i.e. has a turnover of up to € 50,000, then it is obliged to prepare only the income statement for reporting period. The basis for preparing the income statement is the *cash basis or accrual basis* whichever the entity chooses. For more information on the form of preparation of the financial statement refer to *Annex 2 (page 11)* which presents an illustrative model of the income statement.

If an Entity is initially classified as a Micro Entity according to the criteria given in Table 1 (see above), and if the **Micro Entity** belongs to **Class 2**, i.e. has a turnover greater than €50,000 but not more than €300,000, it is obliged to prepare the statement of financial position and the income statement for the reporting period. The basis of preparation of the financial statements is the *accrual basis of accounting*. For more information on how to prepare, financial statements refer to *Annex 3 (page 13)* which presents an illustrative model of financial statements.

If an Entity is initially classified as a Micro Entity according to the criteria given in Table 1 (see above), and if the **Micro Entity** belongs to **Class 3**, i.e. has a turnover of over €300,000, it is required to prepare full set of annual financial statements. The annual financial statements shall be prepared in accordance with the requirements arising from the International Standard on Financial Reporting for Small and Medium-sized Entities (*IFRS for SMEs*). For more information on the form of preparation of financial statements, refer to *Annex 4 (page 16)* which presents an illustrative model of financial statements under IFRS for SMEs.

The requirements for the preparation of annual financial statements for Small, Medium and Large Entities are defined in *Law no. 06/L-032 on Accounting, Financial Reporting and Auditing; Article 8*.

If an entity is classified as a **Small Entity**, it shall meet two of the three criteria of small entities (see table 1) and according to the legislation in force it is obliged to prepare complete full set of annual financial statements. The annual financial statements shall be prepared in accordance with the requirements arising from the International Standard on Financial Reporting for SMEs (*IFRS for SMEs*). For more information on the form of preparation of financial statements, refer to *Annex 4* (page 16) which presents an illustrative model of financial statements under IFRS for SMEs.

If an entity is classified as a **Medium Entity**, it shall meet two of the three criteria of medium entities (see table 1) and according to the legislation in force it is obliged to prepare full set of annual financial statements. The annual financial statements shall be prepared in accordance with the requirements arising from the International Standard on Financial Reporting for SMEs (*IFRS for SMEs*). For more information on the form of preparation of financial statements, refer to *Annex 4* (page 16) which presents an illustrative model of financial statements under IFRS for SMEs.

If an entity is classified as a **Large Entity**, it shall meet two of the three criteria of large entities (see table 1) and according to the legislation in force, it is obliged to prepare full set of annual financial statements. The annual financial statements shall be prepared in accordance with the requirements arising from the *International Standard on Financial Reporting (IFRS) and International Accounting Standards (IAS)*. For more information on the form of preparation of financial statements, refer to *Annex 5* (page 22) which presents an illustrative model of financial statements under IFRS/IAS.

Table 2: Request for financial reporting according to the classification of the entity

Entity/ Reporting	Statement of Financial Position	Statement of comprehensive income	Statement of changes in equity	Statement of cash flow	Disclosures and explanatory notes
Micro Entity Class I	-	√	-	-	-
Micro Entity Class II	√	√	-	-	-
Micro Entity Class III	√	√	√	√	√
Small Entity	√	√	√	√	√
Medium Entity	√	√	√	√	√
Large Entity	√	√	√	√	√

Table 2a: Basis of preparation of financial statements based on the classification of the entity

	Micro Entity Class I	Micro Entity Class II	Micro Entity Class III	Small Entity	Medium Entity	Large Entity
Basis for preparation of financial statements	Cash base or Accrual base of accounting	Accrual base of accounting	IFRS for SMEs	IFRS for SMEs	IFRS for SMEs	IFRS/ IAS

3. Signing of Financial Statements

Annual Financial Statements of **Micro Entities** belonging to **Class 1** are required to be signed by the Executive Director or Owner, while for **Class 2** they shall be signed by the Executive Director and the Financial Director or Certified Accountant. Whereas, the annual Financial Statements of Micro Entities **Class 3** shall be signed by Executive Director and Financial Director (if the Financial Director is not a Certified Accountant, then the financial statements *shall be signed by a Certified Accountant - AI 01/2020 on Financial Reporting Annual of Micro Entities, Article 7*).

