



AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

REPORT

January – December 2015

**ANNUAL REPORT OF THE PRIVATISATION AGENCY OF KOSOVO
FOR THE ASSEMBLY OF THE REPUBLIC OF KOSOVO**

31 MARCH 2016

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FOR THE ATTENTION OF THE ASSEMBLY OF THE REPUBLIC OF KOSOVO:

Annual report of Privatisation Agency of Kosovo satisfies reporting legal requirements in accordance with article 20.1 of the Law on PAK.

The present report is approved by PAK Board of Directors and is submitted to the Assembly of the republic of Kosovo in conformity with article 20.1 of the law on PAK.

1. EXECUTIVE SUMMARY FOR 2015

In this chapter we have represented a brief summary for the period ended 31 December 2015 with regard to the following fields:

- Main achievements;
- Asset sales;
- Liquidation of Socially Owned Enterprises;
- Payments for the workers of Socially Owned Enterprises (20%);
- Administration and monitoring of SOEs;
- Treatment of usurped assets;
- Summary on finances.

MAIN ACHIEVEMENTS

- Commitment of Agency's personnel in overcoming challenges;
- Distribution of 20 % for the workers of Socially Owned Enterprises;
- Increased effectiveness of administration, control and monitoring of SOEs, Special Spin Offs, and privatizations with conditions;
- Treatment of usurped assets or used without any legal ground by the third parties;
- Extraordinary increase of lease collections;
- Cooperation with Municipalities;
- Review of creditor claims.

ASSET SALES

During 2015, PAK has not executed any asset sale due to the lack of Board of Directors.

The table below represents the number of sales (signed contracts) and the total amount generated from sales June 2002 – December 2015:

	The entire process June 2002 – December 2015	Total amount of sales proceeds
Sale of New Enterprises	763	572,987,929
Sale of Assets of SOEs in Liquidation	523	87,235,540
Total number of Contracts	1,286	660,223,469

The tables below present a summary on the number of sales of New Enterprises and assets in liquidation.

Number of SOEs unde PAK Administration	518	1	
Number of SOEs involved in liquidation sales (new enterprise of liquidation sale)	316	2	
Number of SOEs not in liquidation, but involved in the sale of New Enterprises.	13	3	
Number of SOEs involved in property sales	329	4=2+3	68%
Number of SOEs without assets	31	5	
Number of SOEs not involved in property sales	158	6=1-4-5	32%

Number of SOEs in liquidation	462
Number of SOEs without assets but placed in liquidation*	18
Number of SOEs in liquidation and had no sales	129

LIQUIDATION OF SOCIALLY OWNED ENTERPRISES

The total number of SOEs under liquidation proces sis 462. The number of creditor claims submitted during the reporting period is 820, whereas, the number of decisions reviewed and submitted to claimants is 7, 825. Liquidation Authorities of SOEs in Liquidation have prepared final and distribution reports for 25 Socially owned Enterprises, and 263 Draft Distribution Reports for Socially Owned Enterprises in Liquidation. Out of the total number of socially owned enterprises under liquidation process, the final or interim distribution reports for 25 SOEs only have been prepared. Liquidation procedures of 455 SOEs are ongoing (7 SOEs have been closed).

Table of liquidation results:

	Janaury - December 2015	Entire process
Number of SOEs in liquidation	2	462
Number of creditor claims	820	89,630
Number of reviewed claims	7,825	89,268
Number of closed SOEs according to decisions issued by Special Chamber of the Supreme Court of Kosovo (SCSC) (SOEs without assets or credior claims)	0	7
Number of final reports submitted by LA ¹ to the Special Chamber for closing of SOE (awaiting decision)	0	6
Number of final distribution reports	0	19
Number of draft reports for distribution of payments to creditors	108	263

¹ LA – Liquidation Authority

PAYMENTS FOR THE WORKERS OF SOCIALLY OWNED ENTERPRISE (20%)

During the reporting period, the Agency has not published any workers lists. Interim distribution of 20% of proceeds to eligible workers of 67 Socially Owned Enterprises and distribution of proceeds from subsequent asset sales.

The table below represent results of 20%:

	January - December 2015	Entire process
The amount of distribution of 20% of the proceeds to the workers of SOEs	8,028,314	104,245,154
Workers final list	0	312
Number of final Decisions issued by the Special Chamber of the Supreme Court of Kosovo	23	127
Lists awaiting to be reviewed by the court		185
Number of paid workers		43,053
The amount of cash for distribution to workers as soon as the claims are reviewed by the Special Chamber		25,021,170

TREATMENT OF USURPED ASSETS

Taking into account successive impediments presented by usurpers before and during sales process, on 21 November 2014, the Management resolved that hereinafter all assets that shall be published for sale should preliminarily be vacated from usurpers with the help of Kosovo Police in accordance with article 26 of the Law on PAK, and that no contract shall be concluded/ submitted to buyers without vacating the assets from usurpers. On 10 December 2014, the Management approved the Guideline for Treatment of Usurped Assets.

The decisions has been forwarded to all 9 (nine) Kosovo Economic Chambers and to all investors registered in Agency's database.

The following table presents the number of assets used by third parties until 3 March 2016:

According to region and type of use

Region	uzurper	Social case	local institution	international institution	Public enterprise	Expression of interest for lease	Total
Prishtina	49	2	7	1	1	4	64
Peja	27	3	0	0	1	3	34
Prizren	3	0	21	0	2	1	27
Gjilan	1	2	21	2	4	0	30
Mitrovica	87	6	15	0	0	7	115
Total	167	13	64	3	8	15	270

According to regions and natural or legal entity that uses assets

Region	natural	legal	
Prishtina	23	41	64
Peja	26	8	34
Prizren	3	24	27
Gjilan	3	27	30
Mitrovica	78	37	115
Total	133	137	270

Plans are being made to address the issue of usurped assets during 2016.

Plans are being made to eliminate the cases of usurped assets besides those assets which are entirely beyond our actions and will. These assets are mainly related to various problems beyond PAK's control. As a consequence, in 2016, our focus in the segment with respect to treatment of usurped assets shall be treatment of legal and ownership problems in order to treat these assets in conformity with the Guideline on Vacating of Usurped assets.

Vacating of assets is one of the most advantageous news in the benefit of investors and in improving the image of Kosovo towards foreign investors.

Information regarding the number of SOEs assets to be vacated from usurpers and the number of signed contracts, following the approval of decision for vacating of assets from usurpers, and approval of the Guideline on 10 December 2014 until the end of reporting period is as follows:

Description	Gjilan	Mitrovica	Prishtina	Prizren	Peja	Total
Vacated from Usurpers	6	14	57	14	25	116
Entry into contractual relationship with former users who have admitted PAK's administrative authority	11	36	77	10	60	194

As a consequence of actions undertaken by the Agency for vacating of usurped assets and the increase of effectiveness in administration of assets a significant increase of lease collections in 2015 has been produced compared to 2014:

Type of Bank Account	Revenues from lease collection Year 2015	Revenues from lease collection Year 2014	Increase of lease	Increased by %
Liquidation	1,838,944	975,844	863,099	88.45%

SOE money in trust	1,398,804	475,407	923,397	194.23%
TOTAL	3,237,748	1,451,252	1,786,496	123.10%

* Lease revenues presented in the table do not cover lease collections from SOEs in liquidation such as "Tregu", "ABC Genci", "Grand Hotel" and "Palace of Youth, Culture, and Sports".

The following table represents calculations in the period before and after the decision was taken for vacating of assets:

	A	B	C=A+B	E=B/C
Type of bank account	Before the decision was taken on 01 January 2003 until 20 November 2014	After the decision was taken 21 November 2014 until 31 December 2015	Total	Percentage of total amount collected
Liquidation	2,070,803	1,962,679	4,033,482	48.66%
SOE money in trust	6,866,643	1,494,154	8,360,797	17.87%
TOTAL	8,937,446	3,456,833	12,394,279	27.89%

The amount of collected funds from 2002 to 21 November 2014 is 8.9 million Euros, out of which 4.5 million Euros have been collected through agreements with international institutions for payment of outstanding debts against SOEs, whereas 4.4 million Euros have been collected from other leaseholders.

Since the decision for vacating of assets from usurpers was taken in 21 November 2014, that is, only during 13 months period (December 2014 to 31 December 2015) the amount of collected funds from leasing of assets is 3.45 million Euros or 77% of overall lease collections (4.4 million Euros) generated from previous 12 years.

The decision for vacating of usurped properties has brought about an excellent performance in administration of assets.

Pursuant to article 3.7.1 of Liquidation Guideline approved by the Board of Directors in September 2011, Liquidation Authorities have been authorised to extend lease contracts or leasing of each property of Socially Owned Enterprises in liquidation.

PAK Board of Directors in its meeting held on August 2014 approved the Regulation on Leasing of the Assets of Socially Owned Enterprises not placed yet in liquidation. In the same meeting, the Board resolved and authorised Liquidation Authority to prepare the regulation on leasing of assets of Socially Owned Enterprises in liquidation in cooperation with the Management.

Approval and implementation of decision for removing of usurpers, Guideline on Treatment of Usurpers and Regulation on Leasing of the Assets of SOEs in liquidation allowed for the Agency to properly administer the assets of SOEs, and to collect 2.8 million Euros from leasing of assets as presented in this report.

Since from the approval of decisions and regulations for placement of the assets of Socially Owned Enterprises in August 2014 and November 2014, 27 public tenders have been announced for leasing of 357 assets of SOEs.

All collected funds from asset leasing are deposited in the trust fund bank account at the Central Bank of Kosovo, and in any case, whatsoever, shall not be used for Agency's needs.

The Agency, according to legal obligations is progressively making identification and administration in good faith of the assets until liquidation of SOEs. 79 new assets have been identified during 2015.

The Agency is committed that no sale shall take place in the future without vacating the usurped assets, thus, allowing for the increase of the number of interested buyers of assets, and consequently, the increase of sales price.

FINANCE AND BUDGET

Financial statement on annual budget

Financial statements for the period January – December 2015 have been submitted to the Treasury Department in the Ministry of Finance. Main source for financing of Agency's budget are Dedicated Revenues, which cover direct administrative and operational activities in accordance with article 21 of PAK Law.

Summary of financial results from annual budget of dedicated revenues and Government Grant:

FINAL BUDGET	JANUARY – DECEMBER 2015
Budget as at 31 December 2015	6,822,356
Annual allocations	6,775,720
Expenditures: (87 % of the budget or 88% of allocations)	5,970,268
Number of transactions	2,877

Trust fund financial statements

Trust Fund Financial Statements for the period January – December 2015 have been submitted to the Ministry of Finance within the legal time limits. The amount of Trust Fund budget dedicated to socially owned enterprises that shall be placed in liquidation is around 13.3 million Euros for liquidation expenditures, and 20 million Euros for Liquidation Authority. The budget covers the period from placement of the Enterprise in liquidation until completion of liquidation.

Summary of trust fund financial results:

Major income throughout the process

Asset sale revenues (new enterprises and liquidation asset sales, apartment and other sales from SOEs in transition)	664,936,872
Commercialisation revenues	5,021,319
Lease revenues	14,877,023
Other trust funds of SOE's (before liquidation) and tender	12,635,154

participation fees	
Revenues from bank interest (7, 2 million Euros have been generated from time deposits)	34,844,700

Number of incoming transactions	182,600
Number of outgoing transactions	79,750
Total	262,350

This data can also be found in the trust fund financial statements.

MAIN CHALLENGES IN THE FUTURE PERIODS

Achievement of PAK aims and objectives may be slowed down in the future taking into account the following identified obstacles:

- Completion of the Board;
- Management of the process for reorganisation of the Agency;
- Review of regulation on the future sale of assets;
- Acceleration of sales process and treatment of assets through other methods;
- Trepça;
- Payment of compensation for expropriation² by the Government of the Republic of Kosovo regarding expropriations of socially owned enterprises. Liquidation process of SOEs shall not be closed unless compensations for expropriation are paid, which shall also be used to pay 20% to the workers of SOEs;
- Placement of remaining assets in liquidation;
- To ensure that no sales contract shall be concluded / submitted in the future without having vacated the asset from usurpers;
- Cooperation with Municipalities for provision of cadastral services in an expeditious manner;
- Lack of sufficient staff such as Cadastral Officers;
- Treatment of sales in the event of unclear documentation or lack of ownership documents;
- Delays in treatment of cases from Special Chamber of the Supreme Court of the Republic of Kosovo;
- Delays in treatment of cases from Basic Courts;
- Treatment of illegal constructions; and
- Treatment of assets located outside Kosovo.
- Raising awareness to municipalities for their competencies on socially owned property as in most cases the Municipalities have made unilateral changes to titleholder of socially owned property administered by PAK;

² Since from PAK establishment, the Government has not yet paid any compensation for expropriation of socially owned property. As at 10 September 2015, the total number of decisions taken for expropriation of socially owned property is 555. During 2016, it is expected that the Agency shall submit formal letters seeking for payment of compensation for expropriation.

- Lack of cooperation with some municipalities located in the north of Kosovo. This directly impacts on the privatization and liquidation process as there is a considerable number of SOEs properties.

Some of the aforementioned challenges are directly depended by other institutions.

MAIN CHALLENGES FOR SOE LIQUIDATION CLOSURE

Privatisation and liquidation process of Socially Owned Enterprises (SOE) should continue without further delays³.

Main challenges for closure of liquidation process of Socially Owned Enterprises are as follows:

1. The Agency has not yet sold **1,685** assets of SOEs⁴; and
2. There are around **29,373 court cases** in the different court instances:
 - 2.1. Around 15,000 creditor claims⁵ against SOEs are still under review by the Special Chamber of the Supreme Court of Kosovo (SCSC);
 - 2.2. Around 6922 claims with 10,122 complainants in the workers lists of SOEs are still under review (for 185 SOE until the end of reporting period) in the Special Chamber of the Supreme Court of Kosovo (SCSC). These cases are defended in the court by PAK Legal Department;
 - 2.3. There are 2,564 court cases forwarded from Agency's Regional Offices to Basic Courts;
 - 2.4. There are 180 cases initiated for execution with the Basic Courts by Agency's Regional Offices;
 - 2.5. Around 4,705 court cases have been forwarded from Agency's Legal Department to the Special Chamber of the Supreme Court;
 - 2.6. There are 2 cases in the Constitutional Court.
3. The Agency has treated a very limited number of illegal constructions in the property of SOEs.

For this reason it is of critical importance that:

- I. Issues under the control of the Agency such as liquidation/sale and treatment of assets should be carried out with high priority in order to present the reports to the Board of Directors submitted by Liquidation Authority in a timely manner;
- II. Relevant institutions of the Republic of Kosovo should prepare respective strategy for acceleration of review of court cases by the Special Chamber of the Supreme Court and cases by Basic Courts; and

³ The preamble of the Law no. 04/L-034 on PAK sets forth establishment of Privatization Agency of Kosovo and delegation in this Agency of public and administrative authorizations on the enterprises and assets including but not limited to the mandate and authority for the sale or transferring of these enterprises and/or assets to private investors, or their liquidation through an open, transparent, competitive process without any delay.

⁴ According to PAK Activity Summary Report, 1,286 sales contracts of New Enterprises and asset sales of SOEs in liquidation have been signed from June 2002 (establishment of former KTA) to 31 December 2015.

⁵ 1,650 Response Orders to creditor claims have been submitted by SCSC to SOE Liquidation Authority (LA) regarding decisions issued by LA. According to some estimates regarding claim samples and the number of SOEs, there may be around 13,350 other claims for which PAK has not yet been informed by SCSC, which in total will be 15,000 creditor claims against SOEs. According to press release issued by SCSC in December 2015, there are 23,327 remaining court cases related to Agency's processes. 4,117 new cases have been received in 2015 only, whereas the number of solved cases during 2015 is 1,797 cases in the two court instances of SCSC. According to information received from SCSC, the number of ongoing court cases is 21,530.

III. To prepare a special strategy for treatment of illegal constructions against administrative processes of the Agency in coordination with the Government and municipal authorities.

It is clear that the Socially Owned Enterprises cannot be placed in liquidation without liquidating the assets and reviewing of all creditor claims in the SCSC, including ownership claims over the assets of SOEs in liquidation.

However, Liquidation Authority/Agency may carry out interim distribution of payments to creditors with the approval of the Board of Directors (it is a precondition to know the number of claims and the amount of payment of claims submitted with SCSC).

REGULATION AND PROCEDURES APPROVED BY THE AGENCY DURING 2015

Regulations and procedures approved during reporting period:

1. Information Technology Guideline.

REPORT ON THE STATUS OF PROCESSES

The tables below represent a summary of information on the processes of the Agency.

The following is a summary of information on:

- Cost of privatisation and liquidation proces, number of sold and unsold assets, sales, liquidation, information on 20% of the workers, and other summary information.

REPORT ON THE STATUS OF PROCESSES

	Last data	31-Dec-15
Number of sold assets	1,286	43%
Number of unsold assets**	1,685	57%
Total*	2,971	100%
Assets located outside Kosovo (including 17 assets of Trepça)	179	
Cost of the privatisation and liquidation process	114,501,946	
	number	amount
Sold land*** (hectar)	28,553	€ 99,127,395

Unsold land**** (hectar)	22,140	
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- * This number may be subject to change in the future depending on identification of new assets or waive rights regarding assets through Special Chamber
- ** These notes present calculation of assets inside Kosovo
- *** The amount of land sales is included in the total amount of asset sales. It is expected the update of data.
- **** Unsold lands are those lands with surface are larger than 50 acre irrespective if they have other assets in these lands or what type of land they are.

SALES	number	amount
signed contracts	1,286	€ 660,223,469
Sales of New Enterprises through regular spin off	721	433,915,449
Sales through direct negotiations	2	30,440,000
Sales through spin off with special conditions	14	15,693,885
Sales through Spin off special	26	92,938,595
Liquidation asset sales (article 9)	523	87,235,540

Sale of apartments***	394	243,550
Sales of properties subject to illegal constructions	-	-

- **** 574 claims have been reviewed. 394 claims have been approved.
180 claims have been rejected.

	number	amount
Pending contracts	404	€ 2,588,806
Sale of Enterprises awaiting signature	6	€ 2,380,451
Sale of assets in liquidation awaiting signature	2	€ 208,355
Sale of apartments awaiting Board approval	396	-
Sale of properties subject to illegal constructions for approval by the Board		-

LIQUIDATION	number
Number of SOEs placed in liquidation	462
SOEs placed directly in liquidation (item 13a is covered in item 13)	156
Creditor claims submitted to Liquidation Authority (LA)	89,630
Creditor claims resolved by LA	89,268
<i>Pending creditor claims</i>	362
Number of closed SOEs (SOEs without assets or creditor claims)	7
Number of final reports submitted to Special Chamber by LA for closing of SOEs	6
Number of final reports for distribution of compensations to creditors	19
Number of draft reports for distribution of compensations to creditors	263
Number of SOEs not yet placed in liquidation	55

REPORT ON 20% TO ELIGIBLE WORKERS

Total amount paid to UITUK	€	
	104,245,154	
Paid to UITUK from privatisation proceeds	89,769,039	
Paid to UITUK from liquidation proceeds	10,584,933	
Paid to UITUK from other sources	3,891,182	
Ready cash for distribution after resolution of claims by the Court	25,021,170	
Number of preliminary lists of the workers of SOEs (to be reviewed by PAK)	0	
Number of final lists of the workers of SOEs (to be reviewed by Special Chamber)	183	35%
Number of workers lists of SOEs approved by the Special Chamber and paid	127	25%
Number of SOEs the workers lists of which have not yet been prepared	208	40%

OTHER DATA

Expropriated assets	555
Usurped assets (until 3 rd March 2016)	167
Other assets used without contracts (until 3 rd March 2016)	103
Leased assets (other SOEs)	781
Leased assets (Market and Palace of Youth)	826=661+165
Assets under commercialisation process	0
SOEs without assets	55
Enterprises under monitoring sold through special spin off	2
Enterprises under monitoring sold through special conditions	9
SOEs under direct administration	3
SOEs under reorganization process	0

Forest Economies (not under PAK competence)	24
Kosovatrans (not under PAK competence, under court review)	12
SOEs withdrawn from PAK competencies according to Board decisions	30

SOEs subject to preliminary injunctions issued by Special Chamber	5
Sales subject to preliminary injunctions issued by Special Chamber	10
Other cases subject to preliminary injunctions issued by the Court	93
Requests for preliminary injunctions under review by the Special Chamber	195
Number of court cases in the Special Chamber (21,992) and Basic Courts (7,451)	29,373

Reviewed illegal constructions awaiting Board resolution	128
Illegal constructions not yet reviewed	1954

TRUST FUNDS STATEMENT

This shows summary data of trust funds statement⁶: Trust funds statement as of 31 December 2014, income during 2015, outcome during 2015; and trust funds as of 31 December 2015.

DESCRIPTION	EXPLANATORY NOTE NO.	1	2	3=1+2
		BALANCE ON 31 DECEMBER 2014	BANKING TRANSACTIONS DURING THE FISCAL YEAR	BALANCE ON 31 DECEMBER 2015
Sales revenues	1	665,248,630	(311,758)	664,936,872
Lease revenues	2	10,080,071	4,796,952	14,877,023
Lease and commercialisation	3	5,021,319	-	5,021,319
Interest earned	4	34,839,700	5,000	34,844,700
Fees for participation in sales bids	5	7,705,480	(193,016)	7,512,464
Other revenues	6	4,796,689	326,001	5,122,690
Agency's charter capital	7	1,013,200	-	1,013,200
TOTAL AMOUNT OF REVENUES EXECUTED IN TRUST ACCOUNT BANK ACCOUNTS		728,705,088	4,623,179	733,328,267
EXPENDITURES/DISTRIBUTIONS				
Workers 20% of proceeds transferred to UITUK	11	96,216,840	8,028,314	104,245,154
Provisional Service Provider (Liquidation Authority)	12	9,006,327	1,704,575	10,710,902
Goods and services	13	7,631,304	2,165,570	9,796,874

⁶ Details are presented in 2015 financial statements.

Utilities	14	449,281	378,409	827,690
Taxes	15	1,611,132	746,892	2,358,024
Decisions of the courts/enforcement agents (deposits and taxes)	16	978,292	761,709	1,740,001
Transfer of 5% funds to cover PAK activities	17	20,348,000	5,500,000	25,848,000
Others	18	683,722	8,626	692,348
Payments to SOE creditors	19	45,140	-	45,140
Residual funds transferred to the Government	20	28,934,282	61,310,628	90,244,911
TOTAL EXPENDITURES / DISTRIBUTION		165,904,319	80,604,723	246,509,042
BANK BALANCE		562,800,768	(75,981,544)	486,819,224

31-Dec-15

2. LEGAL FRAMEWORK

Privatisation Agency of Kosovo is established in accordance with the Law on Privatisation Agency of Kosovo (Law no. 03/L-067) which entered into force on 01 July 2008 as amended by the Law no. 04/L-034 which entered into force on 21 September 2011 (hereinafter the "Law") as amended by the Law no. 05/L-080 which entered into force on 24 December 2015.

Privatisation Agency of Kosovo is established as the successor of Kosovo Trust Agency (KTA) established in accordance with UNMIK Regulation no. 2002/12 on "Establishment of Kosovo Trust Agency" as amended by UNMIK Regulation no. 2005/18 and provides that all assets and responsibilities of the Kosovo Trust Agency on Socially Owned Enterprises shall be transferred to Privatisation Agency of Kosovo.

APPLICABLE LEGISLATION IN THE PRIVATISATION AGENCY OF KOSOVO

1. PAK Law;
2. PAK Charter Capital;
3. The Statute of PAK Board of Directors;
4. PAK Operational Policies and its Annexes:
 - 4.1. Rules of tender for privatization
 - 4.2. Rules of tender for liquidation
 - 4.3. Rules of Procedure of the workers lists claim review Committee.
5. PAK Financial Procedures;
6. Liquidation Guide and its Annexes:
 - 6.1. A list with Forms/ Liquidation Forms;
 - 6.2. Guideline for Reviewing of Certain Employment Claims (employment relationship)
 - 6.3. Guideline for Reviewing of Ownership Claims (against SOEs) during transformation period.
 - 6.4. Annex to Liquidation Guideline for Processing of Collective Claims under liquidation procedure.
7. Regulation on remuneration of the members of the Board
8. Guideline on Procedures for distribution of 20 % of the proceeds
9. Guideline no. 01/2012 on procurement procedures for use by Socially Owned Enterprises;
10. Guideline on procurement procedures for use by Socially Owned Enterprise in liquidation;
11. Internal Procedures of the Executive Secretariat of the Board of Directors;
12. PAK Banking Procedures;
13. Regulation no. 01/2012 on Protection of PAK Integrity;
14. Regulation on the use of the official stamps of the Agency and on Authorization allowing the use of the official stamps of the Agency by Liquidation Authority;

15. The Statute of Internal Audit Unit (IAU);
16. Regulation on determination of methods for remuneration of managers and other employees of SOEs under the administration of Direct Administration Unit;
17. Regulation on procedure for recruitment of Managing Director, Two Deputy Managing Director, and Director of the Executive Secretariat of the Board of Directors;
18. Regulation on staff development and capacity building;
19. Regulation on procedures and measures required for protection of persons entering or leaving PAK premises;
20. Internal Regulation of the Agency for Assessment of the Performance of the Management;
21. Policy on interim payment to workers;
22. Procurement Guideline on Trepça Enterprise under PAK Administration;
23. Regulation on the Sale of Trepça Enterprise Under Privatisation Agency of Kosovo Administration;
24. Banking Procedures of Privatization Agency of Kosovo;
25. Regulation on the Salaries of the employees of the Agency;
26. Personnel Regulation for the employees of the Agency;
27. Regulation on the use of official vehicles of the Agency;
28. Rules of Procedure for Selling of SOEs' Apartments;
29. Rules of Work of the Committee for illegal constructions in the property of socially owned enterprises;
30. Regulation on leasing of the assets of Socially Owned Enterprises;
31. Regulation on leasing of the assets of SOEs in liquidation;
32. Rules of Procedure of the Committee for reviewing of initial workers lists (WILRC);
33. Decision for vacating of usurped assets of SOEs and the Guideline for vacating of usurped assets;
34. Rules of Procedures of the Control and Supervision Unit during the Monitoring of Enterprises Privatized through Special Spin Off method and with Conditions;
35. Rules of Procedure for treatment of accounts receivable;
36. Personnel Performance Management Guideline;
37. Information Technology Guideline.

3. DESCRIPTION OF THE INSTITUTION

3.1. MISSION AND VISION

Mission

The Agency is authorized to administer, including authorization to sell, transfer, and/or liquidate Socially Owned Enterprises and their assets.

To fulfill this mission, the Agency holds and administers each enterprise (under its mandate) in trust and for the good of their owners and creditors, and sells or liquidates the enterprises and assets in accordance with the law.

Vision

The Agency is resolved to quickly address the negative substantial economic and social impact and to promote investments in the concerned Socially Owned Enterprises, and providing the Privatization Agency of Kosovo with broad public administrative authority over such enterprises and assets, including, but not limited to, the mandate and authority to sell or otherwise transfer such enterprises and/or assets to private investors, or liquidate them, in an open, transparent and competitive process and without delay.

3.2. COMPETENCES OF THE AGENCY IN ACCORDANCE WITH THE LAW

The Privatization Agency of Kosovo (hereinafter the "Agency") is an independent public body that shall carry out its functions and responsibilities with full autonomy. The Agency possesses full legal personality and in particular the capacity to enter into contracts, acquire, hold and dispose of property and have all implied powers to discharge fully the tasks and powers conferred upon it by the present Law; and to sue and be sued in its own name.

During the reporting period, the overall activities of the Agency have been managed by Managing Director⁷, Deputy Managing Director - Sales and Deputy Managing Director - Liquidation.

The Agency is composed of the following departments:

- Sales Department;
- Department for Coordination of Liquidation;
- Department for Regional Coordination;
- Legal Department;
- Budget and Finance Department;
- Administration Department; and
- Procurement Department

The Agency has also established its Internal Audit Unit and Executive Secretariat of the Board of Directors. The main office of the Agency is located in Prishtina. It has established five (5) regional offices (Prishtina, Peja, Prizren, Mitrovica, and Gjilan), and three (3) offices (Graçanica, Shtërpçë and Leposaviq).

Organisational structure of the Agency is presented in the end of the annual report of the Agency.

⁷ The mandate of the Managing Director expired on 26 January 2014.

4. SCOPE OF WORK COVERED BY THE AGENCY

Around 604 companies in Kosovo have been identified by former KTA as Socially Owned Enterprises (SOE) or working units of SOE.

SOEs operated in a variety of sectors including metal processing, plastics, paper, hotels, mining, agro-industry, agriculture, forestry, building materials, construction, textile, winery and vineyards, brewing, tobacco, retail and wholesale trade.

SOEs represent about 90 % of Kosovo's industry and mining, 50% of commercial retail space, and less than 20% of agricultural land including all commercial agricultural land and the vast majority of Kosovo's forests.

Most of Kosovo's industrial assets, agricultural land, forests, urban commercial land, and commercial properties are owned by SOEs. Privatization of these assets and attraction of international investors and those from diaspora, region, and Kosovo shall have a positive impact on the economy and in creation of new job opportunities.

There are 85 out of 604 enterprises which are not considered to be placed into liquidation or that are out of Agency's mandate depending on the case (Trepça is under PAK administration):

1.	Trepça	19
2.	Forest Economies	24
3.	Kosovatrans	12
4.	SOE's withdrawn in accordance with Board decisions	30

The total number of SOEs under Agency's mandate is 518 and 462 of them have started the liquidation process. There are 55 more SOEs which have not been placed into liquidation awaiting appointment of new Board members.

PAK is proceeding with privatisation of SOEs through two methods:

1. **"Spin-Off"** – Assets and a limited number of responsibilities of SOEs shall be transferred to limited liability companies ("New Co L.L.C") with the shares of New Cos tendered for sale to private investors. Remaining liabilities towards creditors and workers remain with the Socially Owned Enterprise; and
2. **"Voluntary Liquidation"** – Assets of SOEs shall be liquidated /sold in accordance with the law and Agency's operational policies.

BOARD OF DIRECTORS

The Board of Directors is the highest body of the Agency and possesses full authority over the Agency. PAK Board of Directors conducts its meetings on regular monthly basis in order to carry out its functions and responsibilities in accordance with the law. As of December 2015, the Board of Directors consists of eight (8) local members appointed by the Assembly of the Republic of Kosovo.