The annual financial statements of **SMEs and Large Entities** shall be signed by the Executive Director and the Financial Director (if the Financial Director is not a Certified Accountant, then the financial statements **shall be signed by a Certified Accountant - Law No. 06 / L-032 for Accounting, Financial Reporting and Auditing; Article 8**).

4. Additional Reporting

In addition to the preparation of financial statements, entities operating in the territory of Kosovo are required to disclose some additional information depending on the classification of the entity.

Based on the requirements of *Administrative Instruction no. 01/2020 on Financial Reporting of Micro-Entities* which regulates the financial reporting of micro entities requires **micro-entities of class I and II** to disclose information regarding:

- i. Average number of employees during the reporting period;
- ii. Total assets and total liabilities at the last date of the reporting period; and
- iii. The basis or Principle on which the financial statements have been prepared

(AI no 01/2020; Article 6, point 4)

Law no. 06 / L-032 on Accounting, Financial Reporting and Auditing regulate requirements for additional reporting for **SMEs**. According to the requirements of this law, entities that are classified as either small or medium entity and have **an net annual turnover of less than or equal to €4 million** shall attach to the financial statements the **Review Report of the Statutory Auditor** Licensed by Kosovo Council for Financial Reporting (KCFR). SMEs with **an annual net turnover of over €4 million** shall attach to the financial statements the **Audit Report from the Audit firm** licensed by the KCFR. (*Law no. 06 / l-032, Article 8 point 1.1 and 1.3*)

Micro Entities of class II and III, as well as **SMEs with an annual turnover over €4 million** are required to attach the '**Statement of Compliance**' signed by the CEO or owner and chief financial officer or person responsible for finance where it is stated that the financial statements present a true and fair view of the financial position, results of operations and cash flow of the entity (*Law no. 06 / I-032, Article 8 point 10; AI 01/2020; Article 6, point 2.1 and 3.1*). For further information on the form of preparation of the statement of compliance refer to *Annex 5 (page 22)* which presents an illustrative model of the statement of compliance.

Entities classified as large entity of PIEs shall engage an audit firm licensed by the KCFR to audit the annual financial statements. Large entities and PIEs shall attach to the financial statements the **Audit Report from the Audit firm** licensed by the KCFR. (*Law no. 06 / I-032, Article 10 point 2*)

Large entities and Public Interest Entities (PIE) *additional to the financial statements shall prepare* on an annual basis:

- i. **the management report**, which should contain a fair assessment of the development and performance of the entity, and its position, including the main risks and uncertainties associated with it,
- ii. **the statement of compliance** signed by the chief executive officer and chief financial officer, that the financial statements give a true and fair view of the financial position, the results of the operations, and cash flows, and that the financial statements have been prepared in accordance with the Law requirements.

(*Law no. 06 / I-032, Article 7 point 1.2 and 1.3*).

Table 3: Additional reporting required by law of each type of entity.

Category	Disclosures	Statement of compliance	Review Report	Audit Report	Management Report
Micro Entity Class I	√	-	-	-	-
Micro Entity Class II	√	√	-	-	-
Micro Entity Class III	-	√	-	-	-
SMEs with annual net turnover ≤ €4M	-	-	√	-	-

Category	Disclosures	Statement of compliance	Review Report	Audit Report	Management Report
SMEs with annual net turnover >= €4M	-	√	-	√	-
Large Entities and PIEs	-	√	-	√	√

5. Deadline for submission of documentation to KCFR

Financial statements and additional reports of each category of entity are required to be **submitted** to the Kosovo Council for Financial Reporting (KCFR) **by April 30** of the following year, while the **consolidated financial statements** (for groups) are required to be **submitted to the KCFR by June 30** of the following year.

Entities that during the fiscal year did not have business activity and did not record any data on assets and liabilities in the accounting books, shall submit to the KCFR the *statement for inactivity of the previous fiscal year* **until March 31** of the following year.

Documents shall be submitted to the KCFR in hard and electronic copies.