During 2008, the Board of Directors held six (6) meetings.

During 2009, the Board of Directors held eleven (11) meetings.

During 2010, the Board of Directors held twelve (12) meetings.

During 2011, the Board of Directors held eleven (11) meetings.

During 2012, the Board of Directors held eight (8) meetings.

During 2013, the Board of Directors held eleven (11) meetings.

During 2014, the Board of Directors held nine (9) meetings.

During 2015, the Board of Directors held one (1) meeting.

Board of Directors developments after 31 August 2014

Since 1 September 2014, the Board of Directors lacks quorum to hold standard decision-making meetings. According to Appointment Act issued by International Civilian Representative, the mandate of International Board members Mr. Hubert Warsmann and Mr. Mohammed Omran has expired on 31 August 2014. The mandate of local members of the Board of Directors, Mr. Skender Komoni – Vice Chairman and members Mrs. Maja Milanovic and Mr. Haxhi Arifi expired on 20 February 2015, and after this date the Agency has not had any Board member.

In March 2015, PAK submitted the Annual Report for 2014 to the Assembly of Kosovo prepared by PAK Management, which shall be subject to approval by the Board of Directors.

Weekly meetings held between 3 Board members, Management, and Board Secretariat (period 1 September 2014 until 20 February 2015);

According to Board decision dated 26/31 August 2014 three remaining Board members shall be responsible for the following issues:

1. Pursuant to article 11.2 of PAK Law, the Board of Directors shall delegate all its competencies to PAK Managing Director and/or two Deputy Managing Directors acting jointly from 1 September 2014 until new Board composition with sufficient quorum, not latter than 20 February 2015, save those competencies reserved to the board by Article 15 of the same law.
2. If the Management during this period doubts that a certain decision falls under article 15 of the law, this shall be unanimously resolved by remaining members of the Board, after they have consulted Director of Legal Department and Director of Executive Secretariat.
3. During this period, the Board members together and separately shall be authorized to exercise general supervision, monitoring and giving advices to Management in exercising Agency's common activity within its mission and mandate. This authorization is spread but not limited to as follows:

- a. Chairman of the Board (in its absence - Vice Chairman) is authorized to carry out all administrative works related to approval of leaves, official trips, and expenses or similar for Management and Director of Executive Secretariat.
- b. Board members, Management and Director of Executive Secretariat shall meet at least once a week in order to coordinate all activities regarding implementation of Agency's mandate within legal framework. Summaries of these meetings shall be prepared in shape of report that will be at disposal of the Board when the quorum is sufficient.
- c. The management shall report once a month regarding its work. These monthly reports of Management shall be at Board's disposal when the quorum will be sufficient.
- d. Decisions on budget requests for 2015 in the Ministry of Finance should be discussed among Board members.

Three local members of the Board, since 1 September 2014 until 20 February 2015 have held 22 regular weekly meetings with Management (acting Deputy Managing Director – liquidation) and Director of Executive Secretariat of the Board of Directors (9 meetings during 2015). Minutes of these meetings shall be submitted to the members of the Board of Directors.

The Agency, in addition to other activities, during this period has informed the Assembly, President of the Assembly, the Committee for Economic Development and leadership of the Assembly regarding the situation about mandates of the Board members and the request to appoint new board members as soon as possible.

The following are the main challenges that 3 local board members in cooperation with Management were supposed to pass during this period:

- Implementation of Board decision to exercise call-option for MIM Golesh enterprise, placement of enterprise under Direct Administration, issues related to Independent Committee on Minerals and Mines (ICMM), claim issue from former purchaser to the Special Chamber;
- Numerous discussions with representatives of workers of "Tube Factory" enterprise from Ferizaj related to instructions issued by the Special Chamber of the Supreme Court on claims of workers of former "Tube Production Factory" in Ferizaj according to the judgement of Constitutional Court AGJ. 75/10, case KI 08/09 dated 17 December 2010;
- Discussions regarding lease procedures in general and in particular of the assets of: a) INA Petrol Stations and Jugopetrol; b) SOE Urata- in liquidation; c) Parking lot "Perparimi" in Podujeva; d) "Bylmeti" market in Peja; e) SOE AC Strellci in Peja; f) OLT Company in Rahovec; g) request of an applicant to lease 25HA in Leposavic; h) SOE Tregu in Prishtina; i) request of EU for use of Pharmacy asset in Prishtina; j) Draft contract from Gjakova Municipality to lease Virginia, Metaliku and Jatex;
- Discussions on audit of NewCo IDGJ Tobacco in Gjilan;
- Discussion on the situation of the new co "Kualiteti in Gjilan that relates with case of FAN Factory in Podujeva;
- Discussion on Board decision dated 27 June 2014 regarding the request of "Trepça – Enterprise under PAK Administration to allow financial funds for re-activation of production in Zinc Oxide Factory;
- Discussion on treating usurped assets; drafting a regulation on this issue by the Management; meetings with Kosovo Police regarding this issue;
- Discussion on requests of different municipalities in Kosovo regarding expropriation of SOE lands;
- Discussion on the issue of signing of contracts regarding the sale and purchase of SOE apartments;

- Discussion on material to approve monthly and quarterly reports of contractors by the Committee of the Board of Liquidation Authority;
- Audit by the Office of the Auditor General;
- The lack of Regulation on determining confidential documents of the Agency;
- Establishment of the Task Force for preparation of the Guideline with procedures and determination of respective decisions related to prohibited bidders;
- Requests of Police for the documents of various cases that are under investigations;
- IAU recommendations addressed to the Department for Coordination of Liquidation and Liquidation Authority;
- Consultations regarding LAS 27 and LAS 28 and discussion on Bid Receiving Committee, Bid Opening Committee and the Committee for registration of qualified bidders;
- Different discussions on assets privatised with Special Spin Off;
- Discussion on PAK Activity Report for 2014;
- Discussion on PAK Annual Plan for 2015
- Requests to be submitted to the Special Chamber on postponement of the deadline for Trepça, since according to time limits it was supposed to enter the liquidation on 2 February 2015;
- Discussion on preparation of PAK data regarding Structural Reforms chapter within Economic Fiscal Program for 2015 of the Government Program for 2015-2018;
- Complaint of an economic operator against the tender for fuel supply in Trepça;
- Notice on Lux asset in Mitrovica – discrepancies between cadastral notes and situation in the field as the premises could not be found;
- Discussion on the situation created in Grand Hotel in Prishtina upon commencement of liquidation on 2 February 2015;
- Discussion on monthly reports of the Management for the period 13 August – 30 September 2014 and report for the period 01 October – 26 November 2014 which is handed over to local board members;
- Discussion on PAK activities after 20 February 2015 and Management authorizations considering the decision of the Board regarding delegation of competencies to Management until 20 February 2015;
- Discussion on Liquidation Asset Lease Rules prepared in accordance with decision of the Board of Directors and Liquidation Authority in cooperation with Management.

Other occurrences related to PAK Board of Directors in 2015:

- On 14 December 2015, Kosovo Assembly adopted the Law No. 05/L -080 on amendments and supplementation of the Law No. 04/L-034 on PAK, as amended and supplemented by Law No. 04/L-115.
- The Law No. 05/L -080 was announced upon decree No. DL-036-2015, date 24.12.2015 by the President of the Republic of Kosovo.
- New Board members have been appointed by the Assembly of the Republic of Kosovo on 17 December 2015. Composition is as follows: Chairman- Petrit Gashi, and other members: Hasime Mazreku, Hamdi Jaha, Skender Komoni, Ismajl Januzi, Haxhi Arifi, Ranko Djokiq dhe Bajram Zejnullahu.

Board Meetings during 2015

The Seventieth meeting (70) of PAK Board of Directors (the Board) was held on 30 December 2015. On this meeting, the Board of Directors resolved to amend the bylaws of PAK Board of Directors. The Board unanimously approved the decision to transfer the amount of 61.3 million euro from trust funds of SOEs in liquidation into the budget of the Republic of Kosovo, as provided by the Law on PAK, for using needs by the Government of Kosovo. These funds are allocated by residual funds of liquidation process of 125 SOEs. The Board also discussed on latest developments in SOE "Trepça" under PAK administration, whereby reviewing, and upon agreement of all present members of the Board, approved the request of Trepça enterprise for the sale of lead and zinc concentrate.

ORGANISATION, ACTIVITY, HUMAN RESOURCES AND AGENCY'S SALARIES, ASSETS

As regards this sub-chapter, reporting was conducted as in the following:

- a) organization – organizational structure of the Agency is on the annex of annual report;
- b) Agency's activity and respective organizational structure – is presented in the chapter "Activities for the reporting period"
- c) The number of employees and PAK salaries – are presented in the annex in formate requested by Parliamentary Committee for Budget and Finance.
- d) Assets – report of assets is presented in annex (financial statements of annual budget) in the formate requested by the Ministry of Finance.

PAK Headquarters is at "Agim Ramadani" street no. 23 (former "Ilir Konushevcı str. no.8) in Prishtina. The Agency has considerable lack of respective work space due to its very old object.

The Agency has received request issued by Municipality of Prishtina regarding the release of premises due to developmental plans of municipality. The Ministry of Public Administration has been informed of this issue, which the Agency is currently discussing to dislocate PAK premises to another respective building.

DISCLOSURE REGARDING THE BOARD OF DIRECTORS AND MANAGEMENT

Regardless of continuous challenges that Agency faced, the reporting period had lot of engagement for the Agency. In addition to reserved competencies of the Board duties, according to article 15 of the Law on PAK, which can not be addressed to the Management, all other duties during this reporting period were successfully accomplished.

Some of the main challenges that followed PAK during this period are:

- The lack of three Board members (since May 2013), where until 31 August 2014 the Board operated with only 5 Board Members (3 local and 2 international), whereas after that date, the mandate of 2 international board members expired and since 1 September 2014 only 3 members had mandate, so they did not comprise full quorum for decision-making in accordance with article 15 of the Law on PAK for competencies that are reserved only for the Board of Directors. The Agency could neither

distribute funds to creditors in liquidation process due to the lack of full composition of the Board , nor organize asset sale;

- The lack of Managing Director from 26 January 2014, the Managing Director was not appointed besides open recruitment process and thus the vacancy was annulled in May 2014;
- Suspension of the Deputy Managing Director –liquidation by the Board of Directors on 7 May 2014;
- Resignation of the Deputy Managing Director – sales on 17 September 2014.

In the capacity of the current management is only the Deputy Managing Director –liquidation, who exercises the function of Management in accordance with article 3 (paragraph 1.15) of the Law on PAK and according to legal opinion of the Ministry of Public Administration issued on 15 October 2014 that in absence of PAK Managing Director, this position should legally substituted by Deputy Managing Director of PAK.

IMPORTANCE, RELATIONS AND MAIN CHALLENGES IN REALIZATION OF WORK PLAN FOR 2016

The issues presented in the objectives for 2016 are set to comply with general interest of Kosovo in order to complete privatisation and liquidation process of Socially Owned Enterprises (SOEs) without further delays⁸.

Four-year Contract⁹ with Professional Service Provider¹⁰ – PSP regarding the process of liquidation is signed on 10 July 2012 and expires on 10 July 2016 aiming to accomplish tasks of Liquidation Authority¹¹.

The main obstacles in finalizing the process of liquidation of SOEs are:

1. The Agency has still not sold 1,685 assets of SOEs¹²; and
2. There are around 29,373 cases into different court instances:
 - a. There are around 15,000 creditor claims 13 submitted against SOEs which are still being reviewed by the Special Chamber of the Supreme Court of Kosovo (SCSC);
 - b. There are around 6922 claims with 10,122 claimants in the workers lists of SOEs which are still being reviewed (for 185 SOEs until the reporting period) to the Special Chamber of the Supreme Court of Kosovo (SCSC). These cases are defended by PAK Legal Department;
 - c. There are 2,564 cases that are being processed by PAK Regional Office to the Basic Court;
 - d. There are 180 cases initiated for execution by PAK Regional Office to the Basic Court;
 - e. There are 4,705 cases processed by PAK Legal Department to the Special Chamber of the Supreme Court;

⁸ The preamble of the Law no. 04/L-034 on PAK sets forth establishment of Privatisation Agency of Kosovo and delegation in this Agency of public and administrative authorizations on the enterprises and assets including but not limited to the mandate and authority for the sale or transferring of these enterprises and/or assets to private investors, or their liquidation through an open, transparent, competitive process without any delay.

⁹ The contract is signed between the consortium “Deloitte Central Europe and Tashko&Pustina”.

¹⁰ PSP: see article 2.1 paragraph 1.13 of the annex of the Law on PAK.

¹¹ See part III of the annex of the Law on PAK on the duties of Liquidation Authority.

¹² According to Summary Report of PAK Activities, 1,286 sales contracts of New Cos and sale of assets of SOEs in liquidation from June 2002 (establishment of KTA) to 30 November 2015 have been signed.

¹³ SCSC submitted to the Authorities for Liquidation of SOEs around 1,650 Responses to Orders to creditor claims regarding decisions issued by LA. According to claim samples and the number of SOEs may be expected more than 13,350 claims for which PAK has not yet been informed by SCSC, reaching the total of around 15,000 creditor claims. According to SCSC press conference held on December 2015, there are 23,327 remaining cases that are related with processes of PAK, where only in 2015 have been received 4,117 new cases, whereas have been resolved 1,797 cases in both instances in SCSC. So, basen on information from SCSC, the number of claims under review is 21,530.

- f. There are 2 cases in Constitutional Court.
- 3. The Agency has treated a very limited number of illegal constructions in the properties of SOEs.

For this reason it is of critical importance that:

- I. Issues which are under Agency's control such as liquidation/sale of assets to be completed with high priority in order that Liquidation Authority reports be presented to the Board of Directors in timely manner;
- II. Relevant institutions of the Republic of Kosovo shall prepare relevant strategies to expedite reviewing of court cases by the Special Chamber of Supreme Court of Kosovo and cases in the Basic Court; and
- III. In coordination with the Government and municipal authorities shall prepare a special strategy to treat illegal constructions out of administrative processes of PAK.

It is clear that Socially Owned Enterprises shall not be liquidated unless the assets of SOEs in liquidation are liquidated as well as all creditor claims including ownership claims over assets of SOEs in liquidation are reviewed by SCSC.

Liquidation Authority/ Agency may, however, make interim distribution of payments to creditors in accordance with the approval of the Board of Directors (it is a precondition to know the number of claims and the amount of claims submitted to SCSC).

5. REPORTING PERIOD ACTIVITIES

5.1. SALES DEPARTMENT

Privatisation of Socially-owned Enterprises (SOE) shall have large positive impact in municipalities of Kosovo by various sectors of economy while enabling increase and development of private sector. It is important that this process be carried out as soon as possible in a due and transparent manner and in accordance with the law.

Sales Department is comprised of:

1. Preparation and Sale Closing Unit;
2. Sales Document Review Unit; and
3. Cadastre Unit.

Sales Department is responsible for privatisation according to methods presented below:

“ Spin-Off” – Assets and limited number of obligations shall be transferred to the newly established joint stock companies (New Co) with shares of New Co and then shall be tendered for sale to private investors. Liabilities to potential creditors remain obligations of Socially-owned Enterprises and these issues shall be settled through liquidation process. Considering that most of Socially-owned Enterprises already entered the process of liquidation, the Regular Spin off Sale is not expected.

“ Voluntary Liquidation” shall enable:

- a) shitjen e asetëve që nuk janë shitur nëpërmjet privatizimit; and
- b) Review of creditor claims and distribution of funds realized in accordance with priorities provided by law.

As regards reporting part for this period, no wave of privatisation or liquidation asset sale took place. This happened due to the lack of PAK Board of Directors, as no sale can be executed without preliminary Board approval and in accordance with operational policies of the laws in force.

However, during the reporting period was conducted cadastral and legal review, as well as preparation of documents for the sale of assets 27 and 28.

SALES PROHIBITED BY THE SPECIAL CHAMBER OF THE SUPREME COURT

The Special Chamber of the Supreme Court prohibited 10 sales, and as long as these prohibitions are not removed, it is impossible to proceed with sales. Prohibitions apply to the following enterprises/assets:

1. New Co “AGROKOSOVA – Offices L.L.C..” – Wave 37;

2. New Co "Workshop Iliria L.L.C." – Wave 43.
3. New Co "Jugobanka office in Skenderaj" – Wave 58;
4. New Co "Ereniku Industry Warehouse in Industrial Zone Prishtina Prishtinë" – Wave 59.
5. Asset in liquidation "Farmakos Blue Factory" Prizren.
6. Item no. 11: Jugobanka Office in Zubin Potok – LAS 23
7. Item 12: "Farming and Ploughing - Agricultural Land Miradi e Poshtme I" - LAS 20
8. Item no. 12: Jugobanka Office in Zveçan – LAS 23
9. Item no. 13: Jugobanka Administrative Building in Mitrovica –LAS 23
10. Item no. 14: Jugobanka Apartment in Mitrovica – LAS 23

During the process of privatisation and liquidation, from 740 cases submitted with the Special Chamber of the Supreme Court for preliminary injunction against decisions of PAK, since June 2002 and up to now have been submitted the following data:

- 93 preliminary injunctions are still in force;
- 195 claims for preliminary injunction are being reviewed by the Court; and
- 452 claims have been rejected by the court.

INCOMPLETE SALES:

1. Item no. 25: Land and Building in downtown Mitrovica (parcel 1451-1) – LAS 24
2. Item no. 12: Farming and Ploughing - Agricultural Land Miradi e Poshtme I, Fushe Kosovo LAS 20
3. Ereniku Industry Warehouse in Industrial Zone Prishtina L.L.C – Wave 59
4. Jugobanka Office in Skenderaj L.L.C. , Wave 58
5. Workshop "Iliria" L.L.C, Peja, Wave 43
6. "Koooperimi" Agricultural land in Treboviq L.L.C., Peja, Wave 42
7. New Co "AC Shtime Administrative Building L.L.C. Shtime – Wave 42;
8. AGROKOSOVA OFFICES L.L.C., Prishtina, Wave37
9. Farmakos Blue Factory L.L.C. , Prizren, Wave 2

5.2. MARKETING AND INVESTOR RELATIONS UNIT

In accordance with Annual Work Plan of PAK, Marketing and Investor Relations Unit has planned realization of activities foreseen for the period January-December 2015, aiming to accomplish general objectives of PAK.

Work Plan of Marketing and Investor Relations Unit expect full support for all sales realized by PAK as well as promotion and keeping good relations with investors. As regards realization of the waves of sale, multi-medial marketing plans have been planned, including the use of due media equipments, in accordance with strategy for massiv marketing. However, during the period January-December 2015, no asset sale was announded due to the lack of the Board of Directors, whereby failing to accomplish operational plan.

Promotion and Marketing Activities

New Marketing Initiatives

Aiming to promote the process of privatisation and presentation of positive effects this process had in Kosovo economy, with special emphasis to performance of privatized companies and effects in local economies, was initiated the project for update of existing information of enterprises that already are being promoted as sucessul privatisations as well as identification and presentation of a considerable number of enterprises that have been functionalized and have positive impact in terms of employment, investments and production, in post-privatisation period.

Unlike the previous strategy which foresaw only presentation of small enterprises, this time was thought that besides large companies to present small companies as well, beginning from the premise that "Sucesses of any size should be celebrated, *since the small successes in cumulative contribute directly to a large history of success for the whole privatisation process and work of Agency*". Implementation of this project started in October 2015, meantime information were updated, based on visits and interviews realized. Identification of a certain number of enterprises which might be included in this project was conducted and the site vist has started as well. However, the major part of the project shall be realized during 2016.

Meantime, in accordance with purpose described above, and aiming to have mutual cooperation, within sub-institutional cooperation, in realizing a campaign for promotion of investment potentials that offers Republic of Kosovo, we had talks with MTI and Kosovo Investment and Enterprise Support Agency (KIESA) and was drafted Cooperation Agreement between PAK and KIESA with regard to realization of "Promotional Guideline of privatized assets and enterprises". Despite the fact that dynamic plan expected realization of this guideline in 2015, the agreement is not formalized yet and PAK is waiting for comments of MTI/KIESA.

The above-mentioned project may serve as a good basis for initiation of an authentic research on the success of privatisation. All owners of newly privatized properties, and the number of respondents would present a satisfactory sample over which would be constructed an unbiased relation that would present the real situation of privatisation effects.

Promotional activities

Marketing Unit has undertaken different marketing activities trying to support the strategy for promotion and attraction of investors:

- a) Accomplishment of promotional printed materials – including conception, design and supervision of printing. Some of accomplished materials include:

- Design and coordination with economic operators to print promotional material for MIM Goleshi
 - Promotion pack for United Arab Emirates delegation
 - Design for promotional materials (guide, calendar, notes, etc)
- b) Participation in presentation of opportunities for privatisation for UAE delegation, organized by the office of the President of Kosovo in Prishtina
- c) PAK has been contacted by Kosovo Investment and Enterprise Support Agency regarding the visit of a delegation of potential investors from India. The meeting was held in July 2015, where has been presented the work of Agency and investment opportunities through privatisation process.
- d) Meeting with potential investors interested in Kosovo Bauxites, and general information on PAK have been presented, privatisation process and general information on enterprise. The meeting has been organized and mediated by Italian embassy;
- e) Proposals regarding update of the text presented as successful story were conducted and population of this list with new cos identified by marketing unit;

Preparation for asset sales

In the frame of supporting activities for announcement of sales were undertaken the following activities:

- Preparation for announcement of asset sale 27 and 28
 1. Preparation of concepts for TVadvertising, processing and realization of TV advertising
 2. Summary of relevant materials, coordination with regional offices and Tender Preparation Unit with regard to preparation of announcements for sale of assets

Investor Relations

Investor Relations and Marketing Unit keeps being the key point of communication with potential local and international investors, while responding to claims and offering instructions and advices regarding the process of privatisation and participation in announced tenders, including pre-qualification, coordination of due diligence and provision of tender materials (Tender Rules, Information Memorandums etc.).

Webpage

Web page of PAK is constantly being populated with all information about privatisation process in Kosovo. This includes launching of asset sale, preliminary and finale lists of employees for distribution of 20%, liquidation final reports, press –releases, reports and regulations, results and decisions for sale of assets, and other important information.

Meantime, the link to access the archive of KTA web page is an integral part of PAK web page, which presents information on privatisation until June 2008, when was performed transfer of responsibilities to PAK.

After analyzing the contents of PAK web page, Marketing and Investor Relations Unit has identified deficits and failure to unify existing information. In this regard, they worked intensively in processing of materials in order to publish all sales realized by KTA/PAK so far. After finalizing the form in accordance with PAK Management requirements, publication of sales on the web page is expected at the beginning of January 2016.

5.3. CONTROL AND SUPERVISION UNIT

Control and Supervisory Unit is tasked to monitor fulfilment of commitments for capital investments, employment commitment, and continuation of business activity as set out in Commitment Agreement for enterprises privatised through Special Spin Off method and Spin Offs with condition.

Based on business plan for 2015, Control and Supervisory Unit, with enterprises that are not placed in liquidation yet, conducts the following:

- Collection and analyse of financial report of SOEs; and
- Visits and contacts with other relevant institutions in order to have better communication with institutions of common interest and to coordinate activities with respective units within Corporate Governance Unit and other departments within PAK.

In the following, we shall present a report on the enterprises which are monitored by CSU.

Special Spin Offs

Since the beginnings of privatization process and up to now have been privatized 26 enterprises through Special Spin off method, out of which 20 have been released from commitment agreement. Upon decision of PAK Board was exercised call-option to 4 enterprises due to non-fulfillment of commitments for investment and employment, whereas two enterprises privatized through Special Spin off method have been monitored by Control and Supervisory Unit during the period from 01.01.2015 to 30.09.2015 since due to the lack of PAK Board there is still no decision on these enterprises such as 'IDGJ Tobacco' Gjilan and " AIC Suhareka" (Agrokosova Holding)- Suhareka.

New Co "IDGJ Tobacco" LLC, was privatised through Special Spin off Method in wave 11, whereas the period for fulfilment of commitments foreseen by Commitment Agreement ended on 13 August 2008. On 27 March 2012 has been approved Renovation Agreement of Commitment Agreement signed with New Co "IDGJ Tobacco" L.L.C. from Task Group of PAK. This agreement was approved by the PAK Board of Directors on 29 March 2012, and was signed by all parties involved in this Agreement on 12 April 2012, and condition for this enterprise during the period of 2 years is to realize investment amount of € 4,000,000.00 and to fulfil the number of 14 employees in the first month, 35 employees in the second months, 55 employees in the third month and 90 employees from the fourth month until completion of Novation Agreement. Reporting Period for this enterprise ended on 10 September 2014. In order to verify purchaser's accomplished investments and employment in this Enterprise, PAK hired independent audit company to conduct audit of realized investments and employments. On 19.12.2014, the Audit Company submitted audit report, according to which the Purchaser realized investment in amount of 3,254,238.07 or 81.36% out of € 4,000,000.00 committed investments. As regards employment according to audit report, Purchaser fulfilled recruitment commitments to 95.68%.

After submission of request to Buyer regarding the request for completion of monitoring by the Buyer of New Co, we have received the response to the letter submitted to PAK Management, where he requested extension of the time limit to fulfil commitments until 28.02.2015, as from the deadline of completion of monitoring that was 10 September 2014 until 28 February, the Buyer stated that has conducted additional

investment by which investment were fulfilled investment commitments in accordance with commitment agreement. According to buyer, the value of his investment in Enterprise from the beginning and until the site visit was around € 4,818,609.47. The request of the party to extend the investment deadline will be sent for review to Board of Directors.

During this reporting period were conducted 6 visits to this enterprise, and which so far has not started with production of tobacco but only did preparatory works, and we did not notice any additional engagement by the Buyer, or any cooperation with local farmers.

New Co "AIC Suhareka/Agrokosova Holding"- was privatised on 27 August 2007 by Buyer "Gruppo Vinicolo Fantinel" and "QMI" through Special Spin off method in wave 19 of the sale, whereas the period for fulfilment of commitments set out in Commitment Agreement has ended on 27 August 2009. In accordance with Commitment Agreement, the Buyer is committed to carry out capital investments in the amount of 8.600.000 €, and to employ 173 workers during the first six months, and until the end of the first year the number of workers shall reach to 345. At the Meeting held on 26 and 31 August 2014, PAK Board of Directors for matters related to New Cos privatised through Special Spin off Method, resolved to annul the decision for call option of the Board dated 16 December 2011 for New Co "Agrokosova Holding" and to extend the deadline for fulfilment of commitment agreement terms from 27 August 2009 until 31 December 2014, and after expiry of deadline, the enterprise should be audited for whole investment period in accordance with contract in order to prove fulfilment of commitments.

We have received the request submitted by the Buyer of New Co Agrokosova Holding regarding extension of the deadline to realize investment. This request is justified by conditions and circumstances created in this enterprise and also requested postponement of investment period until 30 April 2015.

According to audit report realized by "AK Konto" Audit Company for the period from 27.08.2014 to 31.12.2014 where from the amount of € 8,600.000.00 Euro have been accomplished € 7,045,713.00 or 81.93 %. Since we have evident differences in audit reports from three audit companies engaged in audit to this enterprise we held a meeting with Audit Companies AK Konto, Univerzum Audit and Trend Biz where is discussed regarding the differences between previous audits and last audit conducted in New Co "Agrokosova Holding" Suhareka. During the discussion with companies, each of audit companies protects its positions with regard to audits realized and once again offered their documents on audit accomplished by them to this enterprise. We also discussed with officers of Kosovo council for financial reporting on this situation and they stated that they have no capacities for any additional engagement and they also stated that cannot determine which audit report could be considered more accurate, so we cannot undertake any action against one of these audit companies until some further phase if gets determined by any additional expertise or any other audit with regard to accuracy of reports submitted by audit companies.

A detailed report submitted by representatives of the buyer of the New Co „AgroKosova Holding" regarding investment realized during the period from 01.01.2015 to 30.04.2015 has been received. According to this report, the amount of conducted investment is € 1,805,500.00, and for which investment depending on PAK Board decision should be conducted an external audit. After that period, the buyer has not reported on any additional investment but only maintained vineyards and sowed several parcels with autumn productions.

During the present reporting period were held 5 informational visits, and we have not noticed any production activity in the enterprise during these visits but only activities for maintenance of grapes and where the number of employees engaged varied from 20 to 25 employees.

Enterprises privatised with conditions

During the period January- December 2014, ten enterprises privatised with conditions have been under monitoring of fulfilment of contract terms, mostly keeping the same business activity. Since the buyer of "Llamkos" Enterprise L.L.C owed to an English bank, upon decision of the Basic Court is commenced the liquidation procedure and was appointed its administrator.

Table showing enterprises privatised with conditions:

No.	Name of Enterprise	Status	City	Region
1	New Co "SharrCem"	Under monitoring	Hani i Elezit	Gjilan
2	New Co "Hotel Union"	Under monitoring	Prishtina	Prishtina
3	New Co "Llamkos"	Upon decision of the court was assigned the administrator for this enterprise and is not being monitored by	Vushtrri	Mitrovica
4	New Co "Famipa"	Under monitoring	Prizren	Prizren
5	New Co "Amortizatorët"	Under monitoring	Prishtina	Prishtina
6	New Co "Dubrava DF"	Under monitoring	Istog	Peja
7	New Co "Emin Duraku-Edico"	Under monitoring	Gjakova	Peja
8	New Co "Emin Duraku"- KI	Under monitoring	Gjakova	Peja
9	New Co "Industrial Battery Factory Trepça"	Under monitoring	Peja	Peja
10	New Co "Hotel Onix and Banja e Pejës"	Under monitoring	Peja	Peja

NewCo "Sharrcem" was privatised on 09.12.2010 in the amount of 30.1 million euros. In accordance with Agreement for the sale and purchase of shares, the buyer noted that in the course of 5 years shall invest an

amount of € 35 million, and shall employ all former workers of the enterprise (number of employees - 503) in the next 3 years. New Co "Sharrcem" is obliged to report to PAK until 9 December 2015.

6 regular monitoring visits were conducted in the New Co privatized with conditions Sharrcem. During these visits and according to Buyer's reports, we noticed that the level of investment has decreased and is under expectations of capital investments that Buyer should realize in accordance with commitment agreement. Several small investment were mainly conducted in maintenance or purchase of different devices but the investment value during 2015 is around € 1,437,000.00, whereas the amount of total investments reported by the buyer from the period of initiation of monitoring to the present time was around € 25,437,000.00. The buyer has made some other investments not included in this amount, such as, purchase of horizontal mill in the amount of € 3,500,000.00, which the buyer has paid but not yet delivered to the buyer. In addition, the Buyer has also purchased some shares in a company outside enterprises premises in the amount of € 2,900,000.00, and also purchased some actions outside Kosovo in the amount of € 1,408,000.00, and claims that these investments be recognized as capital investments. All the above investments reported by the Buyer shall be audited by an international audit company as provided for in the contract.