Only the financial statements of the audited entities are published on the KCFR website. (*Law No. 06 / L-032, Article 18*)

In case of non-submission of the required documentation or late submission to KCFR, the law provides the right to impose punitive measures depending on the classification of the entity. (*Law No. 06 / L-032, Article 36*)

6. Accounting records and preservation of documents

Legislation in Kosovo obliges entities to maintain accounting records and specifies the conditions under which financial/accounting books shall be kept and maintained.

According to the current legislation in force, the general ledgers shall be closed by the end of the fiscal year. The fiscal year in Kosovo begins on January 1 and ends on December 31.

Accounting records are required to be kept in Albanian language and the monetary unit used is Euro.

Accounting records include, registers of initial accounting entries and supporting records, such as controls and electronic funds transfer records; bills; contracts; primary and secondary books, journal entries and other adjustments to the financial statements that are not reflected in the journal entries, and record sheets that support cost allocations, calculations, reconciliations and disclosures. Accounting records are stored in the double entry accounting system.

Account books include the registers or books, where all the transactions of the entity are recorded.

Accounting books include registers and journals. A *journal* is an accounting book in which transactions are recorded in the manner in which they occurred.

The **general ledger** is a chronological accounting register that is used to keep track of financial transactions. Transactions are categorized and summarized in general ledger accounts. The account is a separate register for each type of assets, liabilities, equity, income and expenses and off-balance sheet items. The book accounts include all accounts of the entity. (*Law No. 06 / L-032, Article 11*)

The journal, general ledger and supporting books are required to be kept for at least ten (10) years and this period starts from the last day of the financial year.

Payroll lists shall be kept *indefinitely*.

The accounting documents on the basis of which the accounts are kept shall be stored for at least five (5) years.

Sales blocks or ancillary forms and similar documentation, documents related to the payment activity shall be stored for at least three (3) years. (*Law No. 06 / L-032, Article 20*)

According to the legislation in force, entities are required to verify the existence and valuation of assets, liabilities and capital at least once a year, through the inventory of these elements and their supporting evidence through the inventory process. (*Law No. 06 / L-032, Article 12*).

ANNEX 1:

List of Law and Administrative Instructions presented in this text¹

- Law no.06/L-032 on Accounting, Financial Reporting and Auditing
- Administrative Instruction no. 01/2020 on Financial Reporting of Micro Entities
- Administrative Instruction No. 07/2019 on the Structure, Content and Submission of Annual Financial Reports

¹ Laws and Administrative Instructions published by KCFR can be found on the SCAAK website at this link:
<https://www.scaak.org/Al/ligjet-dhe-udhezimet-administrative-te-kkrf-se/>

ANNEX 2:

Illustrative model of presentation of financial statements for Class I of Micro Entities

"ABC" SH.P.K.

Pasqyra e të ardhurave
për vitin që përfundon më 31 dhjetor 20xy

	20xy €	20xx €
Të hyrat	Xxxx	Xxxx
Kostoja e shitjes	(xxxx)	(xxxx)
Fitimi / (humbja) bruto	Xxxx / (xxxx)	Xxxx / (xxxx)
Të ardhurat tjera	xxxx	Xxxx
Shpenzimet e shitjes	(xxxx)	(xxxx)
Shpenzimet e pagave bruto	(xxxx)	(xxxx)
Shpenzimet e zhvlerësimit	(xxxx)	(xxxx)
Shpenzimet e qirasë	(xxxx)	(xxxx)
Shpenzimet e marketingut	(xxxx)	(xxxx)
Shpenzimet e tjera	(xxxx)	(xxxx)
Fitimi / (humbja) operativ	Xxxx / (xxxx)	Xxxx / (xxxx)
Shpenzimet financiare	(xxxx)	(xxxx)
Të ardhurat financiare	xxxx	Xxxx
Fitimi / (humbja) para tatimit	Xxxx / (xxxx)	Xxxx / (xxxx)
Shpenzimet e tatimit në fitim	(xxxx)	(xxxx)
Fitimi / (humbja) i/e vitit	Xxxx / (xxxx)	Xxxx / (xxxx)

Drejtori i ekzekutiv apo pronari

Shpalosjet

1. Numrin mesatar i të punësuarve gjatë periudhës raportuese 20XX ka qenë_____.

2. Totali i pasurisë (aseteve) më 31.12.20XX ishte_____. Totali i detyrimeve më 31.12.20XX ishte_____.

3. Baza apo parimin mbi të cilin janë ndërtuar pasqyrat financiare është e_____.

Drejtori i ekzekutiv apo pronari

ANEKS 3:

Illustrative model of presentation of financial statements for Class II of Micro Entities.

"ABC" SH.P.K.		
Pasqyra e pozitës financiare		
më 31 dhjetor 20xy		
	20xy €	20xx €
PASURITË		
Pasuritë afatshkurtra		
Paraja në arkë dhe në bankë	Xxxx	xxxx
Investimet financiare afatshkurtra	Xxxx	xxxx
Llogaritë e arkëtueshme	Xxxx	xxxx
Mallërat (stoqet)	Xxxx	xxxx
Pasuritë e tjera afatshkurtra	Xxxx	xxxx
Gjithsej pasuritë afatshkurtra	Xxxx	xxxx
Pasuritë afatgjata		
Prona, pajisjet dhe impiantet	Xxxx	xxxx
Pasuritë e paprekshme	Xxxx	xxxx
Pasuritë e tjera afatgjata	Xxxx	xxxx
Gjithsej pasuritë afatgjata	Xxxx	xxxx
Gjithsej pasuritë	xxxx	xxxx
DETYRIMET DHE EKUITETI		
DETYRIMET		
Detyrimet afatshkurtra		
Llogaritë e pagueshme	xxxx	xxxx
Kreditë dhe huatë, pjesa afatshkurtër	xxxx	xxxx
Tatimin në fitim i pagueshëm	xxxx	xxxx
Detyrimet e tjera afatshkurtra	xxxx	xxxx
Gjithsej detyrimet afatshkurtra	xxxx	xxxx
Detyrimet afatgjata		
Kreditë dhe huatë, pjesa afatgjatë	xxxx	xxxx
Detyrimet e tjera afatgjata	xxxx	xxxx
Gjithsej detyrimet afatgjata	xxxx	xxxx
Gjithsej detyrimet	xxxx	xxxx
EKUITETI		
Kapitali aksionar apo i pronarit	xxxx	xxxx
Fitimet e mbajtura	xxxx	xxxx
Fitimi i vitit	xxxx	xxxx
Rezervat e tjera	xxxx	xxxx
Gjithsej ekuiteti	Xxxx	xxxx
Gjithsej ekuiteti dhe detyrimet	xxxx	xxxx
<i>Drejtori i Ekzekutiv</i>	<i>Drejtori financiar/kontabilisti i certifikuar</i>	

"ABC" SH.P.K.

Pasqyra e të ardhurave
për vitin që përfundon më 31 dhjetor 20xy

	20xy €	20xx €
Të hyrat	Xxxx	Xxxx
Kostoja e shitjes	(xxxx)	(xxxx)
	<hr/>	<hr/>
Fitimi / (humbja) bruto	Xxxx / (xxxx)	Xxxx / (xxxx)
Të ardhurat tjera	xxxx	Xxxx
Shpenzimet e shitjes	(xxxx)	(xxxx)
Shpenzimet e pagave bruto	(xxxx)	(xxxx)
Shpenzimet e zhvlerësimit	(xxxx)	(xxxx)
Shpenzimet e qirasë	(xxxx)	(xxxx)
Shpenzimet e marketingut	(xxxx)	(xxxx)
Shpenzimet e tjera	(xxxx)	(xxxx)
	<hr/>	<hr/>
Fitimi / (humbja) operativ	Xxxx / (xxxx)	Xxxx / (xxxx)
Shpenzimet financiare	(xxxx)	(xxxx)
Të ardhurat financiare	xxxx	Xxxx
	<hr/>	<hr/>
Fitimi / (humbja) para tatimit	Xxxx / (xxxx)	Xxxx / (xxxx)
Shpenzimet e tatimit në fitim	(xxxx)	(xxxx)
	<hr/>	<hr/>
Fitimi / (humbja) i/e vitit	Xxxx / (xxxx)	Xxxx / (xxxx)

Shpalosjet

1. Numrin mesatar i të punësuarve gjatë periudhës raportuese 20XX ka qenë_____.

2. Totali i pasurisë (aseteve) më 31.12.20XX ishte_____. Totali i detyrimeve më 31.12.20XX ishte_____.

3. Baza apo parimin mbi të cilin janë ndërtuar pasqyrat financiare është_____.

Drejtori i Ekzekutiv

*Drejtori financiar/kontabilisti i
certifikuar*

ANEKS 4:

Illustrative model of presentation of individual financial statements in accordance with IFRS for SMEs, valid for Class III of Micro Entities and SMEs.