The enterprise employed 406 workers, and their new contracts shall expire after 2 years.

According to buyer, during the summer period of this year and on there was record production and sale of cement.

We are at stage of engaging international audit company which shall conduct audit of the fulfilment of commitments for capital investment in accordance with commitment agreement and after receiving the audit report we shall report to PAK Board about the situation in this enterprise.

Asset "Llamkos Steel" L.L.C

Asset "Llamkos Steel" was privatised in wave 6 of Liquidation sales, whereas the ratification of Sales Agreement took place on 25 August 2011. Based on the Sale and Purchase of Assets Agreement and the Business Plan, the Buyer of NewCo Llamkos undertook to employ 437 workers in the first six months and to carry out investments in the amount of € 25 million in the course of the first two years of its activity. The Buyer of the Enterprise has also undertaken to carry out two more phases of investments. In the second phase (18 months after the end of the first phase) shall be invested € 45 million, whereas, in the third phase (18 months after the end of the second phase) shall be invested 30 million euro.

During this period were conducted 2 monitoring visits and was held a meeting with representatives of independent trade union of workers of New Co Llamkos Galvasteel Vushtri. During this meeting were stated issues of the workers of this enterprise. During these visits at the enterprise, none of workers were engaged in and still there no production activity.

Financial invoice with penalties for January 2015 has been prepared for the New Co Llamkos Galvasteel privatized with conditions.

Following the information of union of workers of "Coresteel" L.L.C with business registration no 70758695 as purchaser of the assets of New Co "Llamkos Steel" L.L.C with no. 70254965, upon ruling of the Basic Court of Prishtina no 1/2015 was placed into bankruptcy procedure and the court appointed an Administrator of the enterprise under bankruptcy and that bankruptcy of enterprise was done at the request of Creditor

“Standard Bank” PLC with its residency in United Kingdom regarding the debt that Coresteel L.L.C owes to this bank at the amount of € 27,588,908.66, we held a meeting with legal office, whereas on 26.02.2014 held a wider meeting where is concluded that PAK should file creditor claim to Administrator of Enterprise and try to place one PAK officer to the Board of creditors to be established after the creditor claim submission period ends, that is on 23 March 2015. Based on the information available to PAK, the Administrator of the enterprise did not establish the Creditor’s Board but all creditor claims were addressed to the Court that decided on creditor claims.

Since the asset of the New Co “Llamkos Steel” was sold with special conditions to “Coresteel” I.L.C. it was concluded that creditor claim besides penalties calculated so far upon decision of PAK Board as non-fulfillment of capital investment for the first phase, penalties of the second and third of investment and penalties for recruitment for these two phases should be calculated.

Along with Legal Department we have prepared creditor claim for the buyer of “Coresteel” enterprise L.L.C. The penalties issued so far and other requests regarding the damage caused at the second and third phase have been presented to the letter as creditor claims, which after commencement of bankruptcy procedure cannot be fulfilled in the future. A court proceeding was held in which is expected resolution of our creditor claim whereas we have taken response from the Administrator, and according to him our request is legally ungrounded as the damage caused from non-fulfillment of investment commitments could not be proved as intentional. The Legal Office shall undertake next due steps with regard to our creditor claim. On 25.03.2016 legal office received the decision of the Court rejecting PAK creditor claim and the legal office is preparing an appeal.

New Co “Famipa” was privatised in wave 49 of the sale, whereas the sale and purchase agreement was signed on 13 September 2011.

Annex 5 – Section B of the Statement regarding the transfer of assets and liabilities provide that the buyer of NewCo “Famipa” shall continue the same activity (production and processing of metals) and it shall not dismount and dislocate the equipments out of the enterprise, at least until the end of the agreement.

Considering that enterprise even after conclusion of commitment agreement has still not been released from commitment agreement, we have requested twice from buyer’s representatives to conduct visit at the premises of enterprise, but Buyer’s representative did not agree reasoning that commitment agreement is concluded and we are not entitled to visit premises of enterprise.

At the request of Kosovo Police have been prepared all the documents related to enterprise such as: sale and purchase contracts, all incoming documents of this enterprise, outgoing documents, reports from site visits conducted by monitoring officers and reports from Buyers. The audit report of this enterprise is delivered as well.

New Co “Hotel Union” was privatised in wave 11, whereas the Sale and Purchase Agreement is ratified on 02 August 2006. Based on Commitment Agreement 541/2006, article 2 and 3, the buyer of the New Co is committed to restore and maintain the outer view of the enterprise in order to deeply preserve the style and historical character of the building, and to provide to the Alliance of the Writers of Kosovo a space with a surface of 200 m² for the next 13 years.

We have received once again the bid for AWK submitted by Beneton Group that is the Buyer of "Union Hotel" with surface area of 200 m² to be allowed for AWK. We addressed this bid to Alliance of the Writers of Kosovo in order to inform us with decision made after the proposal of Beneton Group. AWK officials were not satisfied with proposal of Beneton Group, and then we informed the buyer of enterprise regarding the response.

We asked both parties for compromise, but so far they could not reach any agreement, as the buyer states that they are not obliged to offer the space of 200 meters to AWK within the premises of Union Hotel, whereas AWK requested to be included within Union Hotel.

The Buyer once again expressed the interest to negotiate with AWK regarding this space and stated that the request of AWK stating inclusion within the premises of enterprise are in contradiction with agreement and have bad impact to foreign investors as they would consider it as pressure on them.

New Co "Hotel Onix -Banja e Pejës and Health Spa" Peja;

New Co Special Hospital for General Rehabilitation Onix I.l.c. was privatized as in individual project through international tender whereas the sale contract was ratified on 22 April 2013.

Based on annex 1, Commitment Agreement which is integral part of the Sale and Purchase Agreement of simple shares of New Co "Special Hospital for General Rehabilitation Onix I.l.c. Purchaser promised as follows:

- to continue current business activity meaning continuation of the same activity of the Socially-owned Enterprise as health spa and hotel until 22 April 2016. Purchaser of the New Co provides and ensures to keep current business activity until completion of commitment agreement period. The New Co "Special Hospital for General Rehabilitation Onix" L.L.C is conducting its business activity in accordance with the contract and is complying with committed terms of the contract. Besides continuation of business activity, purchaser carried out considerable investment in rebuilding of premises and improving supporting infrastructure.

During this period have been conducted 5 monitoring visits and from these visits and Buyer's reports we ascertained that the Buyer keeps holding operational activities and were conducted capital investments in isolation of the building and was built transport of heating system comprised of 9 tubes, cleaning of premises, isolation of roof and was conducted selection and conclusion of exterior works to the premises of enterprise. The Buyer also stated that has started hard works in Hotel Ilixha.

Works shall be conducted in accordance with foreseen project (conclusion of hard works during this year) and the buyer states that have taken preliminary authorization to start building solar panels. Before starting to build these panels, they are waiting for full authorization of ERO and agreement with KEDS, and that so far they could not get final permission. So far, the semi-olympic indoor swimming pool has become operational and considerable investment is being done aiming to continuously improve accommodation conditions for guests not only for curative purposes but also for guests visiting this rehabilitation institute.

Currently, the enterprise hired from 120 to 122 employees with employment contract and provided evidence on payment of pension contribution for them. Electricity supply problems are still evident and such reductions have direct impact in the flow of enterprise activities.

During this period we received semi-annual report for the New Co privatized with conditions “Special Hospital for General Rehabilitation Onix” which covers the period until October 2015, and according to the report, the Buyer, during 2015, has made capital investments in the amount of € 1,147,526.64, and hired 120 to 122 employees. Since the Buyer according to the contract is obliged to report on semi annual basis, the period from October until end of 2015, i.e., April 2016 shall be summarised in the following reports.

NewCo “Shockabsorbers Factory”

It was privatised in wave 45A, whereas the Sales Agreement is ratified on 31 March 2011. NewCo “Shock Absorbers Factory” is located in Prishtina Municipality. The new Buyer, in accordance with agreement has undertaken to continue and retain current business activity. The purchaser reported in regular periods as set out in the contract. Monitoring period ends on 31 March 2016. The enterprise does not have series production but it only produces and repair shock absorbers upon request and based on individual requests. The sales contract stipulates only retention of activity but without any value of production, sales, employment or any other activity and this causes difficulty in precise determination on retention or not of enterprise activity.

During 2015, six monitoring visits have been conducted, and in the course of these visits the Buyer reported to have carried out repairs and production of shock absorbers mainly according to customers’ demands, i.e, there is no serial production. The buyer justified that there is no market for any serial production but mainly conducts reparation of old shock-absorbers. Its activity goes on with reparation of shock-absorbers and other mechanic, hydraulic and pneumatic parts for vans, cars, trucks, etc, mostly in based on demand, and the situation is unchangeable since commencement of its activity. According to Buyers semin annual reports not connected with calendar year, the amount of turnover generated from the services carried out until 12.10.2015 was € 8,521.00, and the amount of lease revenues was € 19,657.00. The amount of capital investment expenditures was € 104,225.00, whereas the amount of other operational expenditures was € 5, 724.00. The next Buyer’s reporting period until the end of the year shall take place in April 2016 and shall cover the period from October 2015 to March 2016.

The number of employees engaged in this enterprise varied from 18 to 20.

The buyer is supplied with raw material in Kosovo market, whereas for some specific part gets equipped by Slovenian partner “Amortizeri D.O.O).

NewCo “Emin Duraku Industrial complex” L.L.C is privatised in Wave 45A, whereas, ratification of the agreement took place on 03 September 2012. NewCo “Emin Duraku Industrial Complex” L.L.C. is located in the municipality of Gjakova. The Enterprise has undertaken to continue its current business activity for a period of 5 years, concretely, until 03 September 2017. Vast portion of enterprises sold with conditions do not have any contractual obligations for employment or investment in figures but their only condition is to maintain current business activity. The condition of this enterprise is also retention of current business activity.

During this period have been realized 5 monitoring visits and the number of workers varied from 11 to 13 workers, and 7 of them have been engaged in production process (in this enterprise are mainly produced mattresses of various dimensions), whereas 6 workers are engaged as guards of this enterprise. The Buyer fulfils the following obligations to the workers of this enterprise: salaries, taxes and contributions as well as the hot meal for these workers.

The Buyer of this enterprise entered into partnership with INTERTEX Company L.L.C. and meantime promised to generate 70 work positions. According to this partnership entered into between Intertex and the Buyer of the New Co "Emin Duraku" industrial Complex, the Buyer shall offer the building, whereas the Intertex shall produce covers for one use for the Company of vehicles "Volvo".

During this period was received semi-annual report from the New Co "Emin Duraku" Industrial Complex, who reported on continuation of its activity in this enterprise. The Buyer provided information to this report on several incoming invoices of electric energy, and employment contracts to recruit, and several information regarding sale invoices issued by the buyer. They also provided invoices on investment that is ongoing at the other premises close to the premises that has been using so far. Based on the visits conducted, it is noticed that the buyer is renewing a part of the premises of around 1200 m² in order to functionalize the space for economic activity. The present buyer states that have continuous problems with low pressure energy supply. The situation in enterprise keeps being the same and besides production of mattresses, there is no other textile production. The Buyers reported that during the reporting period invested € 17,208.00, and generated revenues from other services in the amount of € 20, 607.00.

NewCo "Emin Duraku Edico" L.L.C. was privatised in Wave 45 A, whereas ratification of the Agreement took place on 14 August 2012. NewCo "Emin Duraku Edico" L.L.C/ is located in Gjakova Municipality. The enterprise has undertaken to continue with its current business activity for a period of 5 years, concretely, until 14 August 2017.

In this enterprise have been conducted 8 monitoring visits, and based on these visits and reports of Buyers, we ascertain that 17 to 20 workers have been employeed. The buyer carries out the following obligations: salaries, taxes and contributions and a warm meal. Workers possess employment contracts as well. The enterprise produces textile products, sports wear for different ages, with various designs.

The Buyer is continouing its activity in the field of textile, mainly production of tricots, sports wear and jeans.

According to Buyer, supply with electricity still remains the special problem, since Kesko Company so far did not support the Buyer to place a sub-station that would provide stable supply with electricity. The Buyer submitted a request to PAK asking for support regarding this situation, where the regional office of Peja assisted to KEDS to overcome this situation. By the end of the year, there were several damages in the building due to heavy winds that damaged the roof of the building.

According to Buyer's reports, during 2015, the enterprise demonstrated a positive business. The amount of revenues generated during the period is € 158, 116.00, whereas the total amount of expenditures is € 129, 472.00, which also includes expenditures for workers' salaries that amounts to 40, 080.00, and several capital investments carried out by the buyer.

New Co “Dubrava Dairy Farm” – was privatised in wave 28 of the sale, whereas, Sales Agreement is ratified on 19 December 2011. New Co “Dubrava Dairy Farm” is located in the Municipality of Istog. The new Buyer, according to the Agreement has undertaken to continue and maintain the current business activity until the end of contracting period, respectively, until 19 December 2016, (a period of 5 years). In accordance with the agreement the New Co “Dubrava Dairy Farm” is obliged to keep 17 workers and also 250 cattle during the set out period of time.

From beginning of the year and up to now in this enterprise have been realized 8 monitoring visits, whereby it is noticed that Buyer has changed the production line, passing from meat to milk production. The Buyer keeps its activity in accordance with commitment agreement and currently has 260 cattles and 17 workers, to whom apart from the salary provide the warm meal. They also carried out autumn sowing at considerable number of agricultural spaces they have available.

During the reporting period, enterprise’s revenues generated from sales amounts to € 104,079.00, whereas, the amount of operational expenditures is € 252,934.00, which also includes expenditures for workers’ salaries hired in the enterprise amounting to € 47,210.00. The Buyer also reported to have invested in purchasing of dairy cattle imported from Germany in the amount of € 91,701.30, and also made investments in purchasing of agricultural and barn equipment in the amount of € 24,949.00. The other part of expenditures was made for cattle feed and other expenditures required for plantation of various agricultural cultures.

New Co “Industrial Battery Factory Trepca” –

NewCo “Industrial Battery Factory Trepca” L.L.C. has been privatised as in individual project, whereas the sales contract was ratified on 14 June 2013. The new Buyer provides and ensures to continue and maintain the current business activity until the end of commitment period for the next 3 years, concretely until 14 June 2016.

5 regular monitoring visits have been conducted in this enterprise, and according to Buyer’s reports and information obtained we concluded that the Buyer produces mainly batteries according to customers’ demands, as there is no market for serial production, therefore, this effects that Enterprise does not produce batteries uninterruptedly. There have been mainly produced batteries for Trepça north and some small amounts for export to Albania.

According to Buyer’s reports, there are 38 workers employed in enterprise, to whom the salaries have been barely paid and with several months delay.

During this period, the buyer of the New Co “Industrial Battery Factory Trepça” submitted semi-annual report in which the Buyer reported on continuation of the activity which does not include serial production but only based on individual demands. According to semi annual report, the amount of revenues from sales and other services is € 71,448.00. Whereas, the amount of total investments was € 128,050.00 which also includes workers’ salaries in the amount of € 88,744.00 and the next part of expenditures in the amount of € 39,305.00 for purchasing of other material, such as, purchase of alloy, boxes, and other metal cases required for production and transport of enterprise[s] products.

New Co "Kualiteti " L.L.C Gjilan was privatised in wave 25 of sale and the contract was signed on 26 May 2008. The sale of enterprise was executed through regular spin off method but provided that enterprise in the period of 2 years should keep its activity as a mill respectively as warehouse for collection of grain.

In the data-base of enterprises privatised through special spin off method or with conditions inherited by KTA, New Co "Kualiteti International" L.L.C. has not been included, so CSU failed to conduct monitoring of its activity until September 2014.

After this period, there have been conducted two monitoring visits, during these visits is noticed that the buyer keeps partially holding production activity, as he keeps producing small amount of bread, which then distributes to small markets. The Buyer stated difficulties in exercising its activity due to market competition. No dislocation of machinery is noticed from the area inside of the building.

Business residential building is under construction at the spaces of enterprise, and the works are ongoing at the seventh floor, where the workers have been noticed, construction material and machineries installed at the yard of the enterprise.

The claim is filed by PAK for New Co „Kualiteti” with regard to commencement of preliminary illegal constructions, which has been dismissed by the Special Chamber, therefore, the legal office has withdrawn this decision, meantime we have received the ruling issued by the Ministry of Environment and Spatial Planning, by which is admitted the claim of PAK against AKK regarding buildings constructed by Buyer together with "Agrohermes" enterprise in the spaces of enterprise and without preliminary approval of PAK.

Financial penalties for non-fulfilment of commitments

Due to non-fulfilment of commitments, financial penalties so far have been applied to purchasers who did not fulfil commitments.

The table below represents penalties during the time period January 2015 – December 2015 and the total amount of financial penalties applied from the beginning to December 2015:

The total amount of penalties for 5 SS0-s		
Name	Penalties January – December 2015	From the date of commencement until 31.12.2015
New Co, Grand Hotel"	0	8,822,314.97
New Co,, IDGJ"	0	4,573,649.11
New Co,, Xim Strezovc"	0	7,298,170.76
New Co,,MIM Golesh"	0	8,447,812.27
New Co,,Agrokosova Holding"		3,579,997.53
Asset ,,Llamkos"	29,029.28	1,715,488.79
Total	EUR 29,029.28	EUR 34,437,433.43

Note:

PAK exercised call-option to the following Enterprises privatized with special spin off: ' Grand Hotel", "Xim Strezovc" and "Mim Golesh".

Asset „Llamkos" that has been sold through liquidation, and due to Buyer's obligations against several financial institutions (Banks), upon decision of the Court has started bankruptcy procedure, and the court has appointed the Administrator who shall administer with it. PAK filed a creditor claim to Administrator regarding these penalties that have been applied to Buyer due to non-fulfillment of commitment agreement, and then we have received information from Administrator who said that our request cannot be admitted.

OTHER ACTIVITIES

At the request of PAK Legal Department is drafted a document required for enterprise that has been commecrailized – CRK Fapol (the Contract and all letters that we possess from Commercializers as well as Audit and Evaluation Reports of CRK Fapol Enterprise).

Decision on release from Commitment Agreement was delivered to the buyers of the New Co "IMN Brick Factory".

5.4. DIRECT ADMINISTRATION UNIT

In the normal flow of events, supervision, control and monitoring of enterprises is carried out by Regional Offices of PAK. The measures of Direct Administration are implemented in specific cases when an SOE was slow or delays in progress, or it was in financial risk due to mismanagement, which reflected negatively in the interests of the SOE and its workers. When Regional Offices exhausted all their possibilities and options to generate positive impact on the SOE which shows a falling trend, then it is proposed implementation of Direct Administration in this enterprise from PAK Regional Offices. All SOEs placed and/or withdrawn from DA are approved mainly by Board of Directors.

During the reporting period, DA Unit was mainly focussed in Administration of Enterprises which upon decision of the Board were placed under DA, and also prepared data on Enterprises which have been taken out from DA.

During the reporting period, DA Unit was mainly focussed in administration of enterprises, which by decision of the Board was placed under DA, and also has prepared data sheet of enterprises removed from DA.

1) **New Co "MIM Golesh" L.L.C**

After placement of Enterprise under DA, they applied to Directorate for Cadastre to change the title-holder of the enterprise and registration of Enterprise under PAK ownership. The Directorate for Cadastre in Lipjan has changed the title holder of the property and registered the enterprise under PAK ownership, after final decision that PAK received from Appellate Panel of the Special Chamber, by which rejected the claim of the former buyer regarding Decision of PAK to exercise call-option and placement of "MIM Golesh" enterprise into PAK administration.

Registration of all assets throughout the enterprise was conducted.

Provisional Managers of the New Co "MIM Golesh" Enterprise L.L.C have been appointed upon decision of PAK Management.

In order to have progress at the works of enterprise, 20 workers of technical-administrative level have been recruited through budgetary program Reorganization and Administration of SOEs of commercial category subsidy.

Monthly salaries and payment of the source tax and pension contribution have been realized for these 25 workers of SOE "MIM Golesh" L.L.C. through budgetary program Reorganization and Administration of SOEs of commercial category subsidy;

Meetings with different investors who expressed interest for mine were held.

We also announced twice the invitation to bid for the sale of gravel of the New Co "MIM Golesh" as well as the sale of ultra-basic rock material of Golesh (filling material) with granulation -6-+10 mm aiming to collect income for realization of all obligations and liabilities of enterprise. First time there was no interested parties, whereas at the second time only two Commercial Operators expressed their interest, but members of the

committee ascertained that the value offered has been under-estimated and was not in compliance with market price.

Drafting of employment contract for Provisional Managers of Enterprise and other workers for the period from April to December 2015

Preparation of budget request for fiscal year 2016 and expectations for 2017-2018 while presenting detailed explanation for each sub-budgetary line

Direct Administration Unit/ PAK Management has conducted several meetings with Bechtel Enca aiming to extend the contract on use of dunite that has been in force at the moment of exercising call-option. However, since the ICMM has rejected transfer of licences from former owner to PAK, agreement could neither be extended nor signed by PAK.

The current situation in mining-metalurgic complex MIM Golesh is in the position that without financial investment is not possible resume of production process, therefore, managing staff of enterprise has drafted emergent action plan for regeneration of financial means, while selling materials of enterprise, as in the following:

- a) **Ultra-basic rocks** with granulation -150 mm, material was mined by Bechtel & Enca ungranulated, material amount around 200000t. Material can be sold around 0.70 €/ton.
- b) **Ultra-basic rocks** with granulation- 60 mm granulated material, amount 30000t. Material can be sold **3-5** €/ton.
- c) **Gravel from Dunite rocks**, with granulation -5+1mm, amount of around 1000m³ or around 2000t. The material price varies from 5- 7 €/t or 1.5-3.5 €/m³.

2) SOE "Ereniku –Industria" Gjakova

Financial situation in this enterprise is difficult due to delay of lease payment. The leaseholders have several times submitted the requests asking to decrease the leases.

Final warning in writing was sent regarding non-accomplishment of accumulated debt, "Ariani" I.l.c. A party was informed through the document that currently is using asset in question without lease contract, since the extension of lease contract with the same price was rejected.

Direct Administration Unit, through several letters/notes, requested payment of the accumulated debt with purpose to carry on mutual cooperation. Since the same was not ready to pay the accumulated debt for the lease, DA Unit requested police assistance to expel the user, during the release of building, the user agreed to pay part of the debt, provided that the request for decrease of the lease is reviewed.

According to request of the leaseholder "Ariani" L.L.C, PAK Management appointed three members of the committee to ascertain factual situation of the space and determination and allocation of the surface that is not used by leaseholder. After the site visit and ascertaining the factual situation, members of the committee concluded that contracted price should not be changed for the fact that there is not considerable change of contractual terms after ascertaining the factual situation of the asset SOE "Ereniku-Industria". The leaseholder N.T.SH "Ariani" I.l.c. even though has been informed by DA Unit regarding rejection of the request to decrease the lease still keeps on with non-fulfilment of contractual obligations. Moreover, the

user of the asset of enterprise refused to sign the lease contract under the terms that leaseholder has previously used this asset.

Final warning in writing was sent with regard to non-accomplishment of accumulated debt "Lithography". The Direct Administration Unit, through several letters/remarks and mutual meetings, requested execution of accumulated debt, aiming to carry on mutual cooperation. Despite this fact, it was not shown readiness to keep on payment of the lease in conformity with preliminary lease agreement. DA Unit has requested police administration to expel the user, and during the release of premises, the user failed to execute payment of the whole debt. After that period, the user of the asset of SOE "Ereniku – Industry" – Lithography, until November 2015, has carried out payment of lease obligations in accordance with the contract. We have problems with lease collection from November 2015 and on.

Illegal user of the asset of SOE "Ereniku-Industria" Xhelal Sadiku is in ownership contest with enterprise, and the same filed a claim with Municipal Court of Gjakova regarding ownership certificate. The illegal user of the asset of Enterprise requested to enter into contractual relations until resolving the court contest. The request has been reviewed by DAU and was drafted the request for Legal Opinion. In legal opinion is stated that the legal framework that regulates the lease issue does not allow the Enterprise to enter into contractual relations without preliminary approval of the lease by PAK Board of Directors. The present issue was suspended until the meeting of PAK Board of Directors. Several correspondencies have been held with Public Waste Company "Çabrat" in Gjakova, with regard to the use of asset which is owned by "Ereniku-Industria" Company. The Enterprise refused to enter into contractual relations based on a document before the war which does not present legal ground to guaranty the right to use the asset. During 2016 is expected exclusion of this enterprise if they possibly do not agree to get into contractual relations with Enterprise respectively PAK.

SOE "Kosovo Bauxites"

The Managing Board of SOE "Kosovo Bauxites" Klina, has made the following decisions:

- to extend the current contract with "Victoria Invest" Company, which has leased the asset of "Dry Mortar Factory" Enterprise;
- to distribute financial funds to workers with technical assistance;
- to execute payment of the debt to ICMM for stone taxes and administrative fee;

After the decision issued by the Managing Board of SOE "Kosovo Bauxites" Klina, regarding payment of the debt to ICMM regarding stone taxes and administrative fee, we held a meeting with Independent Committee for Minerals and Mines, aiming to reprogram the debt of the Enterprise regarding licenses for use. The Chairman of ICMM clarified that we should initially pay half of the debt, and then to proceed with instalment payment of the remanaing part.

Meeting with Kosovo Forest Agency to discuss on the tax that Boauxites should pay for the use of two assets they have leased. This kind of tax is used for passing through the property that is evidenced under the name of Forest Economy, in order to use these two assets. This consent is also needed for continuation of licenses for use in ICMM.

The Enterprise has decided to expel a family that has been using a former building of administration of the enterprise. The Police filed a criminal charge against Director of Enterprise. We have visited the Police Station

in Klina regarding this issue, but the Police Commander instructed us to go to the Basic Prosecution Office in Peja, since the case is being followed by a certain Prosecutor, and we should meet him in order to explain further details and procedures. So far we have not received any document which proves that the family residing in the building of former administration of enterprise enjoys the right of use upon any decision of Habitat or the Court. However, the Police has mentioned in the decision of Habitat upon which is recognized the right to a person of Serb nationality to use the building in question, but the Enterprise and PAK do not possess that document. During the next week should take place a meeting with prosecutor of the present case. Members of the Board of Enterprise explained to us that the family which is sheltered in that building is paying the lease to a Serb family living in Serbia.

- Legal session, where PAK is the claimant as representative of Kosovo Bauxites. The dispute has to do with the certification of the right of use of an apartment which figures to be in the ownership of the Enterprise but it is occupied. As litigant party is also a former employee of the Enterprise who has the right to use the apartment, since the apartment in question was granted to him with the decision of the Enterprise in 1988, and it was confirmed with the decision after the war. Two sessions remained to be held until the Court renders its decision.

The Director of the Enterprise took over the rendering of the debts statement together with the penalties and without penalties, all of this with the purpose of rendering a real debt statement since with the new law rendered by the Government of Republic of Kosovo, all debts until 01 January 2009 shall be paid, with the condition that if there are debts after 2009 an agreement must be signed with TAK.

On 23.09.2015, in daily newspapers we have announced Invitation to Bid with regards to lease of separation asset of SOE "Kosovo Bauxites" Klina.

On 30.09.2015, committee members made the opening and evaluation of bids.

Committee members unanimously made a decision for the selection of tender winner for leasing the asset of SOE "Kosovo Bauxites" – Separation according to determined criteria with the Invitation to Bid – the highest price, Economic Operator NNP "Joni-Tech" and that at the amount of € 5,205.00 with VAT.

Lessee submitted the request for lease deduction 50% from the real amount of lease during the winter season, despite the fact that the lease contract was signed at the amount of € 5,205.00. That request has been rejected as ungrounded and outlawed. Economic Operator failed to execute the signed contract by causing considerable damage to the Enterprise. In this case it was required from the Insurance Company "ELSIG" to execute the issued guaranty from that company in the name of Economic Operator NNP JONI TECH. The guarantee for contract execution was an integral part respectively condition of public tender. The request was proceeded to private executor who rendered the ruling on execution at the amount of € 5,250.00. Party submitted appeal in this ruling and the case passed in dispute in Appellate Court Economic Department. Based on submitted evidences, we expect the Court to bring the decision in the favor of the Enterprise. Based on Court decision and on bank guarantee, the Enterprise expects to collect € 10,410.00.

5.5. DEPARTMENT FOR COORDINATION OF LIQUIDATION

Liquidation Division (LD) is one of the two substantial divisions of the Agency. Department of Liquidation Coordination acts within this division. The main purpose of the Department for Coordination of Liquidation is the coordination of liquidation process in Agency, and the supervision of the development of policies in the function of implementation of this process. Department of Liquidation Coordination is composed of these units:

- 1. Liquidation Project Management Unit;**
- 2. PAK Liquidation Unit; and**
- 3. Workers Lists Unit.**

UNIT FOR THE MANAGEMENT OF LIQUIDATION PROJECT

- Contractor has submitted all reports regularly, and regular meetings were held where different issues were discussed with regards to liquidation process, and consequently review reports have been prepared with regards to submitted reports.
- The general number of requests has reached the number of: 89,630 requests, whereas the number of made decisions and sent to claimants so far has reached this figure: 89,268 decisions (83,282 made decisions by the contractor and 5,986 previous decisions made by LC-AL);
- The general number of SOEs for which has commenced the liquidation process so far has reached the figure of 462 Socially Owned Enterprises in liquidation;
- 820 creditor claims, have been registered in total during the reporting period;
- 1,526 claims submitted after the deadline are registered until now;
- The Audit Report has been received from the internal audit Unit regarding the activities for Coordination of Liquidation and the contract monitoring with the PSP for the period November 2013 – October 2014. The update of application has been made for the implementation of recommendations and the maintenance of the entire liquidation process.
- Group of press releases have been published – notices for the LA decisions for claimants whose addresses were not found in local and in Serbia and Montenegro newspapers according to procedures;
- The Procurement department has prepared for the signature the annex of contract with the contractor, on occasion of VAT increase of value from 16% to 18%.
- Requests and memos have been prepared for Liquidation Steering Committee and Board Committee for the approval of presented reports in different DCL meetings held during the entire year;
- The document “Procedures on the engagement of service providers” has been approved based on which are engaged and paid Service Providers in PAK regional offices;
- DCL staff has continuously been appointed to participate in the committee for the opening and evaluation of bids for leasing SOEs assets in Liquidation organized in PAK Regional Offices;
- Necessary amendments are made in the composition of LA by the Contractor as well as by PAK staff with the purpose of better organization and distribution of the works between Case Officers.
- The insertion of documents by LAs has continuously been followed in the Liquidation application from all PAK regional offices with the purpose of progress of liquidation process.
- Liquidation Steering Committee (LSC) during the reporting period has held 6 meetings. In LSC meeting (the composition of the Agency) held on 4 November 2015, it has been decided the penalties to be implemented towards the contractor for the liquidation of caused damages towards the Agency as a consequence of non-termination of review and the sending of all claims to claimants until 10 July 2015,

as it is required with contract (Article 17.1 page 19 Special Contract Conditions). On this occasion daily calculations are made with regards to damages.