"ABC" L.L.C.

Financial Statement Position On 31 December 20xy			
	Data	20xy €	20xx €
ASSETS			
Short term assets			
Money and its equivalents	x	Xxxx	xxxx
Short term financial investments	X	Xxxx	xxxx
The receivable and trade accounts	X	Xxxx	xxxx
Stocks	X	Xxxx	xxxx
Other short term assets	X	Xxxx	xxxx
The total short term assets		<u>Xxxx</u>	<u>xxxx</u>
Longterm assets			
Investments in participation	X	Xxxx	xxxx
Investments in subsidiaries	X	Xxxx	xxxx
The long term financial investments	X	Xxxx	xxxx
Property, equipment's and plants	X	Xxxx	xxxx
The investment property	X	Xxxx	xxxx
Ongoing investments	X	Xxxx	xxxx
Intangible assets	X	Xxxx	xxxx
Deferred tax assets	X	Xxxx	xxxx
Other long-term assets	X	Xxxx	xxxx
The total long-term assets		<u>Xxxx</u>	<u>xxxx</u>
Total assets		<u>xxxx</u>	<u>xxxx</u>
DUTIES AND EQUITY			
DUTIES			
Short term liabilities			
Overdraft		xxxx	xxxx
Payable trade accounts and others	X	xxxx	xxxx
Credits and Loans, short term part	X	xxxx	xxxx
Payable interest	X	xxxx	xxxx
The payable profit tax	X	xxxx	xxxx
Short term provisions	X	xxxx	xxxx
Leasing liabilities, short term part			
Short term	X	xxxx	xxxx
Other short term liabilities	X	xxxx	xxxx
Total short term liabilities		<u>xxxx</u>	<u>xxxx</u>

Long term liabilities			
Credits and Loans, long term part	X	XXXX	XXXX
Long term provisions		XXXX	XXXX
Leasing liabilities, long term part			
Longterm	X	XXXX	XXXX
The deferred tax liabilities	X	XXXX	XXXX
Other long term liabilities	X	XXXX	XXXX
Total longterm liabilities		<u>XXXX</u>	<u>XXXX</u>
		<u>XXXX</u>	<u>XXXX</u>
Total liabilities		<u>XXXX</u>	<u>XXXX</u>
EQUITY			
Share Capital	X	XXXX	XXXX
Withheld Profits	X	XXXX	XXXX
Other reserves	X	XXXX	XXXX
Total equity		<u>XXXX</u>	<u>XXXX</u>
Total equity and liabilities		<u>XXXX</u>	<u>XXXX</u>

General /executive Director

Financial Director /Certified Accountant

"ABC" L.L.C.

The comprehensive income statement for the year
that ends on 31st of December 20xy

	Shēnimi	20xy €	20xx €
Incomes	X	Xxxx	Xxxx
The sale cost	X	(xxxx)	(xxxx)
Profit / (loss) Gross		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Other incomes	X	xxxx	Xxxx
Distribution expenses	X	(xxxx)	(xxxx)
Administrative expenses	X	(xxxx)	(xxxx)
Other expenses	X	(xxxx)	(xxxx)
Profit/ (loss) operational		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Financial expenses	X	(xxxx)	(xxxx)
Financial incomes	X	xxxx	Xxxx
Profit/ (loss) prior to the tax		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
The tax expenses on profit	X	<u>(xxxx)</u>	<u>(xxxx)</u>
Profit/ (loos) of the year		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Other comprehensive incomes; The exchange difference from the exchange of financial statement of foreign operations, net from taxes	X	<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Other comprehensive incomes of the year		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Total comprehensive incomes /(losses) of the year		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>

"ABC" SH.P.K.