- On 30 December 2015, Board of Directors of the Agency held meetings and approved the transfer of surplus funds from 125 Enterprises in liquidation at the amount of € 61,310,628, in the budget of Republic of Kosovo.

The contractor reviewed claims according to presented plan in the table form as below:

The presented work plan for the period	Plan	Achievements	%
January 2015	500	840	170
February 2015	1,100	1,208	109
March 2015	1,400	1,199	85
April 2015	1,400	1,187	84
May 2015	1,400	906	65
June 2015	1,400	907	65
July 2015	208	439	-

*According to presented work plan from the contractor for 2015, it has been provided that the review of claims shall be finished until 10 July 2015, as a consequence of different circumstances the number of claims remained without being reviewed

The current status of claims:

Description	Total
The total number of submitted claims in the Agency since the beginning of liquidation process	89,630
The number of creditor claims placed by the liquidation committees - LC	5,986
The number of creditor claims placed by the contractor from July 2012 until December 2015:	83,282

The number of submitted claims by the claimant during the reporting period	820
The number of sent decisions to parties by the contractor during the reporting period	7,825
The number of not reviewed claims	362
The number of not reviewed claims which are not under PSP control	0
The number of SOEs for which has commenced the liquidation process during reporting period	2
The number of all SOEs for which has commenced the liquidation process since the beginning of process	462
The number of SOEs for which has been finished the review process of all creditor claims during reporting period	153
The number of SOEs with regards to which are prepared Distribution Draft Reports by the contractor during the reporting period	108

PAK SOE LIQUIDATION UNIT

- The Liquidation Authority has been established for: AC Bibaj, AC Gaçka, AC Novobërda, AC Visoqa, Partizan, Babush, CIK Kumanova, Geodesy, AC Përparimi Trstenik, AC Glloboqica and AC Xhafa, they enter in the category of SOEs without assets and/or without creditor claims and their process of liquidation shall be closed by the Unit for Liquidation of SOEs from PAK.
- It has been worked with regards to obtaining the necessary documentation regarding the closure of liquidation process for these SOEs from this unit.
- Notices were sent to SOEs creditors without assets, for the lack of funds as it is also provided with procedures.
- It has been worked in the preparation of final reports for: AC Bibaj, AC Gaçka, AC Visoqa and AC Xhafa without assets/or without claims.

This unit has 26 different Enterprises in total, where for 7 the entire liquidation processes ended with respective rulings of the Special Chamber of Supreme Court of Kosovo and 19 SOEs are still in process.

During this period, we have worked in preparing final reports for the enterprises which according to procedure are under the competence of this unit and which do not have assets, whereas in cases when there

are assets, the preparation of reports for these SOEs is made after the sale of their assets. The contractor prepared also an additional list with the names of 31 SOEs, for which is alleged that they are without assets or without creditor claims and or assets of which are not registered in their name. This list shall be subject of re-verification of assets before they are sent to be liquidated by this PAK unit.

20 % EMPLOYEE LISTS UNIT

20% distribution for the period January-December 2015

During the reporting period January-December 2015, the distribution of 20% is made for the SOEs eligible employees at the general amount of € 8,028,314. The general number of 15,125 employees benefited from the distribution of 20% funds.

5.6. SOE REORGANIZATION AND ADMINISTRATION UNIT

On 29 January 2015, Official Newspaper published: LAW No. 05/L-008 FOR AMANDAMENT AND SUPPLEMENT OF LAW No. 04/L-035 FOR REORGANIZATION OF CERTAIN ENTERPRISES AND THEIR ASSETS, according to which legal deadlines are amended for the submission of Reorganization Plan, by extending it until 1 November 2016. SCSC has been informed with regards to these legal amendments by PAK, and PAK together with this information submitted the request for deadline postponement for the submission of Reorganization Plan by SCSC.

It is worth mentioning that many of the planned works in Annual Plan for 2015 could not begin due to non-appointment for a long period of time of BoD as competent body for the approval of projects within Re-organization.

TRU within the preparation of Trepça Reorganization Plan has coordinated and supervised the necessary processes for reorganization, by holding meetings with professional committees for the determination of mineral reserves and for re-assessment of the wealth of the enterprise. As a result the reports which have been prepared are: 1. Assessment report of mineral reserves and 2. Re-assessment of the assets of the enterprise.

TRU has worked with the creditor claims presented to PAK by TRU against Trepça, by classifying them in different categories; it has supplemented them and calculated the preliminary values of each claim.

TRU – Trepça Monitoring (Management in Industrial Park of Mitrovica)

The main objective of the business of enterprise is the preservation and the increase of value of the enterprise, and its preparation for reorganization, which is aimed through following actions:

- Taking care for the production increase, the increase of revenues from other services and rents,
- Taking care for the reduction of outflows/deduction of costs,
- Scheduling of meetings and the assisting meetings with third parties,
- The establishment and participation in committees with special interest.

Many processes are supervised, but we shall share the most important ones:

- The supervision of procedures of the sale of Trepça concentrate,
- The supervision of procurement procedures which exceeds the amount of € 10,000,
- Trepça assessment and engagement in its legal disputes, and
- The role playing of intermediary bridge, or communication channel between Special Chamber, PAK and Trepça. TRU during the reporting period submitted quarterly regular reports in SCSC, and all claims, instruction for action, and the communication of other natures has submitted in SCSC, which have been initiated and proceeded from TRU, and which are realized in cooperation with Trepça and respective PAK departments.

In this aspect TRU supervised the procedures of Trepça concentrate sale, procurement procedures which exceed the value of € 10,000 financed from Trepça's own revenues, by helping Trepça in all of its operative fields, and it was engaged in its legal dispute, etc. TRU in cooperation with the Customs has checked the exported quantities of ore, if they are pursuant to approved quantities by PAK.

The production during 2015, in the Mines of Artana and Stantërg could not develop activities regularly. Regarding to this, main production activities in Trepça have been described based on management reports in Industrial Park of Mitrovica.

Different situation have been developed with regards to Trepça in January 2015, and Trepça was made a political problem. The ruling of Court AC i – 14-0247 – A0001, for the submission of Reorganization plan until 02 February 2015, which was the changed deadline from the dictated deadline from the same Court earlier, caused a number of dissatisfaction which resulted in a form of minors strike, but also of the protests in the street with the request "Trepça – Publically Owned Enterprise". The above mentioned situations resulted in small volume of operative works in Trepça, by reflecting the smallest production.

Two weeks have passed since the termination of works in January due to the strike in the Mines (Stantergu and Artana), until the return of daily works dynamic, and which as a period did not last very much. The production dynamic decreased again after a week, respectively after a number of circumstances, and calming of situation and return of dynamic of production work, since on 24.01.2015, to Trepça expired the license for ore exploitation, this license is issued by Independent Committee of Mines and Minerals ICMM, which did not have Board, and which is the only Competent body for the issuance of license. Trepça did not get the license until May when the ICMM Board was established and begun to function. According to reports of Trepça Management, as a consequence of not-continuation of License, the lack of explosive and other consequences which arise from not having the license influenced the decrease of production in this period.

The lack of production presented big problem in securing the salaries starting from March, due to lack of production and non-possibility of sale and the lack of necessary means for salaries.

After receiving the decision from SCSC (CV-15-0006) for the allowance of lead and zinc concentrate. Trepça has developed the tender for realization of this sale. The enterprise has developed again the tendering procedures for September, after the failure of contract realization by the winner in the first tendering process. The enterprise concluded a contract with two companies for the sale of Pb and Zn. The realization of concentrate sales contracts shall be supervised closely from PAK – TRU.

In order to illustrate the primary activity of Trepça – and which is the extraction and processing of ore, you can see below the production report for 2015 regarding which have reported to Management of Mitrovica and the production report for the period 1 January until 30 December 2015 reported by the Management in Zvečan "Trepça – Enterprise under PAK Administration", since it has not reported still the final annual report, the presented data include the period only until November 2015.

The realized production in the mines Stantërgu and Artana with the flotation First Tunnel and Kishnica

The exploitation of 180,994 tones of Pb and Zn ore during 2015 (204,140 tons in 2014) from two mines, which resulted with the production of 12,320 tones of Pb/Zn concentrate in the Flotation First Tunnel and

Kishnica out of which 5,440 tones of Pb concentrate and 6,880 Zn concentrate are produced. This produced quantity of the concentrate for 2015, is 26.08% lower than the production of the previous year 2014.

	Pb concentrate (ton)	Zn concentrate (ton)	Total Zn and Pb concentrate (ton)
2014	7,330.63	9,336.50	16,667.13
2015	5,440.00	6,880.00	12,320.00
The comparison in % of the concentrate during the years	-25.79%	-26.31%	-26.08%

It is the first time during the ten years after Trepça reactivation, that during a year these two mines have such decrease of production. If the production is not increased in the level of previous year or around 30% from the current production, hopes that Trepça to pay the obligations and secure the salaries at the same time, are very small, and financial difficulties shall follow the enterprise also during the next year 2016. Therefore, it is required from the Management added performance to manage and use well all means in disposal for the increase of production.

5.7. DEPARTMENT OF REGIONAL COORDINATION

Department of Regional Coordination supervises the work of PAK Regional Offices. PAK has five Regional Offices (ROs) in Prishtina, Peja, Prizren, Gjilan and Mitrovica which include the entire territory of Kosovo and three satellite offices in Leposaviq, Shtërpce and Graçanica which main responsibilities have the gathering of information with regards to SOEs in respective regions and the implementation of privatization, liquidation and the activities of corporate governance.

The Department of Regional Coordination prepared the Work Plan of 2015, where this plan includes 726 assets for sale during 2015, distributed in 8 (eight) waves. However, due to the lack of Board of Directors until the end of 2015 this plan still waits for approval.

It is worth mentioning that, the documents for LAS 27 and LAS 28 are already finalized, whereas official offices continued with the visits in scene field and the preparation of document for LAS 29 and LAS 30, which due to mentioned delays above must be updated.

Achievements

TREATMENT OF USURPED ASSETS

With regards to treatment of occupied assets, the data are presented in Executive Summary.

As a result of added activities and undertaken activities for the release of occupied assets and added activities within the administration of assets, there was an extraordinary increase in collection of leases in the bank accounts of Socially Owned Enterprises in transition and liquidation in report with the same period of the previous year 2014 and that according to following months:

Treatment of illegal constructions:

During this period to the Committee for Illegal Constructions were sent:

Regional Office	No.
Regional Office in Gjilan	48
Regional Office in Prishtina	69
Regional Office in Mitrovica	32
Regional Office in Prizren	37
Regional office in Peja	28
Total	214

The determination of SOEs status

The form of requests for Status Determination (SDR) for the SOEs assets of which are outside Kosovo and which were identified during 2015, for review by the Committee on the Determination of the SOEs status have been processed during this year.

Lease of SOEs Properties in liquidation

Regional offices prepared with the request and approval by LA presidents and management, the list for the lease of SOEs in Liquidation, and lease announcement on 25 April 2015, 16 May 2015, 25 July 2015, 05 September 2015, 08 October 2015 and the last announcement on 01 December 2015.

Other works

The initiative with the Director of inter-municipal Archives and the Inspection for regulation of archives pursuant to the laws on Archives, where the visits are made in all regional offices with regards to defense, evidence, the classification manner and archiving of documentation transferred from the SOEs archives in the archive of the Enterprises in Liquidation.

The work for the preparation of new issued decisions by LA has continued, the registration of new claims in database, verification of all registered claim in database, their scanning, regulation of archives and the insertion of the documents in database.

Regional offices had continuously different meetings with SOEs managements, senior municipal officers, different parties, and visits in scene field also legal officers participated in representations in courts, filing of claims, filing of appeals, filing of responses to appeals, filing of responses to claim and other submissions addressed to courts, etc.

5.8. FINANCE AND BUDGET DEPARTMENT

Department of Finance and Budget offers financial services for the Agency: Sales Division, Liquidation Division, executive brunch, regional offices and respective departments/units of the Agency.

Department of Finance and Budget contributes by offering professional support in the implementation of authentic financial procedures, the right operation of financial systems and best practices according to local and international standards.

Department of Finance and Budget within the Agency covers two activities of financial management:

1. Kosovo Budget – administrative and operative activities of the Agency and other activities under its administration; and
2. Funds in trust of the Socially Owned Enterprises.

1. ACITIVITIES OF THE KOSOVO BUDGET

1.1 FINANCIAL STATEMENTS

- Financial statements of Dedicated Incomes, the general government grant and directors' grants for the fiscal year 2015 are prepared and sent on 29 January 2016 in the Ministry of Finance.

1.2 BUDGET

The main source for financing of the Agencies' activities for 2015 is the **Dedicated Income¹⁴** and the **General Governmental Fund¹⁵**. The Agency during this period has not benefited finances from the Donors' Grants or payments which have been realized from the third parties for the good of the Agency.

Department of Finance and Budget during this period with regards to budget included the following activities:

- Monitoring of budget performance 2015;
- Midterm expenditure framework 2016-2018; and
- Budget preparation for 2016.

1.2.1. Budget performance for the period January – December 2015

¹⁴ See Article 21 of the law no. 04/L-034 for Privatisation Agency of Kosovo and Article 64 of the Law on Management of Public Finances and Liabilities.

¹⁵ The general governmental fund or Governmental Grant are the financing sources to cover the activities which are not related directly to the Agency, but are used for covering the expenses with which the Agency administrates and which have to do with the reorganization of Socially Owned Enterprises and in this case is only the reorganization of SOE Trepça. The general governmental fund is the main fund of the Republic of Kosovo for the financing the budgets of budgetary organizations.

The budget performance¹⁶ during reporting period included the monitoring and implementation of the budget of the Agency and the requests activities for savings, transfers and added necessities for budgetary programs during semi-annual review process.

	A	C	C/A
Description	Budget on 31 December 2015	Expenditures	Realization %
Total	6,822,356	5,970,268	87.51%
Dedicated incomes	6,811,383	5,959,695	87.50%
Governmental incomes	10,973	10,573	96.35%

The budget during the fiscal year 2015 is cut only at Governmental Grant at the amount of € 3,389,027 and that:

- The amount of € 1,553,487 through semi-annual review process of Budget; and
- The amount of € 1,835,540 through the decision no. 09/65 of the Government on 23 December 2015.

PAK request and the approved budget for wages and salaries for 2015

In the approved budget for 2015 the staff number of 258 has been approved, whereas the amount of required funds, respectively the required budget of € 4,273,837 for salaries and wages due to some technical mistakes by the Ministry of Finance (MF) has not been approved entirely.

The approved budget for this category is € 3,886,391.00 and this budget, as we have informed also MF, is not sufficient for realization of salaries for the entire number of planned PAK staff until the end of fiscal year 2015.

Budget review for Privatization Agency of Kosovo for 2015 (Law No. 05/L-046)

By referring to the request of Ministry of Finance regarding the budget review for 2015, PAK has analyzed the budget, expenditures, and savings and additional necessities.

With the approval of Review law from the Government, PAK request for the transfer of means in the category of salaries has not been approved. The request for additional means of € 5,000,000 for the financing of Liquidation Authority from Governmental Grant has not been approved. MF has approved only the transfer of the amount of € 10,000 in the economic category of subventions.

Kosovo Government during the budget review process reduced the budget for reorganization plan of Trepça which is financed from the General Governmental Grant at the amount of € 1,553,487.00.

Non-approval of request for the additional budget of € 5,000,000 for the financing of Liquidation Authority from Governmental Grant does not fulfill the expectancies and the requests of the Office of General Auditor (OAG).

¹⁶ The performance of 2015 budget includes many activities with regards to budget monitoring, evaluations in the beginning and in the end of year. Occurrences are based on the budget circular letter, budget law (05-L-001), law on semi-annual review (05/L-046) 2015 and the first and second budget circular letters for 2016.

The transfer of saved means in the category of Wages and Salaries

On 23 November 2015, the Government of Republic of Kosovo made the Decision (No.04/60) and approved the transfer of the required amount of € 481,311 in the category of salaries. The report of amendments in budget is presented in financial statements.

The government decision no. 09/65 dated 23 December 2015 with regards to savings in budget allocations for 2015

On 23 December 2015, the Government of Republic of Kosovo made a decision for saving the budget means from Governmental Grant in the category of Goods and Services, where based on this decision PAK budget has been reduced, which is financed from the Governmental Grant at the amount of € 1,835,540.

1.2.2 Mid-term expenditure framework

According to the request of Ministry of Finance with regards to preparation of Mid-term expenditure framework PAK on 10 April 2015, prepared and submitted in MF the summary of mid-term expenditure framework of PAK for 2016-2018 as below:

1.3	P	MTEF	2016	2017	2018
	Total		11,077,449	7,083,249	6,884,249
	Dedicated incomes		7,677,449	7,063,249	6,864,249
	Governmental incomes		3,400,000	20,000	20,000

Payment processing

- The processing of 2,877 transactions (1,385 commitments and 1,502 payments) from the annual budget of Kosovo which is financed by the dedicated incomes of the Agency and general fund of the Government (for Trepça).

1.4 REPORTING

- The reconciliation of reports and daily reporting of financial reports for financial statements 2015 to;
 - Treasury Department of Ministry of Finance;
 - Management and Budget holders;
 - Publication of reports in official web page of the Agency into Albanian, Serbia and English;
- Monthly reports in the Ministry of Finance for unpaid invoices;
- The purchase of report of over € 500.00 for 2015 against Tax Administration of Kosovo.

1.5 OTHER ACTIVITIES

- Monthly harmonization of the salaries' lists for the period January – December 2015 with the Ministry of Public Administration;
- Daily collections for the landline and for the mobile telephony. These collections are for the expenses which have exceeded the limits and which are covered by the Agency according to politics of landline and mobile telephony. It is worth mentioning that after the proposal of the Department of Finance and Budget a decision was made for 50% deduction of gross salary with regards to unpaid obligations until the period of 30 June 2015;
- A training was held for the five employees of the Department of Finance and Budget which was organized by Kosovo Economic Chamber "Evaluation of Immovable Property";

1.6 ASSETS

The Assets of the Agency bought from the budget funds and the assts which were given as grant are kept in compliance with the Regulation no. 02/2013 of the Ministry of Finance. Details with regards to assets are unfolded in financial tables and explanatory notes.

1.7 AUDITS

- The Office of the Auditor General submitted the auditor's report for annual yearly statements of 2014 with regards to annual budget. The Agency presented in written to OAG arguments and disagreements with regards to this opinion.
- The Office of the Auditor General submitted the report of auditor for nine months financial statements January-September 2015 on annual budget. OAG gave recommendations in the Audit Memorandum. The Agency has submitted in written to OAG the arguments and disagreements with regard to this opinion. PAK Internal Audit Unit (IAU) has finished the audit of Finance and Budget Department for the period January 2013 – 31 May 2015. The final report has been submitted, while the Action Plan is compiled for the implementation of IAU recommendations.

2. TRUST FUNDS

2.1 FINANCIAL STATEMENTS

- Financial statements of the Funds in Trust for the fiscal year 2015 have been prepared and are submitted in the Secretary of Board of Director on 29 January 2016 and in the Ministry of Finance on 29 January 2016.

2.2 THE BUDGET OF SOCIALLY OWNED ENTERPRISES FINANCED FROM TRUST FUNDS

The budget for trust funds is for Socially Owned Enterprises which shall be placed in liquidation. There are 462 Socially Owned Enterprises in total which were placed in liquidation. The budget includes the period since the entry of the Enterprise in liquidation until its termination.

The budget preparation of funds in trust for SOEs in liquidation, is outside the competences of the Department of Budget and Finance, but which begun to be part of monitoring and control process since the meeting of August 2014 of Board of Directors, this according to DMD requests – Liquidation in order to increase the quality, fulfillment and decrease of risk of exceeding the budget.

The SOEs budget spent until 31 December 2015

Budget	TOTAL EXPENDITURES	Remained budget	% of expenditures
13,350,546	5,232,498	8,117,962	32.19

2.3 Payment processing

- The processing of 12,598 outgoing transactions of the funds in trust in CBK and the compilation of 22,004 transactions (incoming and outgoing) from the funds in trust.

2.4 REPORTS

- The compilation with Central Bank of Kosovo and reports on daily bases of the reports for financial statements for Funds in Trust to:
 - Managements and Directors;
 - Regional Offices and Liquidation Authority – summary reports of liquidation accounts and bank cards. Reports on monthly bases includes the period January until 31 December 2015. Reports are presented in PAK webpage (in Albanian, Serbian and English); and
 - The publication of reports in official web page of the Agency into Albanian, Serbian and English.

1.5 THE INVESTMENTS OF FUNDS IN TRUST

With regards to investments of funds in trust, Privatization Agency of Kosovo is oriented in the market of short-term investments such as the deposits up to twelve months (12) in the Central Bank of Kosovo and commercial banks of Kosovo and in securities issued by the Government of Kosovo (treasury bills).

- The deposit of means in commercial banks abroad;
- Securities emitted by the Kosovo Government or the other Sovran state;
- Securities of debt emitted from any corporate with headquarter in US or of any state of European Union;
- Exchange Traded Funds or Mutual Funds; and
- Re-purchase agreement whose grounds are securities determined according to above written points.

1.5.1 Time deposits

The gained interest is € 5,000 during 2015 from the below time deposit:

1. A deposit with twelve months deadline, in the total amount of 5,000,000.00 became mature on 5 July 2015.

During the period January – December 2015, Agency was not active in this market, due to very low norms of interest. In some cases interest norm was negative as for example minus 20%.

1.5.2 Investment in securities issued by the Government of Kosovo (treasury bills)

PAK Board of Directors in the meeting of 21 June 2012 made a decision to allow Management to discuss and sign the Agreement of Understanding with the Ministry of Finance and Central Bank of Republic of Kosovo.

The purpose of Agreement of Understanding is to enable the investment of funds in trust in the primary market and their trade in secondary market of securities emitted by the Government.

So far, no investment or participation in securities of Government was made, since the attempt of the Agency has not ended successfully for these investments, for reasons which the Agency does not now.

2.6 OTHER DETAILS REGARDING THE FINANCIAL ACTIVITIES OF THE AGENCY

Other details regarding financial activities of the Agency are unfolded in the financial tables and explanatory notes of the Financial Statements of Annual Budget and in explanatory notes of Financial Statements of Trust Funds.

5.9. LEGAL DEPARTMENT

Legal Department (herein LD) offers legal services for the activities of the Agency including privatization, liquidation, procurement and specific cases of Trepca.

The department has been divided in organizational working units; the division of works and responsibilities is made with the purpose of efficient and effective realization of the entire objectives and responsibilities of the Legal Department which are in compliance with the general laws and regulations of PAK.

Activities based on units of Legal Department are clarified below:

1. Litigation Unit in Court (LUC).
2. Legal Opinions Unit (LOU).
3. Claims Registration Unit (CRU).
3. ELRC Secretariat for review of 20% claims.
4. Employee Review List Committee (ELRC).

Legal Department serves as a supporter for the Employee List Review Committee (ELRC), however this committee acts autonomously and it reports only to Board of Directors of the Agency.

1. Litigation Unit in Court (LUC)

During the period January – December, 522 cases have been received in total, whereas with regards to procedural actions in case with regards to the period in question have been undertaken these actions:

- 366 defenses to claim, 89 counter-responses, 10 responses to preliminary injunctions, appeals, 46 responses to appeals, 41 submissions, 11 responses to responses to appeals, 90 legal sessions and 43 responses to order.

Regarding the issues related to SOEs lists of employees, during the period January – December, 599 cases have been received in total, whereas undertaken actions in court for this period are as follows:

-65 responses to orders, 1 participation in legal session, 185 judgments, 58 rulings, 183 responses to appeals and 78 submissions.

2. Legal Opinions Unit (LOU)

LOU, during this reporting period has contributed in the performance of the Agency, by giving approximately 31 legal opinions according to "Legal Actions" of the units and departments but also of the management of the Agency.

LOU has compiled and participated in the compilation, review or the analyses of 40 different documents, as internal regulations, decisions, contracts, responses, request, etc., despite legal opinions.

3. Claims Registration Unit (CRU)

During one year period 1 January – 31 December 2015, claims unit of Legal Department has registered and proceeded around 811 claims/new cases and 2.262 documents/additional submissions regarding the registered cases earlier; 3.073 submissions have been admitted in total.

4. Secretariat of Employee List Review Committee (ELRC) for 20%

ELRC during this period has worked in reviewing the claims submitted after deadline for the below written enterprises:

- SOE “IBG –Battery” in Gjilan
- SOE “ Bankkos ” in Prishtina.
- SOE “ Ratko Mitrovic - Kulla” in Prishtina.
- SOE “ Vreshtaria ”- Landovicë - Prizren
- SOE “ Prizren Market ” in Prizren.
- SOE “Dairy Konsume” Fushë Kosova/RO Prishtina
- SOE “Liria” Prizren/RO Prishtina
- SOE “28 Nëntori” - Gjilan
- SOE “Mechanism” Prishtina/RO Prishtina
- SOE “Rilindja” in Prishtina/RO Prishtina
- SOE “Food Industry’ in Prizren/Prizren
- SOE “Ramiz Sadiku” Prishtina/ RO Prishtina
- SOE “Municipality – Prizren/RO Prizren;
- SOE “Ramiz Sadiku “ – Prizren/RO Prizren.

5. Employee List Review Committee ELRC for 20%

Committee for Employee List Review Committee (ELRC) has been established with the Decision of Board of Directors of the Agency in September 2011, in compliance with the Article 10, point 10.4 of Operational Policies and it is independent, internal body, for administrative review of claims in 20% employee lists. Committee reports to Board of Directors with regards to its decisions, in the operational side it is organizational unit of Legal Department. ELRC is assisted by the Secretariat which is also unit of the Legal Department and is responsible to support ELRC in offering the necessary assistance in cooperation and according to instructions of ELRC President.

During the reporting period, ELRC has been engaged mainly in meetings with parties to provide explanation to them for not inclusion in the final lists to receive the 20%.

5.10. ADMINISTRATION DEPARTMENT

Department of Administration has as purpose to offer better human, infrastructure and logistics conditions for the achievements of objectives of the Privatization Agency of Kosovo.

These units are part of Administration Department: Human Resources Unit, Translations Unit, and Protocol unit, Information Technology Unit, Archive Unit, General Services Unit and Transport Office.

HUMAN RESOURCES UNIT

During the reporting period in Human Resources Unit have been developed the following activities:

Salaries:

- The update and conformation is made, and payroll is sent for execution on monthly bases for months: January, February, March, April, May, June, July, August, September, October, November and December 2015.

Staff:

- The recruitment process and selection for 6 (six) vacancies has been finalized:
 - Liquidation Officer RO Peja, RO Mitrovica and RO Gjilan;
 - Legal Officer RO Peja;
- The recruitment and selection process for 4 (four) replacement positions has been finalized:
 - Drivers;
- 1(one) employee has resigned;
- 4(four) employees agreed for suspension of employment relation.
- 1 (one) case of employment relationship termination on occasion of retirement (65 years odl);
- On occasion of investigations of some PAK officers, the decisions have been prepared for preventive suspension of four (4) PAK officers.
- 3 (three) PAK officers have terminated their employment relationship, on occasion of appointment as public functionaries.
- 2 (two) PAK officers returned in their work place in equivalent positions, after the termination of agreed suspension;
- With the decision of Independent Oversight Board (A 02/211/2015 and A 02/173/2015) and relevant Courts, has been terminated the employment relationship to 3 (three) Liquidation Officers and to 1 (one) Legal Officer in RO Peja;
- The request of 1 (one) case officer of the Agency has been approved for agreed suspension of employment relationship;
- 8 (eight) administrative assistants, have been advanced with the position of Administrative Officers with the Management decision.

- With the approval of medical relevant committee in the Ministry of Labor and Social Welfare, to 1 (one) officer of the Agency has been approved the sick leave with payment;
- 52 (fifty two) new acts of appointment have been prepared for the officers in the position of Officer of Operations for the Administration of Assets / Department of Regional Coordination.

Staff development:

- Based on individual plans of employees development, annual plan of the Agency has been prepared for employees training and development for the calendar year 2015;
- The participation in below training has been coordinated:
 - Certification program "Property Assessment" for 40 PAK officers;
 - SCAAK training for 3 PAK officers;
 - Motion Graphics training for 1 (one) Web Design Officer;
 - "Digital Marketing – Search Marketing" training for 1 (one) PAK officer;
 - Executive Assistant Master class training for two (2) PAK officers;
 - Jurisprudence exam training for four (4) PAK officers;
 - CISCO training for one (1) PAK officer;
 - TOEFL training for 2 (two) PAK officers;
 - Re-licensing training for Property Assessors for 1 (one) PAK officer;
 - "Business English" training for 3 (three) PAK officers;

Performance Management process:

- The assessment performance meeting has ended in 2014, individual work plans and Development Individual Plans for 2015 of the employees (the compilation of Intern Guide of the Agency on Performance Management, the modification of relevant form, information/advice and provision of the employees with them, collection, selection, updating the data base, the calculation of the average in individual grounds and the preparation of annual report);
- The management of Performance Assessment of PAK officers for 2015 and individual work plans and Individual Development Plans for 2016 of the employees are in process;

Reporting:

- The questionnaire with regards to data in PAK civil service for 2014, has been compiled and sent in DCSA/MPA;
- Self-assessment questionnaire has been prepared for MFK;
- Report on PAK Personnel for 2015 has been re-compiled according to updated form according to PAK request and the same was re-rent in DCSA/MPA;
- Report preparation for the finalization of 3 year process regarding academic qualification of the employees of the Agency;
- List preparation and sending the list of PAK Senior Officers for wealth declaration in the Anticorruption Agency;
- Preliminary report on Performance Assessment Process at Work has been submitted for the period January-December 2014;
- Comments in IOBCSK Report are sent in IOBCSK, during their visit in September 2014;
- PAK staff employment experience has been finalized and sent in the Ministry of Public Administration;

- 2 (two) questionnaires required by Language Commissioner are filled;
- Report on PAK staff plan has been compiled and sent in Ministry of Public Administration for 2016;
- Preparation of regular reports on the activities of Human Resources Unit on weekly and monthly basis;

Other issues:

- The Committee for Solving the Contests and Claims review and made a decision for 34 claims;
- Disciplinary Committee reviewed and made a decision for 5 cases;
- Committee for salary review reviewed 35 PAK officers claims;
- Disciplinary Committee is the process of review of 1 (one) case (DC 02/2015);
- The updates of big number of Job Descriptions have been reviewed and finalized:
 - Executive Secretariat of Board of Directors;
 - Investor and Marketing Relations Unit;
 - Liquidation Coordination Department;
 - Information Technology Unit;
 - Administration Department;
 - Legal Department;
 - Liquidation Project Management Unit;
- Work catalogue has been drafted in cooperation with DMD liquidation office, for current positions in PAK;
- The updates of Job Descriptions have been reviewed and finalized for:
 - Marketing and Investor Relations Officer/Marketing and Investor Relation Unit;
 - Cadastral Officer (regions)/Sales Department;
 - Director of Legal Department/Legal Department;
 - Head of Litigations Unit/Legal Department;
 - 8 (eight) Job Descriptions for the position of Administrative Officer;
 - Officer of Operations for Administration of Assets/Regional Coordination Department;
 - Director of Department for Regional Coordination/Regional Coordination Department;
- Statements under oath are prepared as well as respective decisions for 258 PAK employees regarding work experience (the gathering of all evidences for work experience in hard copies files and their attachment in statement under oath), and Ministry of Public Administration has been informed with regards to it.

OTHER UNITS OF ADMINISTRATION DEPARTMENT

Main activities for this reporting period are presented for the units: **General Services Unit, Archive Unit, Translations Unit, Information Technology Unit, Protocol Unit and Transport Office.**

Translations Unit:

- Translations Unit has translated **439 documents** with **4,183 pages** and has provided the translators for 14 meetings.

Protocol Unit:

During the reporting period the following documents have been received/processed;

- 4157 files are admitted as incoming documents during this period;
- 3411 outgoing files are registered by this office;
- 7568 entries/exits are registered in the system;
- 822 accepted by post;
- 1361 sent by post;
- 4157 sending with personal book inside PAK;
- 252 sending with book outside PAK;

Information Technology Unit:

- A special thing of this period is the total population of PC upgrade, which were in old system WINDOWS XP, which has entirely ended in March;
- Establishment of preventive measures for protection of downloaded programs from the internet and placement of weekly hardcopy document for:
 - *Replication functioning;*
 - *Antivirus update;*
 - *The function of email server;*
 - *Blacklist control; and*
 - *GSM testing of alarm and Server Room and recovery center*
- In order to minimize the risk from viruses and discs demolition from uninterrupted work, the computers have been programmed to turn off after working hours. The turn off of computers after working hours is showing to be very successful in improving the work of computers and the application of updates. Despite the risk minimization from external attacks and eventual demolitions, it has been concluded also **considerable electricity saving** (data from electricity invoices);
- Tender procedures are initiated successfully and the annual plan has been complied with the purchase of IT services or equipments;
- An agreement has been achieved between CBK and PAK on preserving PAK electronic documentation within the framework agreement which CBK has in preserving the assets of clients;
- The compilation of new IT regulation;
- The standard procedure has been initiated for internet and network services;
- The procedure for the certificate of email system has been initiated (since it expires on 27 January 2016)

Archive Unit:

- Scanned registers, registered and archived for Departments and Units of the PAK, in total 338 total registers;
- Scanning and archiving of Protocol Books of Departments, Units, Regions of PAK, in total 14 protocol books and 14 mail books;
- Examining the archival documents, Departments/Units/Regions of PAK, including requests from external parties, in total 17 requests;

General Services Unit:

- During this period of nine months we have assisted in the eviction of occupants from the socially owned property in the region of Mitrovica, Peja, Prizren, Gjilane and Prishtina, a total of 98 units, as it was needed;
- We did all the required repairs, in the Central Office as well as in regional offices of the PAK, in total are 326 repairs;
- 393 bills have been protocolled, which were forwarded to the Department of Finance, of which 348 bills have been entered in Free Balance, and 212 purchase orders have been signed;
- We covered 561 requests for administrative material supply;
- During the months of April and May we have implemented the project of placing emergency signs in all PAK offices based on the Law on Protection and Rescue, as well as filling and placement of fire-extinguishers in professional manner;
- We have initiated the request for contracting a company for the maintenance and servicing of Air Conditioner, after the completion of the procurement procedures, we have made the servicing of air conditioners that had to be serviced;
- At the time of reporting, we are in the process of contracting a company for the servicing and maintenance of central heating systems and generators in the facilities of PAK;
- During this reporting period we have initiated and carried out the project for the placement of security cameras since 14 December 2015, 32 cameras cover the entire space inside and outside the headquarters of the PAK;

Office of Transport:

- During this period of 9 months we have had 2018 requests for regular services and 1689 urgent services, which were also covered;
- Contracts for supply with fuel have been signed, contracts for vehicle insurance and the checking and registration of all vehicles that we have made;
- Cancellation of registration for 8 vehicles was made because of their age and during the servicing of few Clio cars we changed some parts, by taking these vehicle parts which will not be used, and significantly saving the maintenance costs thereof;
- 4 new drivers have started work after the suspension of the drivers, whose suspension still continuous since 15 October 2015 without payment until the court's decision.

5.11. DEPARTMENT OF PROCUREMENT

The Procurement Department during the reporting period has signed 53 contracts by using all procurement procedures, procurement procedures with great value, procurement procedure with medium value, quotation in small value and quotation with the minimum value including the procedure negotiated without publication of the contract notice. The total contract value is 1,153,772.82€.

Altogether there are 41 contracts of the category of services and 12 are supplies.

The Procurement Department during the reporting period has signed 53 contracts using all procurement procedures, procurement procedures with great value, procurement procedure with medium value, quotation with small value and quotation with the minimum value and the procedure negotiated without publication of the contract notice.

1. Contracts with the Serbian newspaper "Danas"
2. Contract with the Montenegrin daily "Vijesti"
3. Annex Agreement: "Internet and network services in Information Technology"
4. Internet services and information technology network
5. Annex contract "Supply of diesel for cars of PAK"
6. Annex contract "Supply of diesel for generators of PAK"
7. Extension of the contract for rental facility in the satellite office in Leposavic
8. Re-tender, Fuel supply for the needs of PAK
9. Maintenance and servicing of official vehicles of PAK
10. Services of printing promotional materials
11. Vehicle registration and insurance
12. TV advertising and announcements
13. Production and printing of business cards
14. Servicing and maintenance of vehicles under warranty DACIA Sandero
15. Supply of oil for heating and generators (emergency procedure)
16. Supply of fuel for vehicles (emergency procedure)
17. The contract with Radio 21
18. The contract with Radio Dukagjini
19. The contract with Radio Kosova
20. The contract with the Kosovo Media Institute
21. The contract with Radio Gracanica
22. The contract with Radio Contact Plus in Serbian language
23. The contract for maintenance of the data base of the Claims Unit of Legal Department
24. Re-tender Supply of fuel derivatives for heating and generators
25. Equipment for sound and simultaneous translation
26. Maintenance of fire extinguishers and emergency signs supply
27. Extension of lease contract of the office in Strpce
28. Maintenance and Supply of Air Conditioners
29. Supply with information technology equipment
30. Supply with hygienic material
31. Supply with Administrative Material
32. Copy and Printing Services, Maintenance of equipment for information technology (IT)
33. Contract for advertisement in the daily: Koha Ditore

34. Contract for advertisement in the daily newspaper: Zeri
35. Contract for advertisement in the daily: Epoka e Re
36. Contract for advertisement in the daily newspaper: Bota Sot
37. Contract for advertisement in the daily newspapers: Kosova Sot
38. Service for "Hosting" and "Domain Name" for the two websites: www.pak-ks.org and www.kta-kosovo.org
39. Servicing and maintenance of central heating and generators
40. Supply with daily press
41. Supply with sanitary equipment, electrical and labour
42. Contract with Indeks online portal
43. Contract with Express portal
44. Contract with Kosovapress portal
45. Contract with Lajmi portal
46. Contract with Blic Gazeta portal
47. Contract with Tribuna newspaper portal
48. Contract with the portal Infokus
49. Contract with the portal Orainfo
50. Shooting and direct transmission of the Bid handover and reception ceremony
51. Washing of PAK vehicles
52. Supply and installation of security cameras and associated parts
53. Organization of the year-end reception for the PAK staff

5.12. INTERNAL AUDIT UNIT

The Internal Audit Unit (IAU) has successfully managed to fulfil its work plan for the reporting period January-December 2015 by providing to the upper Management concrete recommendations. A summarized report is presented below:

1. **Audit of Public Relations and Media Unit (PRMU):** The main objectives of this audit were based on the assessment of risk that are associated with the PRMU's work, i.e. whether the process of reviewing of the requests made by external parties seeking access to public documents is done in conformity with legal requirements. This audit resulted in eight respective recommendations.
2. **Audit of Department of Administration (DOA):** The objectives of this audit were mostly related with the management of processes, respectively, concerning the use of equipment and means of PAK conform the legal rules, sufficient legal cover of the issues that are related to the administration of the processes in the DOA, planning of activities and tasks, namely concerning the work carried out in this department and its units, whether it was carried out based on an annual plan containing objectives that have been approved by the Management. Based on the audit findings and conclusions, this audit resulted in 12 respective recommendations.
3. **Audit of Legal Department (LD):** The main objectives of this audit are based on risk assessment that is associated with the Legal Department. This audit did not result with any concrete finding except some conclusions that we have given about the process in general. As a result, no recommendation was addressed, since the samples selected for testing did not result in any substantive or procedural irregularities in the LD.
4. **Audit of Department of Finance (Management of Trust Funds):** The main objectives of this audit were based on risk assessment which is related with the management of Trust Funds, namely whether these funds are invested by respecting domestic rules as well as the applicable legal framework. The audit of the Department of Finance and Budget, namely the management of trust funds, resulted with 12 respective recommendations.
5. **Audit of Department of Regional Coordination (RO of Peja and Mitrovica):** The main objectives of this audit were based on risk assessment, which are associated with the process of giving the facilities (premises) for lease in RO Peja and Mitrovica and, the effective implementation of decisions of the Board and Management by the Department of Regional Coordination respectively by the relevant offices as well as other activities undertaken by these offices. This audit resulted with 4 respective recommendations.
6. **Audit of Procurement Department (PD):** based on the work plan of the IAU, this audit started in late August. The audit in question is focused on reviewing the procedures for public procurement activities, including the preparation of the work plan, preparation of tender dossier, evaluation of public contracts, the technical specifications, advertising and transparency, management of procurement procedures and compliance requirements, payments, completion of contracts, etc. Based on the findings of the audit and the given conclusions, this audit resulted with 8 respective recommendations.

7. **The Audit of Department of Coordination of Liquidation (DCL) and Liquidation Authority (LA):** based on the work plan of the IAU, this audit commenced in late October. The audit in question is mainly focused on reviewing the procedures of the Liquidation Authority, namely the process of leasing of assets by the LA. Since this audit has a greater complexity, and because of delays in completing the documentation by the Liquidation Authority, this audit will be completed in early 2016.
8. **Sales Audit Division, respectively Control and Supervision Unit:** The main objectives of this audit are based on risk assessment, which are related to the assessment of risk, related with the actions undertaken within the Sales Division, respectively within Control and Supervision Unit, whether these actions were in accordance with the legal framework of PAK. Since during this audit we faced delays in obtaining of certain information from the Executive Secretariat of the Board of Directors, which dealt with a number of decisions related to the Sale Division, this report will be finished at the beginning of the year 2016.
9. **Audit on Monitoring the Implementation of Recommendations:** This audit included the monitoring of implementation of recommendations of the audits carried out during 2009-2010-2011-2012-2013, 2014 and nine months of 2015. Departments and units which are involved in this audit on monitoring of recommendations are as follows: Unit of Human Resources, Division of Liquidation (corporate governance), Sales Department, Executive Secretariat of the Board of Directors, Legal Department, Department of Coordination of Liquidation and the Liquidation Authority, Department of Procurement, Department of Finance and Budget, Department of Regional Coordination and respective Regional Offices, Sales Division, Department of Administration, Reorganization Unit, and Unit for Public Relations and Media. IAU monitored 229 recommendations of which realized that 106 recommendations were fully implemented or 44% of the total, 44 recommendations have not been implemented or expressed in% is 26%. The IAU according to the made tests noted that 76 recommendations are partially implemented or 29% of the total given recommendations. In addition, for objective reasons, the IAU could not ascertain due to lack of information the status of 3 recommendations (1% of total) if they are implemented or not in practice, however, with a comprehensive continuous audit, we will collect the appropriate information for this category of recommendations.
10. **Drafting the Strategy (2016-2018) and the Work Plan for 2016:** the Strategy of IAU for 2014-2016 was reviewed and it is expected to be amended for the years 2016 to 2018. Also, referring to requirements arising from the Internal Audit Law No. 03 / L-128, Article 14 (8), we have prepared the Work Plan of the Internal Audit Unit of the PAK for 2016. Due the circumstances created in the PAK, since the Board of Directors was not functional, and as a result of the board's lack of operation, the approval of IAU work plan by the Board of Directors was not possible. Therefore, in order to meet the legal obligations, we have prepared the internal auditor's work for 2016 based on the reviewed strategy of IAU for the periods 2014-2016 (approved by the Board of Directors in 2013). In the spirit of this and by considering the approval of the strategic plan, the annual plan of IAU for 2016 was signed only by acting Deputy Managing Director - Liquidation.
11. **Training of IAU staff:** During the reporting period the staff of the Internal Audit Unit has participated in trainings / workshops as follows:
 - Training on Licensing the Immovable Property Evaluators;
 - Seminar organized by the OSCE: "The development of capacities of the Kosovo Police in fighting the high-level corruption";
 - Training organized by the Treasury Department in the Ministry of Finance on View and Reporting in the new version - V7.0.

5.13. MEDIA AND PUBLIC RELATIONS UNIT

In accordance with the Annual Work Plan of PAK, the Report of Media and Public Relations for the period of year **2015** includes the implementation of planned activities for realising the overall objectives.

Media and Public Relations Unit has provided full support for all activities carried out by the PAK, state institutions and local and international organizations, by preparing press releases relating to meetings with local and international institutions, chambers of commerce and different delegations, including the publication on the web site of the Agency, and preparing press releases.

Media and Public Relations Unit is the contact point for the media in providing and ensuring communications to the media about the activities of the Agency, by receiving their questions and providing replies to those questions in coordination with the relevant departments/ respective units and with the managing director. The unit illustrated the activities of the Agency to the wide public and media by presenting the activities and the position of the Agency to the media.

Media and Public Relations Unit prepared around **300** responses in writing by email as replies to the questions made by journalists of different Media.

-Statements through telephone – over **130** statements through telephone;

-Responses and statements in Television - (about **50** statements in TV);

-Responses and statements in Radio: - about **100** statements for local and international Radio.

Media and Public Relations Unit during 2015 has drafted and sent to the media and through the media to the wide public over **24 Press Releases** concerning different activities of the Agency, and launched **3 Press Releases** as a reaction /clarifications against disinformation/ writings against the Agency.

Media and Public Relations Unit continued to update the website of the PAK with all the information regarding the activities of the Agency and the privatization process in Kosovo.

Relations with the Public and Access to Public Documents

Media and Public Relations Unit received and carried out the initial review of the requests seeking access to public documents. It kept accurate records of the number of requests seeking access to documents as well as the number of the requests that were rejected or allowed.

Reports have been prepared on regular basis (every three months) and these reports were sent to the relevant unit of the Government of Kosovo/Office of the Prime Minister which is in charge of preparing a comprehensive report on public institutions regarding the acquisition of the right for access on public documents.

The number of received requests 2014					
Total number	Permitted Access	Rejected	Limited	No response	Other reasons
15	8	7	-1	-	

5.14. COMMITTEES

The Agency has a certain number of committees which carry out duties as per instructions of the Board or Management.

SOE APARTMENT COMMITTEE - SALE

The Committee has registered a total of **1376** requests for purchase of apartments starting from 01.04.2012, of which up to now 574 requests for the sale of apartments have been decided by the PAK Board.

- During the reporting period January- December 2015, the Committee for the Sale of Apartments reviewed 527 requests. From the number of reviewed requests (527), 396 requests have been decided on the merits and are included in reports with recommendations for the Board of Directors and are pending the final approval of the Board of Directors;
- During the year 2015, 94 contracts for the sale of apartments have been concluded;
- During the reporting period, a total of 141 new requests for the purchase of apartments have been received and have been inserted in the request data base;
- 761 parties have been contacted and requested to complete the evidence of their claims;
- During the reporting period 478 confirmations were requested from the Kosovo Property Agency concerning whether the apartments for which the parties have applied for the sale of flats at PAK have been subject of any dispute at the former Department for Housing and Property Issues or currently at the Kosovo Property Agency;
- 450 Information Memorandums have been drafted concerning the requests that have been followed up to the Committee for review;
- During the reporting period 719 additional documents have been received, these are parties' replies to the requests of the Commission seeking for additional documents. The total number of cases that have not been decided (recommended to Board) in the Commission is **406**.

COMMITTEE FOR TREATMENT OF ILLEGAL CONSTRUCTIONS IN SOE PROPERTIES

The Committee during the reporting period held a total of 14 (fourteen) meetings with the members of the committee. In this meeting the cases from the regional offices have been reviewed. During the reporting period the following cases have been approved:

- *55 (fifty-five) cases of Regional Office of Prishtina are approved*
- *29 (twenty-nine) cases of Regional Office of Mitrovica are approved*
- *33 (thirty-three) cases of Regional Office of Gjilan are approved*
- *9 (nine) cases of Regional Office of Peja are approved*

During the reporting period the Committee has prepared for the board the Referral Report, Socially Owned Enterprise "Integj", Gjilan-085.

Please see the chart of reported and approved cases at Committee for handling illegal constructions:

Reported cases at the Committee:	214
Gjilan Regional Office	48
Prishtina Regional Office	69
Mitrovica Regional Office	32
Prizren Regional Office	37
Peja Regional Office	28
Approved cases	128

COMMITTEE FOR STATUS DETERMINATION OF SOE's - SDR

The Committee for Legal Status Determination of the enterprise was established by the Decision of the PAK Managing Director on 15 August 2012 in accordance with Article 11, paragraph 4 and Article 16, paragraph 1.1 and 1.2 of the Law No. 04/L 034 on the Privatization Agency of Kosovo and Article 2.1 of the Operational Policies of Kosovo Privatization Agency approved on 28 September 2011.

The Committee was established with the purpose of determining the legal status of enterprises and assets that fall within the administrative authority of the Privatization Agency of Kosovo.

The data about the examined SDR-s during the reporting period are presented in the following table:

Status of SDR	January-December 2015
Number of SDRs examined by the Committee and approved by the Board	None
Number of SDRs examined by the Committee but not approved by the Board of Directors	12 SDR
Number of SDRs in process of examination	16 SDR
Number of SDRs reviewed by the Committee, for which was notified the PAK management regarding obstacles to be further approved by the Board of Directors	4 SDR

6. TEXTUAL PORTION OF THE FINANCIAL REPORT BASED ON THE FORM OF THE BUDGET AND FINANCE COMMITTEE

This part contains the textual part of the financial report for Budget of Kosovo based on the reporting format approved by the Budget and Finance Committee of the Assembly of Republic of Kosovo while financial tables of this reporting format are presented in the annex.

2015 financial report (annual budget)

Budget Organisation Code: 239

Chief Administrative Officer:

Avni Jashari, acting Deputy Managing Director - liquidation, Tel: 500 400 ext. 1088

E-mail: avni.jashari@pak-ks.org

Chief Financial Officer:

Adem Selishta, acting Director of Finance and Budget, Tel: 500 400 ext.1135

E-mail: adem.selishta@pak-ks.org

Address: Ilir Konushevcı 8, 10000

1) Introduction:

Main activities for the reporting period:

- Identification of PAK personnel needs and provision of best technical and logistical services necessary to reach objectives of the agency set out by law.
- Dedication of agency personnel in overcoming challenges;
- SOE liquidation;
- 20% distribution to SOE workers;
- Treating asset usurped or used without legal grounds by third parties;
- Improving effectiveness of administration, control and monitoring SOE, SSO and privatisations with conditions;
- Cooperation with municipalities;
- Creditor claim review;

- PAK legal defence in SCSC, regular courts and Constitutional Court.
- Asset protection and preservation of their value.
- Cadastral measurements for privatisation waves.
- Publications in local and international newspapers related to notices for creditors, asset lease and other legal issues.

2) Summary of income and special expenditure categories:

a) Income:

Main financing source for agency activities are Dedicated Income and General Government Grant.

Upon entry into force of the new PAK law (04/L-034), PAK started covering its administrative and operative expenses from the Dedicated Income.

General government grant or the Government Grant is a financing source for activities not directly related to the Agency; however, it covers expenses related to SOE reorganisation, in this case SOE Trepça Reorganisation.

General Treasury in the Ministry of Finance opened an account on behalf of PAK Privatisation Administrative Fee with the number 1000400070004642. Whereas, the agency allocates the approved budget at the foregoing account in the Treasury (to finance agency activities) from the account PAK ADMINISTRATIVE FEE with the number 1000501000045681 in the Central Bank of Kosovo.

b) Salaries and wages:

Financing source and payments for salaries and wages is dedicated income.

Budget in the category of salaries and wages for 2015 have been approved for 258 workers.

The number of workers receiving salaries during 2015 was 253, whereas the number of workers at the end of the fiscal year 2015 was 250.

c) Goods and services:

Funds approved in the economic category Goods and Services were destined for:

- Provision of best technical and logistical services necessary to reach objectives of the agency set out by law.
- Covering privatisation and liquidation expenses.
- Legal support for the privatisation and liquidation process.
- Covering PSP expenses.
- Supporting reorganisation of SOE "Trepça under PAK Administration".

Payments from Goods and Services were budgeted to all the programs of the Agency.

Period January – December 2015 in the agency's budget had six budget programs with titles and codes in accordance with the Budget Law of Republic of Kosovo.

Budget program – SOE reorganisation and administration is financed from Dedicated Income and Government Grant which is exclusively allocated for SOE Reorganisation - Trepça.

d) Utilities:

The amount of funds estimated and approved to cover utilities is approximately the same every year.

Source of financing for utilities is dedicated income of the Agency.

Payments for utilities include all payments based on offices in regions, satellite offices and agency headquarters. Departments and agency units are part of the headquarters. All these expenses are categorized in the budget program 229 – Central Administration based on sub-budgetary lines from AQ3 to AQ6.

Overall amount budgeted for utilities is EUR 98,000.00. The remaining budget as of 31 December 2015 was EUR 13,020.21.

e) Capital Investments

Source of financing for capital investments is dedicated income of the Agency.

During this year we had two capital projects budgeted and approved in the Central Administration program:

1. “Equipment exceeding EUR 1,000 within expenses” (dedicated to improve service provision quality through technological equipment).
2. “Repairing PAK building and regional offices” (renovation of objects to increase security at work and provision of best working conditions).

The project to purchase equipment whose value exceeds 1,000€ was 50,000€ and was realized 98.76%, whereas the project to repair PAK building and regional offices budgeted at the value of 30,000€ was not spent since it is not defined yet where PAK HQ will be thus no investments was made in this project.

f) Subsidies and Transfers:

Purpose of funds approved for the reporting period was to support the function of SOE Management under PAK Direct Administration in order to preserve and enhance their value prior to their privatisation as in following:

- SOE's under Direct Administration that exercise different activities. Due to poor financial situation, some enterprises have difficulty exercising their primary activity. However, some of them continue with their primary activity;
- Preservation and enhancement of the asset value prior to privatisation;
- Selection of the management that will effectively exercise enterprise activity and increase asset value;

In some cases, payment of subsidies must be made for the management and guards in order to influence added effectiveness in the enterprise and increase their value.

3) Summary:

PAK budget approved by the Assembly (Law No. 05-L-001) at the beginning of 2015 was 10,211,383€ and it was financed from:

- a) Dedicated Income 6,811,383€ and;
- b) Government Grant 3,400,000€.

On 24 November 2015, Government of Republic of Kosovo issued the Decision (No. 04/60) and approved transfer of EUR 481,311 from the category Goods and Services into category Salaries to eliminate lack of budget for salaries for November and December 2015 which occurred due to disapproval of the PAK budget request by MF for the approved number of workers of 258.

During fiscal year 2015 Government of Republic of Kosovo reduced the budget from the Government Grant that was dedicated for Trepça Reorganisation as in following;

- During review process EUR 1,553,487.00 and;
- In accordance with Government Decision No. 09/65 of 23.12.2015 regarding Savings in budget allocations for 2015 at the amount of EUR 1,835,540.02€.

The amount of final budget as of 31 December 2015 was 6,822,355.98€.

The agency did not have any remarks regarding initial and final budget.

7. REPORT ON ADDRESSING THE RECOMMENDATIONS OF THE OFFICE OF THE GENERAL AUDITOR OF REPUBLIC OF KOSOVO

**PLAN FOR THE IMPLEMENTATION OF THE RECOMMENDATIONS OF OAG GIVEN IN THE AUDIT REPORT ON THE FINANCIAL STATEMENTS OF YEAR 2014
FOR THE PRIVATIZATION FUND AND PRIVATISATION AGENCY OF KOSOVO**

Date of last update of this plan by the PAK is: January 29, 2016

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementatio n	Comments
1.	2.2	12	Significant risks on the Annual Financial Statements	<p>PAK management is to:</p> <ul style="list-style-type: none"> As part of the review process of the budget for 2015, to review the possibility of including the costs of liquidation in the budget of the Agency of PAK. Barriers should be identified and action plans should be compiled to ensure that the expected liquidation costs are, in general, included in the next budget of the Agency and funds in trust to not be reduced through transfers to support the Agency's costs. 	Board of Directors, Management of PAK	31 December 2015	Although the decision to finance the liquidation process is Board's decision of June 2012. The PAK requested budget funds for the liquidation process during the mid-year budget review of 2014, the budget of year 2015, mid-year budget of 2015 and

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementatio n	Comments
							budget of the year 2016. The budget is allocated by the Ministry of Finance, the Government and Assembly of Kosovo
2.	2.2	12	Noteworthy risks on the Annual Financial Statements	See Recommendation 1 above	Board of Directors, Management of PAK and the Department of Finance	31 December 2015	Same as the comment under point 1

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
3.	2.3	13	Compliance with the annual financial statements (AFS) and other reporting requirements	<p>The PAK Board of Directors and Management are to:</p> <p>To continue efforts to simplify AFS s in order to offer readers a better comprehension and to liaise with the Ministry of Finance/OAG, as per requirement, to support this process. The AFS production plan for 2015 should include a detailed review of the drafts by the Management with special focus on areas of high risk/or where errors have been identified in previous years.</p>	Board of Directors, Management of PAK and the Department of Finance and Budget	31 December 2015	<p>PAK does not agree with the OAG regarding this finding. Financial statements are clearly understandable to all parties, and they contain explanatory notes. No complaints or proposals on the contrary have been provided by the Ministry of Finance nor the Assembly.</p> <p>However, the PAK will try to coordinate with the OAG if they have any concrete proposal regarding the "simplification" of the financial statements.</p>

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
4.	3	15	Recommendations of the previous year	<p>PAK Management should ensure that:</p> <ul style="list-style-type: none"> The Action Plan, revised, to determine precisely the time limits for addressing the recommendations made by the AG, with the accountable staff members, by focusing initially on the most important areas. The reasons for not implementing the recommendations should be reported to management and to the board of directors on quarterly basis. 	PAK management and all departments / units within the PAK	31 December 2015	Continuous implementation
5.	4.1	17	Good governance	<p>Future BD and management should:</p> <ul style="list-style-type: none"> Implement an annual plan as a matter of urgency, which demonstrates that the strategic objectives are being implemented effectively. The external and internal reporting must be directly related to this plan. <p>PAK Management should ensure that:</p> <ul style="list-style-type: none"> The annual plan is compiled in order to be approved by the Board not later than three months before the commencement of the operational year and which clearly presents the objectives, resources and activities. 	<p>Board of Directors and Management of the PAK</p> <p>Management of PAK and the relevant departments and units within the PA</p>	31 December 2015	Continuous implementation

Recommendation no.	Article in report	Page	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
						31 December 2015	Continuous implementation
6.	4.1	18	Good governance	<p>The Assembly of Kosovo should:</p> <ul style="list-style-type: none"> • Through its functional commissions, as a matter of urgency, to implement a timetable for the recruitment of a complete Board of Directors. This should include also a provision concerning the replacements on the BD to be made on timely fashion in case there are vacant places. 	This recommendation is not applicable. The PAK has no legal authority to address this recommendation (it should be addressed to the Assembly)	N/A	It does not depend on PAK
7.	4.1	18	Good governance	<p>Future BD, as an urgent matter:</p> <ul style="list-style-type: none"> • To implement a schedule for the recruitment on vacant positions in the upper management. This would include a provision to make replacements in the upper management in the future, in time when vacancies appear. 	PAK Board of Directors	31 December 2015 (This recommendation will be implemented)	Continuous implementation

Recommendation no.	Article in report	Page	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
						during the first half of 2016 as a result of the delay of appointment of the Board of Directors)	
8.	5.2	18	Good governance	<p>The future Board and Management should:</p> <ul style="list-style-type: none"> Review the existing governance arrangements/accountability and non-existing requirements for risk management to be implemented until September 2015 to ensure the achievement of strategic objectives. 	Board of Directors and Management of the PAK	31 December 2015	Continuous implementation
9.	5.1	19	Management of Privatisation Funds	<p>The future Board is to:</p> <ul style="list-style-type: none"> Develop and implement an investment strategy which determines the minimum of the requests for liquidity based on the expected requests from the Privatization Fund and to maximize the investment return for the remaining funds. 	Board of Directors and Management of the PAK	31 December 2015	It depends also on the Central Bank of Kosovo. PAK comments are provided in the audit report.