Statement of Changes in Equity
for the year ended December 31, 20xx

	Share Capital	Withheld Profits	Other reserves	Total
	€	€	€	€
The status on 1 st of January 20xx	xxxx	xxxx / (xxxx)	xxxx	xxxx
Profit/ (loss) of the year	-	xxxx / (xxxx)	-	xxxx / (xxxx)
Differences from exchange currencies	-	xxxx / (xxxx)	-	xxxx / (xxxx)
Dividends	-	(xxxx)	-	(xxxx)
Deposits of additional capital	xxxx	-	-	xxxx
Allocation of reserves	-	(xxxx)	xxxx	-
The status on 31 st December 20xx	xxxx	xxxx / (xxxx)	xxxx	xxxx
Profit / (loss) of the year	-	xxxx / (xxxx)	-	xxxx / (xxxx)
Differences from exchange currencies	-	-	xxxx / (xxxx)	xxxx / (xxxx)
Dividends	-	(xxxx)	-	(xxxx)
Deposits of additional capital	xxxx	-	-	xxxx
Allocation of reserves	-	(xxxx)	xxxx	-
Status on 31 st of December 20xy	xxxx	xxxx / (xxxx)	xxxx	xxxx

"ABC" L.L.C.

Statement of Cash Flow for the year ending on 31st of December
20xy

	Data	20xy €	20xx €
Cash flow from operational activities			
Profit / (loss) of the year		Xxxx / (xxxx)	Xxxx / (xxxx)
<i>Adjustments for non-cash items of expenditures and incomes</i>			
Depreciation of property, equipment and plants		Xxxx	Xxxx
Property Damage, equipment and plants		Xxxx	Xxxx
Depreciation of intangible assets		Xxxx	Xxxx
Losses from damages in the intangible assets		Xxxx	Xxxx
Changing of the investing property value		Xxxx	Xxxx
Financial incomes		(xxxx)	(xxxx)
Financial expenses		Xxxx	Xxxx
(Profit) /loss from property sale, factory and equipment		(Xxxx)/xxxx	(Xxxx)/xxxx
The expenses on tax profit		Xxxx	Xxxx
		<hr/>	<hr/>
		Xxxx	Xxxx
<i>Changes in the assets and liabilities</i>			
(Increase) / reduction in the receivable trade account and others		(xxxx) / xxxx	(xxxx) / xxxx
(Increase) / reduction in stocks		(xxxx) / xxxx	(xxxx) / xxxx
(Increase) / reduction in other assets		(xxxx) / xxxx	(xxxx) / xxxx
Increase/ (reduction) in the trade receivable accounts and others		xxxx / (xxxx)	xxxx / (xxxx)
Increase / (reduction) in other liabilities		xxxx / (xxxx)	xxxx / (xxxx)
		<hr/>	<hr/>
		xxxx	Xxxx
The payable profit tax		(xxxx)	(xxxx)
The payable interest		(xxxx)	(xxxx)
		<hr/>	<hr/>
Net cash flow from operating activities		<hr/> xxxx	<hr/> Xxxx
Cash flow from investment activities			
Payments for purchase of property, equipment and plants		(xxxx)	(xxxx)
Receivables for the sale of property, equipment and plants		xxxx	Xxxx
Payment for purchase of intangible assets		(xxxx)	(xxxx)
Receivables for selling of the intangible assets		xxxx	xxxx
Received Interest		xxxx	xxxx
Received Dividends		xxxx	xxxx
			<hr/>

		<u>(xxxx)</u>	<u>(xxxx)</u>
Net cash flow from investment activities			
Cash flow from financial activities			
Deposits of additional capital		Xxxx	xxxx
Paid Dividends		(xxxx)	(xxxx)
Receivables from credits and loans		xxxx	xxxx
Re-payment of credits and loans		(xxxx)	(xxxx)
Payment of financial leasing		(xxxx)	(xxxx)
Net cash flow from financing activities		<u>(xxxx)</u>	<u>(xxxx)</u>
Increase /(reduction) neto of the cash and its equivalents		xxxx / (xxxx)	xxxx / (xxxx)
Cash and its equivalents at the beginning of the year.		xxxx	Xxxx
Cash and its equivalents at the end of the year	x	<u>xxxx</u>	<u>Xxxx</u>

ANNEX 5:

Illustrative model of presentation of individual financial statements in accordance with IFRS and IAS.