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementatio n	Comments
10.	5.2	20	Distribution of 20% to workers	<p>The management of PAK should:</p> <ul style="list-style-type: none"> Issues legal advice to confirm that its internal rules concerning the distribution of 20% is in full compliance with existing laws and regulations and if necessary to apply amendments to ensure that harmony is achieved. 	Management of PAK and Legal Department	31 December 2015	PAK does not agree with the opinion of OAG. The issue of retirement of workers of SOEs is regulated by law. Also, the Special Chamber of the Supreme Court in several decisions refers to the retirement age of 65 years.
11	5.2	21	Distribution of 20% to workers	<p>PAK Management should:</p> <ul style="list-style-type: none"> To determine as to why no documents/official decisions have been provided with regard to the termination of employment in the identified cases 	PAK Management and Coordination Department of Liquidation	31 December 2015	Continuous implementation

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
				and to improve controls aimed at providing confirmation that all documents / decisions regarding the termination of the employment have been distributed to employees on the day of SOE sales.	(employee lists unit)		
12	5.2	21	Distribution of 20% to workers	<p>Management of PAK:</p> <ul style="list-style-type: none"> • Should amend the agreement with BSPK to ensure that adequate monitoring requirements have been applied confirming that the distribution of 20% is made as expected. 	Board of Directors, Management of PAK and Liquidation Department	31 December 2015	Continuous implementation
13	5.3	22	Liquidation sales	<p>The future Board is to:</p> <ul style="list-style-type: none"> • Must reconfirm the request in order to ground fully 	PAK Board of Directors	31 December 2015	Continuous implementation

Recommendation no.	Article in report	Page	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
				unordinary decisions through documented analysis reflecting the economic feasibility and market conditions.		(This recommendation will be implemented during the first half of 2016 as a result of the delay of appointment of the Board of Directors)	Comments on this point are given by the Secretariat of the Board of Directors. OAG has no legal authority to restrict the right of management and of the Board Secretariat to comment on this point.
14	5.5	23	Proceeds of PAK	<p>Management of PAK is to:</p> <ul style="list-style-type: none"> To implement a formal policy for receivables accounts which include an assessment on cashing in, monitoring and continuous reporting as well as to apply all options, including legal measures, to ensure the realization of the agreed payments. 	Board of Directors, Management of PAK and Department of Finance and Budget	This policy was implemented in December 2014.	Continuous implementation
15	6.	25	Budget Planning and Execution	<p>Management of PAK is to:</p> <ul style="list-style-type: none"> re-evaluate the basis on determining the need for goods and services (including the cost of liquidation) 	The Management of PAK in cooperation with other departments /	31 December 2015	Continuous implementation

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
				<p>and systematically monitor the budget performance on a monthly basis, to identify and address barriers in order to execute the budget on expected levels.</p> <p>Management of PAK is to:</p> <ul style="list-style-type: none"> • Must compile the budget based on the real needs of the staff. 	<p>respective units within PAK.</p> <p>The management of PAK in cooperation with other departments / respective units within the PAK.</p>	31 December 2015	<p>The unspent funds are returned to the dedicated revenues account of PAK and are transferred to the next fiscal year; therefore there is no effect on the budget surplus.</p> <p>Continuous implementation</p>
16	6.2.1	27	Procurement	<p>Management of PAK is to:</p> <ul style="list-style-type: none"> • To determine why the identified contracts are drafted without ensuring that the costs of PAK are minimized. For this reason, improved procedures should be applied to ensure that the first objective is to achieve the required quality with the best price possible. The Controls must be improved to prevent 	<p>PAK Management, Procurement Department and other departments / other relevant units within the PAK.</p>	31 December 2015	Continuous implementation

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
				the provision of services without a valid contract.			
17	6.2.1	28	Procurement	<p>Management of PAK is to:</p> <ul style="list-style-type: none"> • Carry out an internal review to determine why the delays in payments have appeared in the cases mentioned above and why purchase orders have not been made in a timely manner and also it must apply improved controls to ensure that the systematic identified flaws are not repeated again. 	PAK Management, Procurement Department and other departments / relevant units within the PAK	31 December 2015	Continuous implementation
18	6.2.2	29	Other purchases	<p>Management of PAK is to:</p> <ul style="list-style-type: none"> • Ensure that SAC (Specific Appointment Conditions) are presented to all prospective members of the upcoming Board of Directors and that the basis for the payments made should refer to them and to related regulations. A form of independent review is to be applied, the very same way as intended earlier. 	Management of PAK, the Executive Secretariat of the Board of Directors	31 August 2014 (exceeded)	This finding is not valid anymore because there are no international members in the Board of Directors.
19	6.2.3	30	Compensation (salaries and daily	<p>Management of PAK is to:</p> <p>Ensure that in cases of resignations by the staff to</p>	PAK Board of Directors and	31 December 2015	Continued implementation.

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
			allowance)	undertake measures under the applicable laws and the contract signed by the employee. Consideration should also be given to extending the notice period for the senior staff in 3 months period. The upcoming board should implement early recruitment processes to ensure that the positions covered by acting staff are permanently filled at the earliest opportunity.	Management	(This recommendation will be implemented during the first half of 2016 as a result of the delay of appointment of the Board of Directors)	PAK can not be held responsible if its key staff resigns irrevocably, despite the legal requirements that in case of resignation to give prior notice.
20	6.2.3	31	Compensation (salaries and daily allowance)	Management of the PAK is to: Ensure that effective controls are placed which ensure that all the eligible applicants will be invited for tests on recruitment competitions.	PAK Management and Human Resource Unit	31 December 2015	Continued implementation.
21	6.2.3	31	Compensation (salaries and daily allowance)	Management of the PAK is to: Ensure that it has reviewed the reasons of identified errors and to improve controls/guidelines to ensure that all wages are calculated and paid in accordance with applicable laws.	PAK Management, Human Resources Department and the Department of Finance	31 December 2015	Continued implementation.

Reco mmen dation no.	Article in report	Pa ge	Reference	OAG's recommendation	Department in charge for implementation	Deadline for implementation	Comments
22	6.2.3	31	Compensation (salaries and daily allowance)	<p>Management of the PAK is to:</p> <ul style="list-style-type: none"> • Ensure that in 2015 performance evaluations are applied to all managerial ranks. 	Board of Directors and Management of the PAK	31 January 2016	Continued implementation
23	6.4	33	Internal Audit System	<p>The future PAK Board of Directors and Management are to:</p> <ul style="list-style-type: none"> • Provide formal review and approval of risk based audit plans which reflect adequate resources by providing necessary assurance to Management; • Provide effective monitoring of implementation of audit plans; • Set up a functional Audit Committee which will at the same time support and challenge IAU but also provide special focus on the quality of the IA reports and implementation of recommendations. 	PAK Board of Directors	31 December 2015 (This recommendation will be implemented during the first half of 2016 as a result of the delay of appointment of the Board of Directors)	PAK did not agree with this finding. Nevertheless, the recommendations are being implemented consistently.

ANNEX 1. LIST OF ENTERPRISES UNDER DIRECT ADMINISTRATION PURSUANT TO ARTICLE 6.1

No.	Name of SOE under DA	Place	Date of entry into DA	Comments
1	NR "Hotel Grand"	Prishtinë	20/07/2012	By the decision of the Board of Directors on August 2014, it was placed on liquidation on 2 February 2015.
2	NSH "Ereniku-Industria"	Gjakove	22/06/2011	
3	NSH "Boksitet e Kosoves"	Kline	20/01/2012	
4	MIM Golesh	Lipjan	31 August 2014	

ANNEX 2. LIST OF TRANSACTIONS PURSUANT TO ARTICLE 9

There has been no liquidation sale during the period January - December 2015:

Liquidation Sale	Date of sale	No. Of assets	No. of received bids	Total value of bids EUR	Withdrawals, Cancellations EUR	Total value EUR	No. of cancelled Assets by the BoD Withdrawal	Completed sales	Unrealized sales - in process
Total									

ANNEX 3. LIST OF ENTERPRISES IN THE REORGANIZATION PROCESS

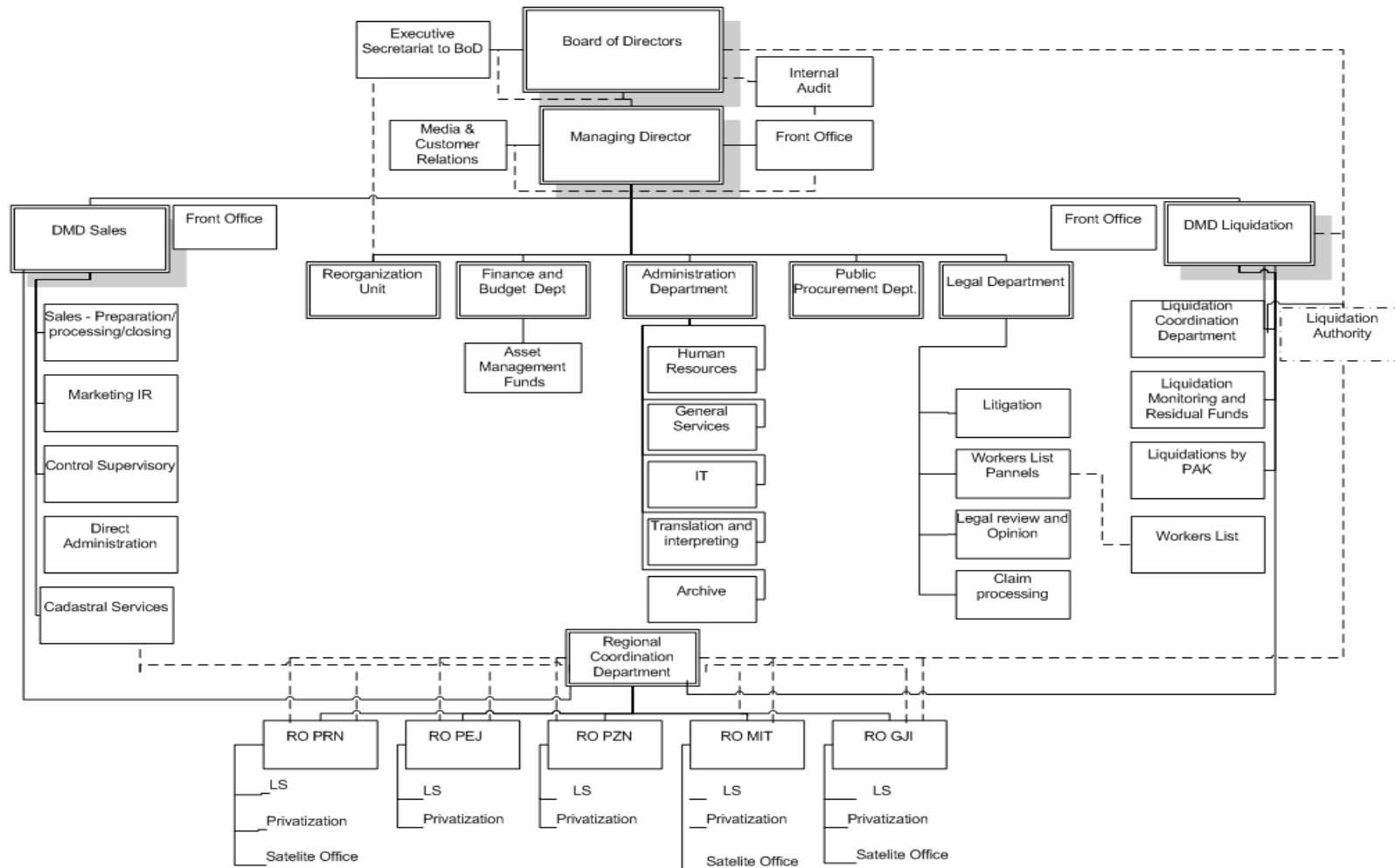
No.	Name of SOE	Region	Comments
1	Trepça	Mitrovicë	According to the Decision of the Special Chamber of the Supreme Court, the last date for submission of the plan of reorganization is 1 November 2016.

ANNEX 4. LIST OF ENTERPRISES LIQUIDATED PURSUANT TO ARTICLE 9

No.	Municipality	Name of SOE	Category	Date of commencement of the liquidation process	Date of presentation of the final report to the Board of PAK	Date of presentation of the final report to the SCSCK.	Decision of SCSCK on the closure of liquidation
1	Skenderaj	Kooperativa Bujqësore "Likovci"	With assets/ No creditor claims	05 August 2010	20 July 2012	16 August 2012	11 January 2013
2	Skenderaj	Kooperativa Bujqësore "Liria"	No assets/ no creditor claims	04 August 2010	20 July 2012	16 August 2012	31 January 2013
3	Skenderaj	NSh "Graniti"	No assets/ no creditor	09 August 2010	20 July 2012	16 August 2012	10 December 2012

			claims				
4	Vushtrri	NSh SHAM "Ruzhdi Bytyqi"	No assets/ with creditor claims	19 June 2013	31 January 2014	04 February 2014	19 March 2014
5	Mitrovicë	NSh "Hidrotermika"	No assets/ no creditor claims	31 December 2010	20 July 2012	16 August 2012	15 October 2012
6	Suharekë	NSh "SH.A.M. Semafor" Suharekë	No assets/ with creditor claims	31 December 2010	27 June 2013	28 June 2013	17 January 2014
7	Pejë	Kooperativa Bujqësore "Ozdrim"	No assets/ no creditor claims	27 June 2013	19 December 2013	26 December 2013	27 February 2014

ANNEX 5. ORGANISATIONAL STRUCTURE OF PRIVATISATION AGENCY OF KOSOVO



8. LIST OF ANNUAL FINANCIAL REPORTS

The following financial reports are presented in the annex of the annual report:

TABULAR SECTION OF FINANCIAL REPORT ACCORDING TO THE FORMAT OF THE BUDGET AND FINANCE COMMITTEE OF THE ASSEMBLY OF KOSOVO (PAGE 1 TO 12)

EXTRACT FROM AGENCY'S ANNUAL BUDGET FINANCIAL STATEMENTS (PAGE 1 TO 19)

EXTRACT FROM TRUST FUND FINANCIAL STATEMENTS (PAGE 1 TO 29)

Privatisation Agency of Kosovo

Tabular part of finance report according to Budget and Finance Committee format

4) TABLES

a) Incomes:

Economic code	Economic category name	Planned/forseen incomes for 2015	Owned revenues transferred from 2014	Current incomes in 2015
1	2	3	4	5
11000	Salaries and Wages	3,886,391.00	-	4,367,702.00
13000	Goods and Services	6,066,992.00	-	2,160,319.98
13200	Public services	98,000.00	-	98,000.00
21000	Transfers and Subsidies	80,000.00	-	116,334.00
30000	Capital Investments	80,000.00	-	80,000.00
	TOTAL	10,211,383.00	-	6,822,355.98

b) Expenditures:

Economic code	Economic category	Budget and expenditures 2014			Annual budget according to Law on Budget 2015	Reviewed budget 2015	Budget January - December 2015	Expenditures until 31 December 2015	Commitments until 31 December 2015	Committed budget (%)	Budget spent (%)	Unspent budget(%)
		Budget 2014	Expenditures 2014	% of expenditures								
1	2	3			4	5	6	7	8	9=8/6	10=7/6	11
11000	Salaries and Wages	3,885,722	3,885,722	100%	3,886,391	3,886,391	4,367,702	4,321,066	4,321,066	99%	99%	1%
13000	Goods and Services	3,555,473	1,754,835	49%	6,066,992	4,503,505	2,160,320	1,401,519	1,708,450	79%	65%	35%
13200	Public services	98,000	77,636	79%	98,000	98,000	98,000	84,980	85,020	87%	87%	13%
21000	Transfers and Subsidies	80,000	63,300	79%	80,000	90,000	116,334	116,003	116,003	100%	100%	0%
30000	Capital Investments	160,000	92,900	58%	80,000	80,000	80,000	46,700	49,382	62%	58%	42%
	TOTAL	7,779,195	5,874,393	76%	10,211,383	8,657,896	6,822,356	5,970,268	6,279,922	92%	88%	12%

Goods and Services

4.c) EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

13000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expendit ures	Planning January - December	Expenditures January - December	% of expendit ures
	TOTAL	2,746,592	1,754,835	64%	2,160,320	1,401,519	65%
1310	TRAVEL EXPENSES (SUBTOTAL)	21,260	20,237	95%	18,000	3,239	18%
13130	Travel expenditures within country	-	-		-	-	
13131	Wages for Travel expenditures within country	-	-		-	-	
13132	Accommodation during official travel within country	-	-		-	-	
13133	Other expenditures for Travel within country	1,600	1,512	95%	-	-	
13140	Travel expenditures abroad	1,800	1,604	89%	-	-	
13141	Wages for official travel abroad	300	204	68%	3,000	125	4%
13142	Accommodation during official travel abroad	6,560	6,260	95%	10,000	845	8%
13143	Other expenditures for Travel abroad	11,000	10,657	97%	5,000	2,269	45%
1330	TELECOMMUNICATION SERVICES (SUBTOTAL)	97,600	63,222	65%	88,911	60,163	68%
13310	Internet expenditures	17,940	14,091	79%	15,000	5,575	37%
13320	Expenditures for mobile phones	67,200	44,063	66%	58,911	51,456	87%
13330	Postar expenditures	12,460	5,068	41%	15,000	3,132	21%
13340	Expenditures for use of optical cable	-	-		-	-	
1340	EXPENDITURES FOR SERVICES (SUBTOTAL)	1,005,820	808,667	80%	779,691	602,854	77%
13410	Educational and Training Services	47,450	45,050	95%	60,000	7,555	13%
13420	Representative and Counsellor Services	-	-		1,000	823	82%
13430	Different Health Services	-	-		-	-	
13440	Different intellectual and advisory Services	40,000	16,557	41%	104,707	13,729	13%
13450	Services printing- not marketing	-	-	0%	1,000	847	85%
13460	Other contracting Services	893,370	725,557	81%	588,135	574,184	98%
13470	Technical Services	25,000	21,503	86%	24,849	5,715	23%
13480	Expenditures for entre	-	-		-	-	
1350	PURCHASE OF FURNITURE AND EQUIPMENT (LESS THAN 1000)	46,954	27,391	58%	88,771	69,886	79%
13501	Furniture (less than 1000 euro)	11,954	4,750	40%	-	-	
13502	Phone (less than 1000 euro)	-	-		-	-	
13503	Compiuters (less than 1000 euro)	-	-		-	-	
13504	Hardwer for informative technology (less than 1000 euro)	22,500	11,005	49%	58,000	47,955	83%
13505	Photocopy equipment (less than 1000 euro)	-	-		-	-	
13506	Special medical equipment (less than 1000 euro)	-	-		-	-	
13507	Equipment for police service (less than 1000 euro)	-	-		-	-	

Goods and Services

4.c) EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

13000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expendit ures	Planning January - December	Expenditures January - December	% of expendit ures
13508	Pajisje trafiku (me pak se 1000 euro)		-			-	
13509	Other equipment (less than 1000 euro)	12,500	11,636	93%	30,771	21,931	71%
1360	OTHER PURCHASES- GOODS AND SERVICES (SUBTOTAL)	95,500	50,015	52%	70,638	46,577	66%
13610	Supply for office	70,000	33,963	49%	30,000	20,631	69%
13620	Supply with food and drinks (no official lunch)	15,500	6,601	43%	20,000	10,292	51%
13630	Medical Supply		-		-	-	
13640	Supply for cleaning	10,000	9,451	95%	10,000	9,523	95%
13650	Supply with clothes		-		10,000	5,857	59%
13660	Accomodation		-		638	274	43%
13670	Ammunition and firearms		-		-	-	
13680	Securing Tickets (banderols)		-		-	-	
13681	Seals		-		-	-	
1370	DERIVATES AND FUEL (SUBTOTAL)	109,288	84,687	77%	131,500	68,292	52%
13710	Oil	100	20	20%	100	40	40%
13720	Oil for central heating	49,030	45,796	93%	53,000	29,715	56%
13730	Oil for heating	-	-		-	-	
13740	Oil fuel	-	-		-	-	
13750	Coal	-	-		-	-	
13760	Wood	-	-		-	-	
13770	Fuel for generator	10,258	5,250	51%	26,350	9,743	37%
13780	Fuel for Vehicles	49,900	33,622	67%	52,050	28,794	55%

Goods and Services

4.c) EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

13000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expendit ures	Planning January - December	Expenditures January - December	% of expendit ures
1380	ACCOUNT FOR ADVANCE (SUBTOTAL)	-	-		-	-	
13810	Advance for patty cash	-	-		-	-	
13820	Advance for official travel	-	-		-	-	
13821	Advance	-	-		-	-	
13830	Advance for goods and services	-	-		-	-	
13850	Advance- for embassies	-	-		-	-	
1390	FINANCIAL SERVICES (SUBTOTAL)	-	-		-	-	
13911	Bank Provisions-Central Bank	-	-		-	-	
13912	Bank Provisions-Raiffeisen Bank	-	-		-	-	
13913	Bank Provisions-Procredit Banke	-	-		-	-	
13915	Bank Provisions- Private Business Bank	-	-		-	-	
13916	Bank Provisions-Economic Bank	-	-		-	-	
13917	Bank Provisions-NLB Bank Prishtina	-	-		-	-	
13918	Provision for Different Rates	-	-		-	-	
13940	KPA-Bank Provision	-	-		-	-	
1395	SERVICES OF REGISTRATION AND INSURANCE (SUBTOTAL)	19,300	12,614	65%	16,000	9,915	62%
13950	Registration of vehicles	5,300	3,150	59%	5,000	2,250	45%
13951	Insurance of vehicles	12,000	8,639	72%	10,000	7,395	74%
13952	Municipal taxes for Registration of vehicles	2,000	825	41%	1,000	270	27%
13953	Insurance of premises and other		-			-	
1400	MAINTENANCE (SUBTOTAL)	103,750	64,153	62%	126,913	65,504	52%
14010	Maintenance and riparing of vehicles	52,000	32,960	63%	55,000	23,846	43%
14020	Maintenance of premises	2,750	1,662	60%	10,000	7,804	78%
14021	Maintenance of residential premises	-	-		-	-	
14022	Maintenance of administrative business premises	-	-		-	-	
14023	Maintenance of schools	-	-		-	-	
14024	Maintenance of medical premises	-	-		-	-	
14030	Maintenance of highway	-	-		-	-	
14031	Maintenance of regional highway	-	-		-	-	
14032	Maintenance of local highway	-	-		-	-	
14040	Maintenance of Informative Technology	24,000	14,940	62%	31,913	13,193	41%
14050	Maintenance of furniture and equipment	25,000	14,590	58%	30,000	20,660	69%

Goods and Services

4.c) EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

13000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expendit ures	Planning January - December	Expenditures January - December	% of expendit ures
1410	RENT (SUBTOTAL)	433,704	417,258	96%	443,132	420,564	95%
14110	Rent for premises	433,704	417,258	96%	443,132	420,564	95%
14120	Rent for land	-	-		-	-	
14130	Rent for equipment	-	-		-	-	
14140	Rent for machinery	-	-		-	-	
14150	Rent for other spatial use	-	-		-	-	
1420	MARKETING EXPENDITURES (SUBTOTAL)	700,040	106,207	15%	326,764	11,636	4%
14210	Advertisement and Competition	13,000	730	6%	1,000	807	81%
14220	Publishing	1,000	758	76%		-	0%
14230	Expenditures for public informing	686,040	104,719	15%	325,764	10,829	3%
1430	EXPENDITURES FOR REPRESENTATION (SUBTOTAL)	5,000	3,134	63%	20,000	3,225	16%
14310	Official lunches	5,000	3,134	63%	20,000	3,225	16%
1440	EXPENDITURES-COURT VERDICTS (SUBTOTAL)	108,376	97,251	90%	50,000	39,666	79%
14410	Expenditures-court verdicts	108,376	97,251	90%	50,000	39,666	79%
1700	DEBTH SERVISING (SUBTOTAL)	-	-		-	-	
17000	Payment of government debth	-	-		-	-	

4.d) MUNICIPAL EXPENDITURES EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

13000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expend itures	Planning January - December 2015	Expenditures January - December	% of expend itures
	TOTAL	98,000	77,636	79%	98,000	84,980	87%
1320	MUNICIPAL EXPENDITURES (SUBTOTAL)	98,000	77,636	79%	98,000	84,980	87%
13210	Electric power	63,000	61,822	98%	72,152	72,151	100%
13220	Water	3,500	2,023	58%	3,848	1,766	46%
13230	Garbage	3,500	3,193	91%	6,000	2,982	50%
13240	Central heating		-		-	-	
13250	Phone Expenditures	28,000	10,599	38%	16,000	8,080	51%

4.e) CAPITAL INVESTMENTS: EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

30000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expendi tures	Planning January - December 2015	Expenditures January - December 2015	% of expendi tures
	Total	117,900	92,900	79%	80,000	46,700	58%
3110	PREMISES (SUBTOTAL)	10,000	-		30,000	-	0%
31110	Dwelling House	-	-		-	-	
31120	Administrative business premises	10,000	-	0%	30,000	-	0%
31121	Educational premises	-	-		-	-	
31122	Medical premises	-	-		-	-	
31123	Cultural premises	-	-		-	-	
31124	Sport premises	-	-		-	-	
3120	CONSTRUCTION OF ROADS (SUBTOTAL)	-	-		-	-	
31210	Construction of highways	-	-		-	-	
31220	Construction of regional highways	-	-		-	-	
31230	Construction of local highways	-	-		-	-	
31240	Sidewalks	-	-		-	-	
31250	Sawage	-	-		-	-	
31260	Water supply	-	-		-	-	
3150	SUPPLY WITH ELECTRIC POWER, GENER.&TRANS. (SUBTOTAL)	-	-		-	-	
31510	Supply with electric power, gener.&transm.	-	-		-	-	
3160	EQUIPMENT (SYSTEMS VALUE OVER 1000 EUROS)	15,000	-	0%	50,000	46,700	93%
31600	EQUIPMENT (SYSTEMS VALUE OVER 1000 EUROS). (SUBTOTAL)	15,000	-	0%	50,000	46,700	93%
31610	Equipment with Informative Technology	-	-		-	-	
31620	Furniture	-	-		-	-	
31630	Phones	-	-		-	-	
31640	Computers	-	-		-	-	
31650	Photocopy	-	-		-	-	
31660	Special Medical Equipment	-	-		-	-	
31670	Police Services Equipment	-	-		-	-	
31680	Softwer	-	-		-	-	

4.e) CAPITAL INVESTMENTS: EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

30000	Goods and Services Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expenditures 2014	% of expendi tures	Planning January - December 2015	Expenditures January - December 2015	% of expendi tures
31690	Other Equipment	-	-		-	-	
3170	TRANSPORT VEHICLES (SUBTOTAL)	92,900	92,900	100%	-	-	
31700	Official vehicles	92,900	92,900	100%	-	-	
31701	Trucks	-	-		-	-	
31702	Jeep and kombibus	-	-		-	-	
31703	Vehicles for emergency	-	-		-	-	
31704	Police Vehicles	-	-		-	-	
31705	Motor	-	-		-	-	
31706	Other transportation vehicles	-	-		-	-	
3180	MACHINERY (SUBTOTAL)	-	-		-	-	
31800	Machinery	-	-		-	-	
3190	OTHER CAPITAL (SUBTOTAL)	-	-		-	-	
31900	Other Capital	-	-		-	-	
31910	Advance for investments	-	-		-	-	
3210	LAND (SUBTOTAL)	-	-		-	-	
32100	Land	-	-		-	-	
3220	INTANGIBLE ASSETS (SUBTOTAL)	-	-		-	-	
32200	Intangible assets	-	-		-	-	
3310	CAPITAL TRANSF.-ENTITIES (SUBTOTAL)	-	-		-	-	
33100	Trans.kap.-public entity	-	-		-	-	

4.f) SUBVENTIONS AND TRANSFERS: EXPENDITURES DETAILS ACCORDING TO ECONOMIC CODES

21000	Subventions and transfers Name of economic category	BUDGET 2014			BUDGET 2015		
		Planning 2014	Expendit ures 2014	% of expendit ures	Planning January - December 2015	Expendit ures January - December 2015	% of expendit ures
	Total	80,000	63,300	79%	116,334	116,003	100%
2100	SUBVENTIONS	80,000	63,300	79%	116,334	116,003	100%
21110	Subventions for Public Entities	80,000	63,300	79%	116,334	116,003	100%
21120	Subventions for Public Entities (National Theatre)	-	-		-	-	
21200	Subventions for non-public Entities	-	-		-	-	
2200	TRANSFERS	-	-		-	-	
22100	Transfers for other governments	-	-		-	-	
22110	Unops-administration Project-Kosovo Property Agency	-	-		-	-	
22200	Payments for individual assignee	-	-		-	-	
22210	Basic pensions	-	-		-	-	
22220	Pensions for persons with dissabilities	-	-		-	-	
22230	Pensions for social assistance	-	-		-	-	
22235	Pensions of Kosovo Protection Corpus	-	-		-	-	
22240	Pensions-Category I (for family members)	-	-		-	-	
22250	Pensions-Kategoria II (for family members)	-	-		-	-	
22260	Payments for war Invalids	-	-		-	-	
22270	Payments for civilian invalids	-	-		-	-	
22280	Payments to the martyr families	-	-		-	-	
22300	Provisional Trepça Pensions	-	-		-	-	

Privatisation Agency of Kosovo

4.g) Staff and salary structure

Level	Approved positions with the Law on Budget	Positions filled	Approved budget with Law on Wages and Salaries	Spent budget for salaries until 31 December 2015	Total of additional payments	The total number of employees who receive additional payments	a) Working hours (full time / part time) and b) To specify the type of additional payment
1	2	3	4	5	6	6	8
Board level	8	8	9,134.00	9,134.00	-	-	Monthly meetings
Senior management level	3	1	107,702.00	88,960.58	-	-	Full Time
Management level	15	15	550,000.00	546,949.80	-	-	Full Time
Professional level	212	211	3,510,000.00	3,503,489.52	-	-	Full Time
Supporting level	28	26	200,000.00	181,666.29	-	-	Full Time
TOTAL	258	253	4,367,702.00	4,321,066.19	-	-	Full Time

Note:

Monthly compensation for the Board members for the period January- December 2015 is EUR 9,134. The first meeting held by the Board members is in December 2015. For the period September 2014 – November 2015, there was no Board of Directors. The nominations of the Board of Directors by the Assembly of Kosovo was held on the month of December 2015. The number of workers who were paid during 2015 is 253, while the number of workers in the end of 2015 is 250

4b2) EXPENDITURES OF SALARIES AND WAGES ACCORDING TO ECONOMIC CODES

Economic code	SALARIES AND WAGES	Expenses in the previous period 2014	Budget until 31 December 2015	Expenditures until 31 December 2014	Expenditure percentage to budget [%]
11110	Neto wages	3,230,716.11	3,600,000.00	3,584,558.58	99.57%
11500	Source tax on personal income	284,804.71	350,000.00	324,975.87	92.85%
11600	Pensional contribution from worker	185,100.43	208,851.00	205,765.85	98.52%
11700	Pensional contribution from employer	185,100.45	208,851.00	205,765.85	98.52%
	TOTAL OF WAGES AND SALARIES	3,885,721.70	4,367,702.00	4,321,066.15	98.93%

4b3) SUMMARY OF EXPENDITURES OF GOODS AND SERVICES ACCORDING TO GROUPS OF CODES

Economic code	GOODS AND SERVICES NAME OF GROUPS OF CODES	Expenses in the previous period 2014	Budget until 31 December 2015	Expenditures until 31 December 2014	Expenditure percentage to budget [%]
1310	Travel expenses	20,237.33	18,000.00	3,238.92	17.99%
1320	Municipal expenditures	77,636.20	98,000.00	84,979.78	86.71%
1330	Telecommunication services	63,221.70	88,911.00	60,162.96	67.67%
1340	Expenditures for sevicees	808,666.93	779,690.98	602,853.61	77.32%
1350	Purchase of furniture and equipment (less than 1000 euro)	27,390.74	88,771.00	69,885.78	78.73%
1360	Other purchases- goods and services	50,014.81	70,638.00	46,576.85	65.94%
1370	Derivates and fuel	84,687.35	131,500.00	68,292.17	51.93%
1380	Account for advance	-	-	-	
1390	Financial services	-	-	-	
1395	Services of registration and insurance	12,614.07	16,000.00	9,914.56	61.97%
1400	Maintenance	64,152.96	126,913.00	65,503.56	51.61%
1410	Rent	417,257.88	443,132.00	420,563.86	94.91%
1420	Marketing expenditures	106,206.61	326,764.00	11,635.91	3.56%
1430	Expenditures for representation	3,133.60	20,000.00	3,225.45	16.13%
1440	Expenditures-court verdicts	97,251.06	50,000.00	39,665.60	79.33%
1700	Debth servicing	-	-	-	
	TOTAL OF GOODS AND SERVICES	1,832,471.24	2,258,319.98	1,486,499.01	65.82%



AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED ON 31 DECEMBER 2015

FINANCIAL REPORTS TABLES

KOSOVO BUDGET

(GOVERNMENT'S GENERAL FUND, DEDICATED REVENUE AND DONORS)

Reports according to:

- a) Financial Regulation no. 3/2013 of the Ministry of Finance for annual reporting; and
- b) Article 20 of Law no. 04/L-034 on Privatisation Agency of Kosovo:
 - Article 20: Reports, Budget and Accounts
 - Article 20.1.1.1. Financial Statements of Agency Accounts.