"ABC" L.L.C.			
Financial Statement Position			
On 31 December 20xy			
	Data	20xy €	20xx €
ASSETS			
Short term assets			
Money and its equivalents	x	Xxxx	xxxx
The receivable and trade accounts and others	X	Xxxx	xxxx
Stocks	X	Xxxx	xxxx
			Xxxx
Financial derivative instruments	X	Xxxx	
Financial assets according to the fair value			
Classified assets held for sale			
Other short-term assets			
The total short term assets		Xxxx	xxxx
Long-term assets			
Property, equipment and plants	X	Xxxx	xxxx
Investments held until maturation	X	Xxxx	xxxx
Financial assets held for sale	X	Xxxx	xxxx
The investments treated according to equity method	X	Xxxx	xxxx
Investment property	X	Xxxx	xxxx
Ongoing investments			
Intangible assets	X	Xxxx	xxxx
Deferred tax assets	X	Xxxx	xxxx
Other long-term assets	X	Xxxx	xxxx
		Xxxx	xxxx
The total long-term assets		Xxxx	xxxx
Total assets		xxxx	xxxx
LIABILITIES AND EQUITY			
LIABILITIES			
Short term liabilities			
Payable trade accounts and others	X	xxxx	xxxx
Credits and Loans, short term part	X	xxxx	xxxx
The current payable taxes	X	xxxx	xxxx
The deferred incomes	X	xxxx	xxxx
Short term provisions	X	xxxx	xxxx
Profits of payable employees	X	xxxx	xxxx

Liabilities toward the leasing, short term part

Other short term liabilities	X	XXXX	XXXX
Total short term liabilities		XXXX	XXXX

Long term liabilities

Credits and Loans, long term part	X	XXXX	XXXX
Long term provisions		XXXX	XXXX
Leasing liabilities, long term part			
Long-term	X	XXXX	XXXX
The deferred tax liabilities	X	XXXX	XXXX
Profits of payable employees			
Other long term liabilities	X	XXXX	XXXX
Total long term liabilities		XXXX	XXXX
		XXXX	XXXX

Total liabilities

EQUITY

Share Capital	X	XXXX	XXXX
Withheld Profits	X	XXXX	XXXX
Other reserves	X	XXXX	XXXX
Total equity		XXXX	XXXX
Total equity and liabilities		XXXX	XXXX

General /executive Director

Financial Director /Certified Accountant

"ABC" L.L.C.

The comprehensive income statement for the year
that ends on 31st of December 20xy

	Shēnimi	20xy €	20xx €
Incomes	X	Xxxx	Xxxx
The sale cost	X	(xxxx)	(xxxx)
Profit / (loss) Gross		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Other incomes	X	xxxx	Xxxx
Distribution expenses	X	(xxxx)	(xxxx)
Administrative expenses	X	(xxxx)	(xxxx)
Profits/other losses in net	X	(xxxx)	(xxxx)
Profit/ (loss) operational		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Financial expenses	X	(xxxx)	(xxxx)
Financial incomes	X	xxxx	Xxxx
Profit/ (loss) prior to the tax		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
The tax expenses on profit	X	<u>(xxxx)</u>	<u>(xxxx)</u>
Profit/ (loos) of the year		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Other comprehensive incomes; The exchange difference from the exchange of financial statement of foreign operations, net from taxes	X	<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Other comprehensive incomes of the year		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>
Total comprehensive incomes /(losses) of the year		<u>Xxxx / (xxxx)</u>	<u>Xxxx / (xxxx)</u>

"ABC" SH.P.K.

Statement of Changes in Equity
for the year ended December 31, 20xx

	Share Capital	Withheld Profits	Other reserves	Total
	€	€	€	€
The status on 1 st of January 20xx	xxxx	xxxx / (xxxx)	xxxx	xxxx
Profit/ (loss) of the year	-	xxxx / (xxxx)	-	xxxx / (xxxx)
Differences from exchange currencies	-	xxxx / (xxxx)	-	xxxx / (xxxx)
Dividends	-	(xxxx)	-	(xxxx)
Deposits of additional capital	xxxx	-	-	xxxx
Allocation of reserves	-	(xxxx)	xxxx	-
The status on 31 st December 20xx	xxxx	xxxx / (xxxx)	xxxx	xxxx
Profit / (loss) of the year	-	xxxx / (xxxx)	-	xxxx / (xxxx)
Differences from exchange currencies	-	-	xxxx / (xxxx)	xxxx / (xxxx)
Dividends	-	(xxxx)	-	(xxxx)
Deposits of additional capital	xxxx	-	-	xxxx
Allocation of reserves	-	(xxxx)	xxxx	-
Status on 31 st of December 20xy	xxxx	xxxx / (xxxx)	xxxx	xxxx

"ABC" L.L.C.

Statement of Cash Flow for the year ending on 31st of December
20xy

	Data	20xy €	20xx €
Cash flow from operational activities			
Profit / (loss) of the year		Xxxx / (xxxx)	Xxxx / (xxxx)
<i>Adjustments for non cash items of expenditures and incomes</i>			
Depreciation of property, equipment and plants		Xxxx	Xxxx
Property Damage, equipment and plants		Xxxx	Xxxx
Depreciation of intangible assets		Xxxx	Xxxx
Losses from damages in the intangible assets		Xxxx	Xxxx
Changing of the investing property value		Xxxx	Xxxx
Financial incomes		(xxxx)	(xxxx)
Financial expenses		Xxxx	Xxxx
(Profit) /loss from property sale, factory and equipment		(Xxxx)/xxxx	(Xxxx)/xxxx
The expenses on tax profit		Xxxx	Xxxx
		<u>Xxxx</u>	<u>Xxxx</u>
<i>Changes in the assets and liabilities</i>			
(Increase) / reduction in the receivable trade account and others		(xxxx) / xxxx	(xxxx) / xxxx
(Increase) / reduction in stocks		(xxxx) / xxxx	(xxxx) / xxxx
(Increase) / reduction in other assets		(xxxx) / xxxx	(xxxx) / xxxx
Increase/ (reduction) in the trade receivable accounts and others		xxxx / (xxxx)	xxxx / (xxxx)
Increase / (reduction) in other liabilities		xxxx / (xxxx)	xxxx / (xxxx)
		<u>xxxx</u>	<u>Xxxx</u>
The payable profit tax		(xxxx)	(xxxx)
The payable interest		(xxxx)	(xxxx)
		<u>xxxx</u>	<u>Xxxx</u>
Net cash flow from operating activities		<u>xxxx</u>	<u>Xxxx</u>
Cash flow from investment activities			
Payments for purchase of property, equipment and plants		(xxxx)	(xxxx)
Receivables for the sale of property, equipment and plants		xxxx	Xxxx
Payment for purchase of intangible assets		(xxxx)	(xxxx)
Receivables for selling of the intangible assets		xxxx	xxxx
Received Interest		xxxx	xxxx

Received Dividends		xxxx	xxxx
		<u> </u>	<u> </u>
		(xxxx)	
		<u> </u>	
Net cash flow from investment activities			<u>(xxxx)</u>
Cash flow from financial activities			
Deposits of additional capital		Xxxx	xxxx
Paid Dividends		(xxxx)	(xxxx)
Receivables from credits and loans		xxxx	xxxx
Re-payment of credits and loans		(xxxx)	(xxxx)
Payment of financial leasing		(xxxx)	(xxxx)
		<u> </u>	<u> </u>
Net cash flow from financing activities		(xxxx)	(xxxx)
Increase /(reduction) neto of the cash and its equivalents		xxxx / (xxxx)	xxxx / (xxxx)
Cash and its equivalents at the beginning of the year.		xxxx	Xxxx
		<u> </u>	<u> </u>
Cash and its equivalents at the end of the year	x	xxxx	Xxxx



ANNEX 6:

Example of Statement of Compliance

LOGO AND INFORMATION OF ENTITY

Statement of Compliance

- For the financial statements ending on 31.12.20XX -

We declare that the financial statements for the reporting year 20XX present a true and fair view of the financial position, results of operations, and cash flows and that the financial statements have been prepared in accordance with all requirements of *Law no. 06/L-032 on Accounting, Reporting, Financial and Audit*.

Chief Executive Director

(name, surname, signature)

Chief Financial Director

(name, surname, signature)

(Place, Date)