29 JANUAR 2016



AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

FINANCIAL STATEMENTS OF GOVERNMENT GRANT, DEDICATED REVENUE AND DONORS

FOR PERIOD ENDED 31 DECEMBER 2015

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2.	Report on Receipts according to the budget programs	2
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AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

FINANCIAL STATEMENT

- **EXPLANATIONS ON THE TABLES OF FINANCIAL STATEMENTS**
- **STATEMENT OF CASH RECEIPTS AND PAYMENTS**
- **STATEMENT OF COMPARISON OF CURRENT BUDGET AMOUNTS**



**FINANCIAL STATEMENT FOR KOSOVO BUDGET, DEDICATED REVENUES AND DONOR GRANTS
FOR THE PERIOD ENDING 31 DECEMBER 2015**

EXPLANATIONS ON THE TABLES OF FINANCIAL STATEMENTS

Table no.	Report Description	Page
1.	<p>Statement of cash receipts and payments.</p> <p>Statement of cash receipts and payments is prepared in accordance with International Public Sector Accounting Standards under the cash basis principle in which is presented a summary of:</p> <ul style="list-style-type: none">a) Statement of Receipts and Payments of Agency's Dedicated Revenues to cover administrative and operational expenditures; andb) Statement of Trust Fund receipts and payments; <p>1. Receipts are revenues transferred in CBK and other commercial bank accounts under monitoring of the Agency (for more please see the tables of trust funds); and</p> <p>2. Payments involve execution of transactions in these bank accounts monitored by the Agency.</p>	1
2.	<p>Statement of comparison of current budget amounts.</p> <p>Indicates comparisons between:</p> <ul style="list-style-type: none">a) planning and execution of revenues in the end of fiscal year; andb) planning and execution of payments in the end of fiscal year	2
<p>- FINANCIAL REPORTS TABLES – GOVERNMENT GRANT, DEDICATED REVENUE AND DONORS pages 1 – 11</p>		
Table 1.	<p>Budget execution report.</p> <p>Indicates the progress realised in budget planning and final budget comparing these two with payments or executions from the following financing sources:</p> <ul style="list-style-type: none">1. Dedicated revenues;2. Government Grant; and3. Donor Grants;	1

Table no.	Report Description	Page
Table 2.	<p>Report of receipts according to budget program</p> <p>Indicates the collected revenues for Privatization Agency of Kosovo and Government Grant. The revenues for Government Grant are made payments or collection of means regarding which the payments were realized in previous years. These revenues were treated the same for PAK as the case of Government Grant. In report are presented also the collections of PAK means as dedicated incomes (see Article 21 of Law no. 04/L-034) for 2015.</p>	2
Table 3.	<p>The state of Unpaid Invoices.</p> <p>Disclosure of details of unpaid obligations for fiscal year 2015.</p>	3
Table 4.	<p>Report on Contingent Liabilities.</p> <p>The disclosure of obligations regarding which there are disputes between PAK and suppliers.</p>	4
Table 5.	<p>Report on Accounts Receivable</p> <p>Indicates accounts receivable for Privatization Agency of Kosovo. They are unpaid obligations for the fiscal year 2015 of PAK employees for landline and mobile phone.</p>	5
Table 6.	<p>Report on Unclosed Advances.</p> <p>There are no advances which remained unclosed in the end of fiscal year 2015. Advances are only for officers' official trips for PAK.</p>	6
Table 7.	<p>Annex of Non-Financial Assets</p> <p>Disclosure in details of capital assets and PAK inventory according to category of historical cost, devaluation and net value on 31 December 2015.</p>	7
Table 8.	<p>The main statement – Dedicated incomes and Government Grant.</p> <p>It indicates the budget, allocations, commitments and expenditures summary for fiscal year 2015 for source of finances from the Dedicated of Incomes and Government Grant for PAK activities.</p>	11

Financial statement 1**Statement of Cash Receipts and payments**

For the period ended on 31 December 2015

PAK Code in Ministry of Finance:

239

	Notes	Jan - Dec 2015			Jan - Dec 2014			Jan - Dec 2013		
		Treasury Single Account			Treasury Single Account			Treasury Single Account		
		Kosovo Budget	PAK Trust Funds	Third party payments	Kosovo Budget	PAK Trust Funds	Third party payments	Kosovo Budget	PAK Trust Funds	Third party payments
		€	€	€	€	€	€	€	€	
SOURCE OF FUNDS										
Allocations from General Fund	2	10,572.98	-	-	€ 406,183	-	-	-	-	-
Own sources	3	-	-	-	€ -	-	-	-	-	-
Allocations from dedicated purposes funds		5,959,695.16	-	-	€ 5,468,210	-	-	5,757,044	-	-
Designated Donor Grants	4	-	-	-	€ -	-	-	-	-	-
Borrowings fund	5	-	-	-	€ -	-	-	-	-	-
Other receivables	6	-	-	-	€ -	-	-	-	-	-
PAK Trust Funds	7	-	-	-	€ -	-	-	-	-	-
	7a	-	618,541,141	-	€ -	698,396,260	-	-	710,976,545	-
Total		€ 5,970,268.14	618,541,141	€ -	€ 5,874,393	698,396,260	€ -	5,757,044	710,976,545	€ -
USE OF FUNDS										
<i>Operations</i>										
Salaries and Wages	8	4,321,066.15	-	-	€ 3,885,722	-	-	3,331,628	-	-
Goods and Services	9	1,401,519.23	-	-	€ 1,754,835	-	-	2,209,081	-	-
Public Services	10	84,979.78	-	-	€ 77,636	-	-	90,575	-	-
		€ 5,807,565.16	-	€ -	€ 5,718,193	-	€ -	5,631,283	-	€ -
<i>Transfers</i>										
Transfers and Subsidies	11	116,003.14	-	-	€ 63,300	-	-	72,179	-	-
<i>Capital Expenses</i>										
Investment in property, Buildings and Equipment	12	46,699.84	-	-	€ 92,900	-	-	53,581	-	-
Payments on account of former income	13	-	131,716,871	-	€ -	135,530,444	-	-	140,583,200	-
Return of borrowed funds	14	-	-	-	€ -	-	-	-	-	-
Total		€ 5,970,268.14	131,716,871	€ -	€ 5,874,393	135,530,444	€ -	5,757,044	140,583,200	€ -
Amounts presented in payments present those amounts made from Kosovo Budget, dedicated revenues, grants and trust funds.										
Status of unspent receivables		€ -	486,824,270	€ -	€ -	562,865,816	€ -	-	570,393,345	€ -

Financial statement 2**Statement of comparison of current budget amounts**

For the period ended on 31 December 2015

	Notes	January - December 2015				January - December 2014	Jan - Dec 2013
		Initial Budget (Appropriation)	Final Budget (Appropriation)	Budget execution	Difference	Budget execution	Budget execution
		A €	B €	C €	D=C/B %	E €	F €
Cash income in treasury account							
Taxation	15	-	-	-		-	-
Own sources	16	6,811,383.00	6,811,383.00	6,811,383.00	100%	7,345,873.00	7,716,449.00
Grants and Aid	17	-	-	-		-	-
Capital receivables	18	-	-	-		-	-
Privatisation fund*	19	-	-	-		-	-
Financing from borrowings	20	-	-	-		-	-
Borrowings	21	-	-	-		-	-
Other	22	-	-	-		-	-
Total receivables accumulated for FKK		€ 6,811,383.00	€ 6,811,383.00	€ 6,811,383.00	100.00%	€ 7,345,873.00	€ 7,716,449.00
Cash outcome from treasury accounts							
Salaries and wages	23	3,886,391.00	4,367,702.00	4,321,066.15	98.93%	3,885,721.70	3,331,627.59
Goods and Services	24	6,066,992.00	2,160,319.98	1,401,519.23	64.88%	1,754,835.04	2,209,081.23
Public services	25	98,000.00	98,000.00	84,979.78	86.71%	77,636.20	90,574.65
Transfers and Subsidies	26	80,000.00	116,334.00	116,003.14	99.72%	63,300.01	72,178.85
Capital expenses	27	80,000.00	80,000.00	46,699.84	58.37%	92,900.00	53,581.32
Privatisation fund*	28	-	-	-		-	-
Return of borrowings	29	-	-	-		-	-
Other	30	-	-	-		-	-
Total from FKK through LIVTh		€ 10,211,383.00	€ 6,822,355.98	€ 5,970,268.14	87.51%	€ 5,874,392.95	€ 5,757,043.64

Amounts stated in payments (outcome) in columns A and B represent the budget of Dedicated Income and the general government grant.

Amounts presented in payments (outflows) in column C present the payments of dedicated incomes and General government fund

* Based on consultations with Treasury Department, this is related to the privatization fund done by the Government of Republic of Kosovo
PAK Trust Funds are stipulated in the Admission and Payment Statement and disclosed in explanatory notes to financial statements.



AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

ANNEX OF FINANCIAL STATEMENT

- **TABLES OF FINANCIAL STATEMENT OF BUDGET OF KOSOVO**

TABLE 1**Budget Execution Report (Government Grant, Donors and Dedicated Revenues)**

For the period ended on 31 December 2015

Explanatory note no. 2, 3, 8, 9, 10 and 37

Description	Number	Original Budget (Law No. 05/L-001)	Semi-annual Reviewed Budget (Law No. 05/L-046)	Budget cuts based on the Decision of the Government No. 09/65 dhe transfers between budget programs	Budget as of 31 Dec 2015	Payments	Progress in %	Progress in %
		a	b		c	d	e=d/a	f=d/c
Total	1+2+3+4	€ 10,211,383.00	€ 8,657,896.00	€ (1,835,540.02)	€ 6,822,355.98	€ 5,970,268.14	58%	88%
Salaries and Wages		3,886,391.00	3,886,391.00	481,311.00	4,367,702.00	4,321,066.15	111%	99%
Goods and Services		6,066,992.00	4,503,505.00	(2,343,185.02)	2,160,319.98	1,401,519.23	23%	65%
Public services		98,000.00	98,000.00	-	98,000.00	84,979.78	87%	87%
Transfers and Subsidies		80,000.00	90,000.00	26,334.00	116,334.00	116,003.14	145%	100%
Capital Investments		80,000.00	80,000.00	-	80,000.00	46,699.84	58%	58%
General Grant 2015	1	€ 3,400,000.00	€ 1,846,513.00	€ (1,835,540.02)	€ 10,972.98	€ 10,572.98	0%	96%
Salaries and Wages		-	-	-	-	-		
Goods and Services		3,400,000.00	1,846,513.00	(1,835,540.02)	10,972.98	10,572.98	0%	96%
Public services		-	-	-	-	-		
Transfers and Subsidies		-	-	-	-	-		
Capital Investments		-	-	-	-	-		
Dedicated revenues 2015	2	€ 6,811,383.00	€ 6,811,383.00	€ -	€ 6,811,383.00	€ 5,959,695.16	87%	87%
Salaries and Wages		3,886,391.00	3,886,391.00	481,311.00	4,367,702.00	4,321,066.15	111%	99%
Goods and Services		2,666,992.00	2,656,992.00	(507,645.00)	2,149,347.00	1,390,946.25	52%	65%
Public services		98,000.00	98,000.00	-	98,000.00	84,979.78	87%	87%
Transfers and Subsidies		80,000.00	90,000.00	26,334.00	116,334.00	116,003.14	145%	100%
Capital Investments		80,000.00	80,000.00	-	80,000.00	46,699.84	58%	58%
Dedicated revenues transferred 2014	3	€ -	€ -		€ -	€ -		
Salaries and Wages		-	-		-	-		
Goods and Services		-	-		-	-		
Public services		-	-		-	-		
Transfers and Subsidies		-	-		-	-		
Capital Investments		-	-		-	-		
Total donor grants 2015	4	€ -	€ -		€ -	€ -		
Salaries and Wages		-	-		-	-		
Goods and Services		-	-		-	-		
Public services		-	-		-	-		
Transfers and Subsidies		-	-		-	-		
Capital Investments		-	-		-	-		

TABLES OF FINANCIAL STATEMENT

TABLE 2**Report on Receipts according to the budget programs**

For the period ended on 31 December 2015

Explanatory note no. 1.5 and no. 15

TOTAL RECEIPTS
620,035.50

	Description		Central Administration	Administrative fee
	Code of program		22900	Trust funds
Comments	Total receipts	Kodi Ekonomik	65,168.50	554,867.00
Held in trust in PAK accounts	Fees for the submission of bids in the process of privatization	55300	-	-
Held in trust in PAK accounts	Fees for the submission of bids in the process of liquidation	55300	-	-
Held in trust in PAK accounts	Confiscation of deposits during the process of privatization and liquidation	55300	-	-
Returns from private phones (collection)	Collection for private phones (collection) invoices of previous fiscal years (ground line and mobiles)	61000	4,799.50	-
Newco Money returned	Income from the realized returns from previous years for the payment of the half of Charter Capital of the Newcos	61000	60,369.00	-
PAK administrative fee	PAK administrative fee (5% of all sales and other realizations) during 2015	55300	-	554,867

The amount for the administrative fee will be distributed at the end of 2015

From the amount of EUR 60,369, the amount transferred from the NewCo registration from previous years to Kosovo Budget is 57,391. Whereas, dedicated income EUR 2,978.

TABLE 3
Situation of unpaid bills (Liabilities)
 For the period that ended on 31 Dec 2015
 Explanatory note no. 29

						TOTAL LIABILITIES	3,448.53				
No	Economical code	Supplier		Invoice date	Invoice number	Destination	Amount	Reason for non payment during the reporting period	Budgetary Line	No. Sub budgetary line	Expected to be in month
		Enterprise	Service Provider								
1		Pastrimi		3-Dec-15	FT-1512149548101-14954	Waste removal	192.10	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
2		Vala		10-Jun-13	090201029031/251	Mobile telephone services	496.00	Although invoice date is received at the end of 2015, received after commitment registration deadline at the end of 2015 period.	Administration Department		February
3		Posta e Kosoves		14-Dec-15	11/2015	Postal services	121.70	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
4		KUR Prishtina		1-Dec-15	B2389480	Water supply	36.38	received after commitment registration deadline at the end of 2015 period.	Administration Department		January
5		Allmakes Global Services		9-Nov-11	00010-10/2015/AKP	Servicing and maintenance of PAK vehicles	1,286.06	Fatura është në vlerë prej EUR 1,488.49. Nevoja për korrigjim në fletëdërgesë ka shkaktuar vonesa në procesim të pagesës.	Administration Department		February
6		Hidrodrini		30-Nov-15	PE1515122376	Water supply	8.51	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
7		Hidrodrini		30-Nov-15	PE1515122371	Water supply	5.88	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
8		Hidrodrini		30-Nov-15	PE1515122370	Water supply	7.19	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
9		Liburnia		11-Nov-15	022878	Business lunch	124.50	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
10		Trofta e Drint		9-Dec-15	102	Business lunch	85.00	received after commitment registration deadline at the end of 2015 period. Edhe pse fatura është EUR 185 nga menaxhmenti është aprovuar shpenzimi prej EUR 85	Administration Department		February
11		Casa Rita		23-Dec-15	0030415	Business lunch	94.10	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
12		Gazeta Kosova Sot		31-Dec-15	07	Year-end greetings	120.00	invoice received on 31.12.2015	Privatisation Department		February
13		KEK		24-Dec-15	11092258	Electricity services	34.32	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
14		KEK		24-Dec-15	11092257	Electricity services	50.11	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
15		KEK		24-Dec-15	11056582	Electricity services	160.68	received after commitment registration deadline at the end of 2015 period.	Administration Department		February
16			Barjam Lika	31-Dec-15	N/A	Subsidies for SOE Kosovo Bauxites	230.00	received at the end of December 2015.	NJËSISË SË RIORGANIZIMIT DHE ADMINISTRIMIT TË		February
17			Granit Spahiu	31-Dec-15	N/A	Service Provider	60.00	received at the end of December 2015.	Liquidation Department		February
18			Fitore Sylejmani	31-Dec-15	N/A	Service Provider	60.00	received at the end of December 2015.	Liquidation Department		February
19			Korab Recaj	31-Dec-15	N/A	Service Provider	60.00	received at the end of December 2015.	Liquidation Department		February
20			Arbenita Komoni	31-Dec-15	N/A	Service Provider	60.00	received at the end of December 2015.	Liquidation Department		February
21			Aurela Ibrani	31-Dec-15	N/A	Service Provider	60.00	received at the end of December 2015.	Liquidation Department		February
22		SOS Fshatrat e Fëmijëve Kosovë		24-Dec-14	N/A		96.00	received at the end of December 2015.	Administration Department		February

TABELA 4**Report on Contingent liabilities**

Fore period ended on 31 December 2015

Explanatory note no. 30

Nature of Contingent Liabilities	Reason for Liability	TOTAL	Possibility of Occurrence	18,827.95	18,827.95	3,615.00	2,935.00
		19,303.81		Value for year 2014	Value for year 2013	Value for year 2012	Value for year 2011
Services for hiring sound and simultaneous translation equipment	Contract target value for 4 invoices *EUR 170 has been exceeded. It is presented as contingent liability in case of any court claim.	680.00	E lartë	680.00	680.00	680.00	-
Brochure Design Services	The value of the contract has been exceeded. It is presented as contingent liability in case of any court claim.	2,935.00	E lartë	2,935.00	2,935.00	2,935.00	2,935.00
Fast postal services	Four (4) invoices without any contract for provision of these services have been received. It is presented as contingent liability in case of any court claim.	252.40	E lartë	252.40	252.40	-	-
Photocopy maintenance service	EUR 215.86 unpaid from this bill, a portion is without contract and there is an error with the invoice F-15-2295	215.86	E lartë	-	-	-	-
Shtypja e materialeve promovuese	EUR 260 unpaid from this bill 15-210-001-2749, exceeding amount for one article	260.00	E lartë	-	-	-	-
Publication of announcements in local newspapers	Received twenty seven (27) invoices whose target value set out in the contract has been exceeded. The contract has not covered the period for provision of these services.	14,960.55	E lartë	14,960.55	14,960.55	-	-

*values transferred through years

TABLE 5**REPORT ON ACCOUNTS RECEIVABLE**

For period ended on 31 December 2015

Explanatory note no. 35

Receivable revenues that affect in Kosovo budget as previous year incomes and as deduction of expenses for current year

Invoice date	UNIREF	Economical code	Description	Payment deadline	Debtor	AMOUNT
N/A	N/A	61000	Land line telephony expenses	31-Dec-15	PAK workers	19.90
N/A	N/A	61000	Mobile telephony expenses	31-Dec-15	PAK workers	5,841.83
Total						5,861.73

 Collection of funds for receivable accounts expencted to take place in the first semester of 2016.

TABLE 6

REPORT OF UNCLOSED ADVANCES AND LOANS

For the period that ended on 31 Dec 2015

Explanatory note no. 3 and 34

Date of Invoice	Invoice No.	Seler / Paid advance	Total		No CPO
			Purpose	Amount	
				-	

TABLES OF FINANCIAL STATEMENT

TABELA 7**ANNEX OF NON-FINANCIAL ASSET (Note 31 to 33 of financial statements)**

Integral part of financial statements for the period ended on 31 Dec 2015

NUMBER OF EQUIPMENT

Inventory	Capital assets	Total
4,625	116	4,741

1. SUMMARY OF CAPITAL ASSETS AND INVENTORY

Category ID	Category description	Historical cost on 31 Dec 15	Accumulative depreciation on 31 Dec 2015	Net value on 31 Dec 2015	Number of equipments
13501	Furniture	121,554	106,343	15,211	2,588
13502	Telephone	8,048	5,904	2,144	253
13503	Computers	65,132	45,516	19,615	285
13504	IT equipment up to € 1000	130,179	106,494	23,685	1,122
13505	Copy machine	2,025	1,883	143	10
13509	Other equipment	56,925	42,307	14,617	363
31120	Non-residential objects	155,437	23,979	131,457	6
31600	IT equip exceeding € 1,000	133,715	116,786	16,929	26
31610	IT hardware equipment	55,489	20,285	35,204	8
31640	Computers	2,325	1,725	600	2
31650	Copy machine	29,694	29,694	-	9
31680	Software	46,581	25,918	20,663	9
31690	Other equipment	2,000	2,000	-	1
31700	Transportation vehicles	441,229	313,993	127,236	48
31900	Other capital	77,356	49,654	27,702	10
		420	20	400	-
	TOTAL	1,328,107	892,501	435,606	4,740

2. SUMMARY OF CAPITAL ASSETS (For FREEBALANCE)

Category ID	Category description	Historical cost on 31 Dec 15	Accumulative depreciation on 31 Dec 2015	Net value on 31 Dec 2015	Number of equipments
13501	Furniture	-	-	-	-
13502	Telephone	-	-	-	-
13503	Computers	-	-	-	-
13504	IT equipment up to € 1000	3,108	-	3,108	3
13505	Copy machine	-	-	-	-
13509	Other equipment	-	-	-	-
31120	Non-residential objects	155,437	23,979	131,457	6
31600	IT equip exceeding € 1,000	133,715	116,786	16,929	25
31610	IT hardware equipment	55,489	20,285	35,204	8
31640	Computers	2,325	1,725	600	2
31650	Copy machine	29,694	29,694	-	9
31680	Software	45,049	25,211	19,837	6
31690	Other equipment	2,000	2,000	-	1
31700	Transportation vehicles	441,229	313,993	127,236	46
31900	Other capital	77,356	49,654	27,702	10
		-	-	-	-
	TOTAL	945,401	583,327	362,073	116

TABLES OF FINANCIAL STATEMENT

3. INVENTORY SUMMARY (assets below EUR 1,000)

Category ID	Category description	Historical cost on 31 Dec 15	Accumulative depreciation on 31 Dec 2015	Net value on 31 Dec 2015	Number of equipments
13501	Furniture	121,554	106,343	15,211	2,588
13502	Telephone	8,048	5,904	2,144	253
13503	Computers	65,132	45,516	19,615	285
13504	IT equipment up to € 1000	127,071	106,494	20,577	1,119
13505	Copy machine	2,025	1,883	143	10
13509	Other equipment	56,925	42,307	14,617	363
31120	Non-residential objects	-	-	-	-
31600	IT equip exceeding € 1,000	-	-	-	1
31610	IT hardware equipment	-	-	-	-
31640	Computers	-	-	-	-
31650	Copy machine	-	-	-	-
31680	Software	1,532	707	826	3
31690	Other equipment	-	-	-	-
31700	Transportation vehicles	-	-	-	2
31900	Other capital	-	-	-	-
		420	20	400	-
	TOTAL	382,706	309,174	73,533	4,624

4. SUMMARY OF ASSETS IN DEPOT FOR DISPOSAL AND FURTHER USE

Table 5 on the next page contains asset located in the depot that are for disposal.

Table 7 on the next page contains assets located in the depot that are for further use.

Category ID	Category description	Historic cost as of 31 Dec 2015	Accumulative depreciation 31 Dec 2015	Net value as of 31 Dec 2015	Equipment in DEPOT
13501	Furniture	14,686	11,046	3,640	243
13502	Telephone	1,301	739	562	20
13503	Computers	1,622	1,566	56	13
13504	IT equipment up to € 1000	6,591	6,404	187	109
13505	Copy machine	350	350	-	2
13509	Other equipment	4,839	2,841	1,997	39
31120	Non-residential objects	-	-	-	-
31600	IT equip exceeding € 1,000	-	-	-	-
31610	IT hardware equipment	-	-	-	-
31640	Computers	-	-	-	-
31650	Copy machine	-	-	-	-
31680	Software	-	-	-	-
31690	Other equipment	-	-	-	-
31700	Transportation vehicles	-	-	-	-
31900	Other capital	-	-	-	-
		-	-	-	-
	TOTAL	29,387	22,946	6,441	426

TABLES OF FINANCIAL STATEMENT

5. SUMMARY OF ASSETS IN THE DEPOT FOR DISPOSAL

Category ID	Category description	Historic cost as of 31 Dec 2015	Accumulative depreciation 31 Dec 2015	Net value as of 31 Dec 2015	Equipment for DISPOSAL
13501	Furniture	173	134	38	3
13502	Telephone	-	-	-	-
13503	Computers	-	-	-	-
13504	IT equipment up to € 1000	186	186	-	6
13505	Copy machine	-	-	-	-
13509	Other equipment	-	-	-	-
31120	Non-residential objects	-	-	-	-
31600	IT equip exceeding € 1,000	-	-	-	-
31610	IT hardware equipment	-	-	-	-
31640	Computers	-	-	-	-
31650	Copy machine	-	-	-	-
31680	Software	-	-	-	-
31690	Other equipment	-	-	-	-
31700	Transportation vehicles	-	-	-	-
31900	Other capital	-	-	-	-
	TOTAL	358	320	38	9

6. ASSET SUMMARY FOR DISPOSAL LOCATED IN VARIOUS OFFICES

Category ID	Category description	Historic cost as of 31 Dec 2015	Accumulative depreciation 31 Dec 2015	Net value as of 31 Dec 2015	Equipment for DISPOSAL
13501	Furniture	-	-	-	-
13502	Telephone	-	-	-	-
13503	Computers	-	-	-	-
13504	IT equipment up to € 1000	-	-	-	-
13505	Copy machine	-	-	-	-
13509	Other equipment	-	-	-	-
31120	Non-residential objects	-	-	-	-
31600	IT equip exceeding € 1,000	-	-	-	-
31610	IT hardware equipment	-	-	-	-
31640	Computers	-	-	-	-
31650	Copy machine	-	-	-	-
31680	Software	-	-	-	-
31690	Other equipment	-	-	-	-
31700	Transportation vehicles	-	-	-	-
31900	Other capital	-	-	-	-
	TOTAL	-	-	-	-

TABLES OF FINANCIAL STATEMENT

6. SUMMARY OF ASSETS IN THE DEPOT FOR FURTHER USE

Category ID	Category description	Historic cost as of 31 Dec 2015	Accumulative depreciation 31 Dec 2015	Net value as of 31 Dec 2015	Equipment for FURTHER USE
13501	Furniture	14,513	10,912	3,601	240
13502	Telephone	1,301	739	562	20
13503	Computers	1,622	1,566	56	13
13504	IT equipment up to € 1000	6,405	6,218	187	103
13505	Copy machine	350	350	-	2
13509	Other equipment	4,839	2,841	1,997	39
31120	Non-residential objects	-	-	-	-
31600	IT equip exceeding € 1,000	-	-	-	-
31610	IT hardware equipment	-	-	-	-
31640	Computers	-	-	-	-
31650	Copy machine	-	-	-	-
31680	Software	-	-	-	-
31690	Other equipment	-	-	-	-
31700	Transportation vehicles	-	-	-	-
31900	Other capital	-	-	-	-
		-	-	-	-
	TOTAL	29,029	22,627	6,403	417

TABLE 8**MAIN STATEMENT - DEDICATED INCOME**

For the period ended on 31 Dec 2015

Explanatory note no. 3, 8, 9, 10, 11 and 37

Source fund	Description of budget program	A Budget Appropriation	B Allocations	C Commitments	D Expenditures	E=A-D Unspent Budget	F=B-D Unspent Allocations
10	Riorganization and Administration of SOEs	10,973	10,973	10,973	10,573	400	400
23	Central Administration	5,761,745	5,715,109	5,459,266	5,342,162	419,583	372,947
23	Audit	85,100	85,100	4,530	4,530	80,570	80,570
23	Legal Dpt	20,000	20,000	6,161	4,791	15,209	15,209
23	SOE reorganisation and administration	309,229	309,229	303,106	301,997	7,232	7,232
23	Liquidation	418,304	418,304	354,320	218,299	200,005	200,005
23	Privatisation	217,005	217,005	141,566	87,916	129,089	129,089
TOTAL		6,822,356	6,775,720	6,279,922	5,970,268	852,088	805,452

Source fund	Description of budget program	Budget Appropriation	Allocations	Commitments	Expenditures	Unspent Budget	Unspent Allocations
10	Goods and services	10,973	10,973	10,973	10,573	400	400
23	Wages and salaries	4,367,702	4,321,066	4,321,066	4,321,066	46,636	0
23	Goods and services	2,149,347	2,149,347	1,697,477	1,390,946	758,401	758,401
23	Public utilities	98,000	98,000	85,020	84,980	13,020	13,020
23	Subsidies and transfers	116,334	116,334	116,003	116,003	331	331
23	Capital expenses	80,000	80,000	49,382	46,700	33,300	33,300
TOTAL		6,822,356	6,775,720	6,279,922	5,970,268	852,088	805,452



AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

FINANCIAL STATEMENTS OF TRUST FUNDS

FOR THE PERIOD ENDED ON 31 DECEMBER 2015

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Article 20: Reports, budget and accounts

Article 20.1.1.2. financial statements of trust funds

29 JANUAR 2016



TRUST FUNDS FINANCIAL STATEMENTS

FOR PERIOD END 31 DECEMBER 2015

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Article 20: Reports, budget and accounts

Article 20.1.1.2 trust funds financial statements

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KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
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FINANCIAL STATEMENTS

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EXPLANATORY NOTES ON THE TABLES OF TRUST FUND FINANCIAL STATEMENTS

No	Description of report	Page
1	<p>Trust Fund Statement of Financial Position</p> <p>Represents a summary of all revenues/payments executed during fiscal year 2015, and balance sheet for July 2003. Revenues and payments are categorized as follows: sales, lease and other revenues, distribution of 20%; payment for goods and services, other payments, distribution of funds to Creditors from Liquidation proceeds, and distribution of Residual Funds the Government of Kosovo.</p> <p>All the above revenues/sales have been generated from the following activities;</p> <ol style="list-style-type: none"> 1. Privatisation of NewCos established from the assets of Socially Owned Enterprises (privatisation waves/privatisation accounts); 2. Activities of Socially Owned Enterprises in the course of transition stages; administration of their assets; 3. Activities of Socially Owned Enterprises in liquidation; and 4. Other activities (other bank accounts) associated with, necessary, and in compliance with the law, regulations or procedures for administration, sale and liquidation process of SOEs. <p>There are fifteen types of trust fund bank accounts. Details of each bank account are presented in the annex tables presented below.</p>	1
2	<p>Trust Fund Bank Balance Account</p> <p>Represents bank balance of each type of bank account as at 31 December 2015, and bank balance account for previous years, i.e., 2014 and 2013.</p>	2
3	<p>Accounts Receivable</p> <p>Represents a summary of accounts receivable according to their type. These are revenues for which payments have not been executed as 31 December 2015.</p>	3
4	<p>Accounts Payable</p> <p>Represents known liabilities of Privatisation Agency of Kosovo regarding outstanding obligations of Socially Owned Enterprises. It is a summary of all outstanding liabilities categorized under Goods and Services for expenditures executed as at 31 December 2015.</p>	4
5	<p>Contingent Liabilities</p> <p>Represents information about Agency's known contingent liabilities the payment of which is likely to be paid by trust funds, depending on the</p>	5

No	Description of report	Page
	external factors which may have effect (for example legal cases). Information presented in the report are the following: enterprise, nature of contingent liabilities, amount of payment, reason of such payments, potential amount in the last 3 months and the category of possibility of payment.	
<p>ANNEX TO TRUST FUND FINANCIAL STATEMENTS PAGE 1 - 17</p> <p>Tables 1 to 17 represent information on the details according to accounting plan for different categories of trust funds (bank accounts). As noted above, there are fifteen types of bank accounts. Trust Fund Summary report (see page 1) represents the information according to the following tables, e.g. Note 3 refer to revenues generated from the Sale of New Enterprises (Privatisation accounts – Table 1); sale of SOEs in transition, and assets sales through liquidation waves (Liquidation accounts – Table 2).</p>		
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	Explanatory note no.	31-Dec-14	Input/Output during 2015	31-Dec-15
		1	2	3=1+2
ADMISSIONS IN BANK ACCOUNTS				
Sales proceeds	3	665,248,630	(311,758)	664,936,872
Lease income	4	10,080,071	4,796,952	14,877,023
Commercialisation lease	5	5,021,319	-	5,021,319
Interest gained	6	34,839,700	5,000	34,844,700
Sales tender participation fee	7	7,705,480	(193,016)	7,512,464
Other income	8	4,796,689	326,001	5,122,690
Charter capital of the Agency	9	1,013,200	-	1,013,200
	TOTAL ADMISSIONS	728,705,088	4,623,179	733,328,267
EXPENSES/DISTRIBUTION				
20% for workers transferred to BSPK	10	96,216,840	8,028,314	104,245,154
PSP (LA)	11	9,006,327	1,704,575	10,710,902
Goods and services	12	7,631,304	2,165,570	9,796,874
Public utilities	13	449,281	378,409	827,690
Taxes	14	1,611,132	746,892	2,358,024
Decisions from courts/private law enforcers (deposits and taxes)	15	978,292	761,709	1,740,001
50% transfer to cover PAK activities	16	20,348,000	5,500,000	25,848,000
Other	17	683,722	8,626	692,348
Payments to SOE creditors	18	45,140	-	45,140
Surplus funds transferred to the Government	19	28,934,282	61,310,628	90,244,911
	TOTAL EXPENSES/DISTRIBUTION	165,904,319	80,604,723	246,509,042
		31-Dec-14	Input/Output during 2015	31-Dec-15
	BANK BALANCE	562,800,768	(75,981,544)	486,819,224

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Acting Director of Finance and Budget
Privatisation Agency of Kosovo

Korab Lufi

Acting Head of Fund Management
Privatisation Agency of Kosovo

CBK TRUST FUNDS BANK ACCOUNTS

Explanatory note no	DESCRIPTION OF BANK ACCOUNTS	ANNEX	31-Dec-15	31-Dec-14	31-Dec-13
			AMOUNT	AMOUNT	AMOUNT
2.1	Privatisation	TABLE 1	9,724,189.38 €	50,614,069.66 €	113,154,007.01 €
2.2	Liquidation	TABLE 2	427,135,392 €	453,109,850 €	362,807,342 €
2.3	SOE trust money	TABLE 3	3,544,638 €	5,070,894 €	6,893,134 €
2.4	Commercialisation	TABLE 4	3,667,287 €	3,667,287 €	3,667,287 €
2.5	Trust funds accounts for workers	TABLE 5	25,021,170 €	24,932,761 €	27,809,806 €
2.6	Privatisation tender deposit	TABLE 6	- €	51,738 €	321,749 €
2.7	Privatisation tender submission fee	TABLE 7	267,527 €	267,527 €	267,537 €
2.8	Liquidation sale tender deposit	TABLE 8	10,000 €	182,325 €	1,043,427 €
2.9	Liquidation bid submission fee	TABLE 9	335,609 €	336,510 €	223,503 €
2.10	Liquidation review committee deposit	TABLE 10	25 €	25 €	25 €
2.11	PAK charter capital	TABLE 11	1,109,549 €	1,109,549 €	1,109,549 €
2.12	PAK reserve fund	TABLE 12	1,000,000 €	1,514,217 €	1,300,459 €
2.13	Donor	TABLE 13	8,463 €	8,463 €	8,463 €
2.14	PAK administrative fee	TABLE 14	14,995,375 €	16,935,553 €	11,722,009 €
2.15	Current account money in time deposit account	TABLE 15	0.6 €	5,000,000.00 €	40,000,000 €
2.16	Investments in securities	TABLE 16	- €	- €	- €
TRUST FUNDS BALANCE			486,819,224.92 €	562,800,769 €	570,328,298 €

EXPLANATORY NOTE NO. 20 - 22
RECEIVABLES SUMMARY*

For the period until 31 December 2015

No.	DESCRIPTION	1	2	3=1+2	DESCRIPTION OF RECEIVABLE ACCOUNTS 2015		
		YEAR 2014	DIFFERENCE BETWEEN 2015 VS 2014	TOTAL 2015	SPECIAL SPIN OFF PENALTIES	PRIATISATION AND LIQUIDATION ASSET SALE	UNCOLLECTED LEASE
1	SOE monitoring unit	34,408,404	29,029	34,437,433	34,437,433		
2	Sales department	1,753,134	(161,000)	1,592,134		1,592,134	
3	RO Prishtina	9,968,434	1,090,196	11,058,630			11,058,630
4	RO Pejë	5,846	74,979	80,824			80,824
5	RO Mitrovicë	285,300	540,766	826,066			826,066
6	RO Gjilan	232,055	297,108	529,163			529,163
7	RO PriROen	39,546	8,471	48,017			48,017
8=Σ(1:7)	Total	46,692,718	1,879,549	48,572,267	34,437,433	1,592,134	12,542,700

Value of receivable accounts increased compared to 2014 and at the end of 2015 since the invoice was issued to leaseholder from 2000 until 2015 for the use of gas station of SOE Ina Trgovina and SOE Jugopetrol. Total value from 2000 with penalties 3.5% for delays is EUR 8,548,163.17. With regard to uncollected lease (without the value of EUR 8,548,163.17) at the amount of EUR 3,994,536.90 (12,542,700.07 - 8,548,163.17), then compared to receivable accounts of 2013 and 2014, we have an increase in collection during 2015. .

EXPLANATORY NOTE NO. 23 - 24
SUMMARY OF UNPAID COMMITMENTS

For the period until 31 Dec 2015

No	DESCRIPTION	Goods and services	PSP	Public Utilities	Total
1	Liquidation Coordination Department	28,683	2,095,545	-	2,124,228
2	RO Prishtinë	11,735	-	-	11,735
3	RO Mitrovicë	6,451	-	-	6,451
4	RO Pejë	493	-	-	493
5	RO Gjilan	14,673	-	-	14,673
6	RO Prizren	1,536	-	-	1,536
7=Σ(1:6)	Total	63,570	2,095,545	-	2,159,115

During January 2016 with regard to PSP from the amount presented in the table, after the analysis and claim review, the amount paid was EUR 1,110,123. Whereas, the remaining part of EUR 982,407 are fixed bills not processed due to absence of the Committee to Steering Board.

EXPLANATORY NOTES NO. 25
REPORT ON CONTINGENCY COMMITMENTS

For the period until 31 Dec 2015

Contingency commitments that may influence PAK trust funds are displayed in the table below. These commitments are related to a large number of SOE's not placed in liquidation yet.

Nature of contingency	Year of occurrence	Reason	3=1+2		1	2
			Overall potential value	Category of possibility	Potential value 2015	Potential value transferred from 2014
Contract	different	Injunction P.no.479/15, compensation at the amount of 8.216.91 Euro	8,216.91	low	8,216.91	-
Contract	different	Injunction P. nr.397/2015, compensation at the amount of 2.640.00 Euro	2,640.00	low	2,640.00	-
Contract	different	Injunction P. nr.1342/11, compensation at the amount of 3.440.00 Euro	3,440.00	low	3,440.00	-
Contract cancellation claim	different	Judgment SCC-09-0135, procedural expenses at the amount of 1500 Euro	1,500.00	low	1,500.00	-
Contract	different	Judgment SCC-08-0095 -Profit loss, compensation at the amount of 14,478,50 and attorney 365,04 Euro.	14,843.54	low	-	14,843.54
compensation claim	different	Judgment SCC-07-0059-KTA ordered to pay 59,807,04 E, and court expenses 780 eurove. SOE Famipa	60,587.04	low	-	60,587.04
compensation claim	different	Judgment SCC-10-00214, PAK obliged to pay 35400. SOE Magjistrálja Peje	35,400.00	low	-	35,400.00
compensation claim	different	Judgment SCC-06-0348, SOE Ratko Mitrovic	122,994.00	low	-	122,994.00
compensation claim	different	Judgment SCC-10-0091, PAK obliged to pay 113.794	113,794.00	low	-	113,794.00
compensation claim	different	Judgment Cnr.190/2007 SOE Auto Prishtina	35,725.00	low	-	35,725.00
compensation claim	different	Judgment Cnr.185/2009 for SOE Ujmiri in liquidation	70,000.00	low	-	70,000.00
Contract cancellation claim	different	Decision SCC-09-0135, PAK obliged to pay 500.00 euro.	500.00	low	-	500.00
TOTAL			€ 469,640.49		€ 15,796.91	€ 453,843.58

1. There is the decision of Constitutional Court Ref.no. AGJ 75/10 regarding workers of SOE Pipe Factory Ferizaj. This decision will be reviewed during the SOE liquidation process and upon appointment of BoD.



AGJENCIA KOSOVARE E PRIVATIZIMIT
KOSOVSKA AGENCIJA ZA PRIVATIZACIJU
PRIVATISATION AGENCY OF KOSOVO

ANNEX OF FINANCIAL STATEMENT

- **TABLES OF FINANCIAL STATEMENT OF TRUST FUNDS**

TABLE 1
PRIVATISATION BANK ACCOUNTS

			31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
			Balance	Input	Output	Balance	Balance
			EUR	EUR	EUR	Input vs output	EUR
Total income in privatisation accounts	Explanatory note	597,312,522	517,430	167,988	349,441	597,661,964	
pi1 - sales price	3	547,824,572	315,026	155,775	159,251	547,983,823	
pi3 - Deposits from tender deposit account	3	24,990,000	190,000	-	190,000	25,180,000	
pi2 - interest gained	6	24,497,950	12,404	12,213	190	24,498,141	
Total expenses/distribution from privatisation accounts based on accounting plan	Explanatory note	(546,507,999)	134,520	41,564,295	(41,429,776)	(587,937,774)	
pe3 - 20% privatisation proceeds transferred to BSPK	10	(70,656,529)	-	3,542,035	(3,542,035)	(74,198,564)	
pe1 - bank expenses	17	(52,007)	-	14	(14)	(52,021)	
pe4 - Portion of 20% privatisation proceeds transferred to workers' accounts	26	(37,256,135)	5,575	3,380,012	(3,374,437)	(40,630,572)	
pe5 - 75% privatisation proceeds transferred to liquidation	26	(408,617,220)	120,671	34,602,554	(34,481,882)	(443,099,102)	
pe2 - administrative fee (5% from privatisation sales)	26	(29,926,109)	8,274	39,680	(31,407)	(29,957,515)	
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		50,804,524	651,950	41,732,284	(41,080,334)	9,724,189	
p1 - transaction controlling account*		-	1,837	1,837	-	-	
p2 - preliminary transfer from other trust accounts*		(0)	-	-	-	(0)	
p3 - time deposits*		(190,454)	190,454	-	190,454	0	
Bank balance		50,614,070	844,241	41,734,121	(40,889,880)	9,724,189	

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category p1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 2.
LIQUIDATION BANK ACCOUNTS

			31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
			Balance	Input	Output	Balance	Balance
			EUR	EUR	EUR	Input vs output	EUR
Total income in liquidation accounts	Explanatory note	513,532,993	39,852,111	936,499	38,915,613	552,448,606	
i1 - Liquidation sale	3	81,883,926	-	655,083	(655,083)	81,228,843	
i3 - Deposit transferred from tender deposit account	3	6,191,550	125,000	150,000	(25,000)	6,166,550	
i1a - Apartment sale	3	139,313	18,586	1,867	16,719	156,032	
i12 - Lease proceeds	4	2,247,523	2,908,097	6,857	2,901,240	5,148,763	
i2 - Interest gained	6	8,384,316	4,311	1	4,310	8,388,625	
i4 - VAT income	8	532,714	-	-	-	532,714	
i8 - Cash deposit transfer	8	23,029	-	-	-	23,029	
i13 - Other revenue	8	13,598	298,392	2,019	296,374	309,972	
i9 - Transfer from SOE bank accounts	8	614,759	30,128	-	30,128	644,887	
i6 - 75% transfer from privatisation sales	26	408,617,220	34,602,554	120,671	34,481,882	443,099,102	
i7 - SOE trust money transfer	26	4,885,046	1,865,044	-	1,865,044	6,750,089	

Total expenses/distribution from liquidation accounts	Note	(56,113,597)	97,732	69,297,350	(69,199,617)	(125,313,214)
e2 - Transfer to workers (BSPK)	10	(8,643,316)	35,190	936,299	(901,109)	(9,544,425)
e16 - PSP (LA)	11	(6,324,543)	5,548	4,369,220	(4,363,672)	(10,688,214)
e17 - Service provider (gross payment)	12	(985,384)	300	501,173	(500,873)	(1,486,257)
e18 - Service provider net payment))	12	(11,430)	-	133,939	(133,939)	(145,369)
e25 - Paid lease (gross)	12	(6,122)	-	39,000	(39,000)	(45,122)
e26 - Paid lease (net after lease tax)	12	(35,736)	-	-	-	(35,736)
e6 - Marketing expenses	12	(469,088)	-	155,535	(155,535)	(624,623)
e7 - Asset liquidation sale cost	12	(32,649)	-	3,108	(3,108)	(35,757)
e8 - Stationary, small expenses for the office and postage	12	(137,003)	-	100,527	(100,527)	(237,530)
e9 - SOE documentation storage and transportation	12	(2,266)	-	1,335	(1,335)	(3,601)
e20 - Professional services	12	(63,230)	-	12,343	(12,343)	(75,573)
e21 - Asset maintenance services	12	(1,888)	-	340	(340)	(2,228)
e22 - Property and asset protection services	12	(548,441)	3,389	667,086	(663,697)	(1,212,138)
e27 - Goods	12	(2,082)	-	44,148	(44,148)	(46,230)
e28 - Pre liquidation transit goods	12	-	-	-	-	-
e29 - Service	12	(4,644)	-	119,441	(119,441)	(124,085)
e30 - Water	13	(2,165)	-	2,235	(2,235)	(4,401)
e31 - Electricity	13	(42,094)	-	120,104	(120,104)	(162,199)
e32 - Waste	13	(1,040)	-	37,858	(37,858)	(38,899)

		31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance	Balance
					Input vs output	
		EUR	EUR	EUR	EUR	EUR
e33 - Telecommunication (Internet, telephone)	13	(6,222)	-	2,896	(2,896)	(9,118)
e19 - Service provider personal income tax	14	(2,998)	-	2,192	(2,192)	(5,190)
e34 - Withheld tax on paid lease	14	(2,995)	-	-	-	(2,995)
e35 - Tax paid for received lease	14	(5,799)	-	49,576	(49,576)	(55,376)
e36 - Municipal property tax	14	(14,242)	-	-	-	(14,242)
e38 - Corporate tax	14	-	-	79,813	(79,813)	(79,813)
e39 - VAT paid to TAK	14	(514,856)	-	249,723	(249,723)	(764,580)
e14 - Court expenses	15	(11,627)	100	22,818	(22,718)	(34,346)
e1 - Bank expenses	17	(8,193)	0	2,296	(2,295)	(10,488)
e10 - ADVANCE petty cash for small liquidation costs	17	(421)	-	-	-	(421)
e11 - CLOSED small expenses - current expenses for small liquidation costs	17	(60,502)	-	-	-	(60,502)
e23 - Advance payments for business travels	17	(624)	3,465	3,465	-	(624)
e24 - Business travels	17	(495)	-	4,554	(4,554)	(5,049)
e46 - Severance pay (net) preferential creditors	18	(21,681)	-	-	-	(21,681)
e49 - Salaries (net) Pagat (neto) unsecured creditors	18	(1,483)	-	-	-	(1,483)
e51 - Pension contribution unsecured creditors	18	(928)	-	-	-	(928)
e54 - Local suppliers unsecured creditors	18	(510)	-	-	-	(510)
e56 - Property tax - unsecured creditors	18	(14,139)	-	-	-	(14,139)
e58 - Corporate tax unsecured creditors	18	(1,480)	-	-	-	(1,480)
e59 - VAT unsecured creditors	18	(1,127)	-	-	-	(1,127)
e61 - Electricity unsecured creditors	18	(1,780)	-	-	-	(1,780)
e62 - Water unsecured creditors	18	(670)	-	-	-	(670)
e64 - Telecommunication and internet unsecured creditors	18	(568)	-	-	-	(568)
e65 - Other unsecured creditor	18	(775)	-	-	-	(775)
e0 - Surplus funds to Kosovo Government - Article 19.3.3 of PAK Law	19	(28,934,282)	-	61,310,628	(61,310,628)	(90,244,911)
e3 - Transfer to trust accounts for workers	26	(4,378,332)	-	299,158	(299,158)	(4,677,490)
e4 - Agency administrative fee (5% of liquidation sale)	26	(4,399,803)	2,295	21,054	(18,759)	(4,418,561)
e4a - Agency administrative fee (5% of the interest on liquidation bank account	26	(413,944)	47,445	5,483	41,962	(371,982)
Balance of income and expenses / distribution from liquidation accounts		457,419,396	39,949,844	70,233,848	(30,284,005)	427,135,392
L1 - Controlling account*		-	-	-	-	-
L2 - preliminary transfer from other trust accounts*		-	-	-	-	-
L3 - time deposits*		(4,309,546)	4,309,546	-	4,309,546	0
Bank balance		453,109,850	44,259,390	70,233,848	(25,974,458)	427,135,392

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category L1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 3.
BANK ACCOUNTS OF SOE's IN TRANSITION

	Explana y note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income in accounts of SOE's in transition		16,032,308	1,898,067	500	1,897,567	17,929,875
si7 - SOE asset sale	3	2,448,044	-	-	-	2,448,044
si3 - TAK sale through SOE asset confiscation	3	1,686,063	-	-	-	1,686,063
si13 - PAK apartment sale	3	85,164	2,355	-	2,355	87,518
si2 - received lease	4	7,832,548	1,895,712	-	1,895,712	9,728,260
si1 - interest gained	6	383,655	-	-	-	383,655
si4 - SOE shares dividends in other enterprises	8	22,141	-	-	-	22,141
si5 - SOE share sales in other enterprises	8	450,594	-	-	-	450,594
si6 - VAT income from other enterprises	8	75,812	-	-	-	75,812
si8 - SOE goods and services sale	8	314,825	-	500	(500)	314,325
si11 - Kosovo Budget compensation for expenses	8	52,807	-	-	-	52,807
si10 - fund transfer from other SOE funds	8	2,680,657	-	-	-	2,680,657

Total expenses/distribution from SOE accounts in transition	Shënimi Shpjegues	(11,149,847)	0	3,423,823	(3,423,823)	(14,573,670)
se4 - transfer to BSPK from SOE trust accounts	10	(11,250)	-	-	-	(11,250)
se10 - Service provider	12	(10,318)	-	-	-	(10,318)
se17 - salaries to SOE workers	12	(3,589,917)	-	177,871	(177,871)	(3,767,787)
se9 - transfer to Bankkos management council	12	(511,612)	-	-	-	(511,612)
se22 - transfer to SOE's for operations	12	(5,018)	-	-	-	(5,018)
se19 - Paid lease	12	(13,188)	-	-	-	(13,188)
se18 - Goods and services	12	(79,829)	-	60,728	(60,728)	(140,558)
se11 - Water	13	(18,442)	-	23,977	(23,977)	(42,418)
se12 - Waste	13	(6,544)	-	3,484	(3,484)	(10,027)
se13 - Telecommunication (Internet, telephone)	13	(542)	-	1,395	(1,395)	(1,937)
se14 - Electricity	13	(372,231)	-	186,460	(186,460)	(558,691)
se5 - personal income tax	14	(113,084)	-	15,485	(15,485)	(128,569)
se6 - pension contribution	14	(272,335)	-	27,408	(27,408)	(299,743)
se7 - municipal property tax	14	(122,660)	-	77,942	(77,942)	(200,602)
se8 - VAT paid to TAK	14	(340,791)	-	209,065	(209,065)	(549,856)
se20 - withheld tax	14	-	-	-	-	-
se21 - generated income tax	14	(90,103)	-	35,687	(35,687)	(125,790)
se26 - Presumptive tax	14	(57,046)	-	-	-	(57,046)

se27 - transfer to SOE debtors	15	(346,628)	-	-	-	(346,628)
se16 - Court order for attorneys	15	(3,650)	-	-	-	(3,650)
se25 - payment for the court or private law enforcers	15	-	-	738,990	(738,990)	(738,990)
se2 - bank expenses	17	(845)	0	287	(287)	(1,132)
se15 - petty cash expenses	17	-	-	-	-	-
se24 - transfer to Kosovo Budget	17	(53,580)	-	-	-	(53,580)
se23 - transfer to the account for employee entitlements	26	(5,874)	-	-	-	(5,874)
se1 - SOE money in trust transferred to liquidation	26	(4,878,254)	-	1,865,044	(1,865,044)	(6,743,298)
se3 - Agency administrative fee (5% of SOE other revenue if applicable)	26	(246,107)	-	-	-	(246,107)
Balance of income and expenses / distribution from accounts of SOE's in transition		4,882,461	1,898,067	3,424,323	(1,526,256)	3,356,205
s1 - Controlling account*		-	-	-	-	-
s2 - preliminary transfer from other trust accounts*		188,433	-	-	-	188,433
s3 - time deposits*		0	-	-	-	(0)
Bank balance		5,070,894	1,898,067	3,424,323	(1,526,256)	3,544,638

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category s1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

The provisional transfer of EUR 188,433 is made from the commercialisation account Sharrcem for the payment based on the social scheme for the workers of this enterprise

Transfer is within Sharrcem accounts, the amount of EUR 171,563.85 was paid for salaries whereas the amount of EUR 16,869.39 was paid for salary tax. This amount was reflected with the minus to the commercialisation account in 2011

TABLE 4.
COMMERCIALISATION BANK ACCOUNTS

		31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts	Explanatory note	5,507,161	-	-	-	5,507,161
ci1 - lease gained from commercialisation	5	5,021,319	-	-	-	5,021,319
ci2 - interest gained	6	290,465	-	-	-	290,465
ci3 - commercialisation tender submission fee	7	195,378	-	-	-	195,378
Total expenses/distribution from privatisation accounts based on accounting plan	Shënimi Shpjegues	(1,651,441)	-	-	-	(1,651,441)
ce3 - commercialisation fee transfer to agency reserve fund	7	(206,510)	-	-	-	(206,510)
ce11 - services	12	(500,000)	-	-	-	(500,000)
ce8 - municipal property tax	14	(74,223)	-	-	-	(74,223)
ce7 - debtor payment	15	(590,110)	-	-	-	(590,110)
ce9 - court deposit	15	-	-	-	-	-
ce10 - non-refundable court expenses	15	(121)	-	-	-	(121)
ce6 - service provider for SOE's in commercialisation	17	(8,393)	-	-	-	(8,393)
ce5 - bank expenses	17	(464)	-	-	-	(464)
ce1 - commercialisation proceeds transferred to liquidation	26	(6,792)	-	-	-	(6,792)
ce2 - agency administrative fee (5% commercialisation proceeds)	26	(264,830)	-	-	-	(264,830)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		3,855,720	-	-	-	3,855,720
c1 - Controlling account*		-	-	-	-	-
c2 - preliminary transfer from other trust accounts*		(188,433)	-	-	-	(188,433)
c3 - time deposits*		(0)	-	-	-	(0)
Bank balance		3,667,287	-	-	-	3,667,287

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category c1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

The provisional transfer of EUR 188,433 is made from the commercialisation account Sharrcem for the payment based on the social scheme for the workers of this enterprise

Transfer is within Sharrcem accounts, the amount of EUR 171,563.85 was paid for salaries whereas the amount of EUR 16,869.39 was paid for salary tax. This amount was reflected with the minus to the commercialisation account in 2011

TABLE 5.
EMPLOYEE BANK ACCOUNTS

	Explana y note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income in privatisation accounts		41,838,558	3,679,170	5,575	3,673,595	45,512,153
emi3 - interest gained	6	198,217	-	-	-	198,217
emi1 - employee entitlements transferred from privatisation	26	37,256,135	3,380,012	5,575	3,374,437	40,630,572
emi2 - employee entitlements transferred from liquidation	26	4,378,332	299,158	-	299,158	4,677,490
emi4 - employee entitlements transferred from SOE money in trust	26	5,874	-	-	-	5,874
Gjithsej shpenzimet/shpërndarja nga llogaritë e privatizimit sipas planit kontabël						
	Shënimi Shpjegues	(16,905,797)	14,282	3,599,468	(3,585,186)	(20,490,983)
eme1 - pjesa e punëtorëve transferuar tek BSPK	10	(16,905,745)	14,281	3,599,451	(3,585,170)	(20,490,915)
eme2 - shpenzime bankare	17	(52)	0	17	(16)	(68)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan						
		24,932,761	3,693,452	3,605,043	88,409	25,021,170
em1 - Controlling account*		-	-	-	-	-
em2 - preliminary transfer from other trust accounts*		-	-	-	-	-
em3 - time deposits*		-	-	-	-	-
Bank balance		24,932,761	3,693,452	3,605,043	88,409	25,021,170

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category em1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 6.
PRIVATISATION BID DEPOSIT BANK ACCOUNTS

	Explanatory note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance	Balance
		EUR	EUR	EUR	Input vs output	EUR
Total income in privatisation bid deposit accounts		173,872,241	50,000	-	50,000	173,922,241
pbdi2 - interest gained	6	602,080	-	-	-	602,080
pbdi1 - tender deposit	7	170,117,321	50,000	-	50,000	170,167,321
pbdi3 - payment of sales price into privatisation tender deposit account	7	1,617,210	-	-	-	1,617,210
pbdi4 - payment of tender submission fee into privatisation tender deposit account	7	16,950	-	-	-	16,950
pbdi5 - deposit transfer for privatisation tender submission	7	330,000	-	-	-	330,000
pbdi6 - previous trf correction of sales prices from tender deposit account	7	1,188,680	-	-	-	1,188,680
Total expense/distribution from privatisation bid deposit account		(173,820,503)	90,000	191,738	(101,738)	(173,922,241)
pbde2 - transfer of interest on privatisation tender deposit account into reserve fund of the agency	7	(601,756)	-	1,738	(1,738)	(603,494)
pbde2a - transfer of interest for privatisation bid submission into administrative fee account	7	(324)	-	-	-	(324)
pbde3 - deposit return to bidder	7	(141,427,425)	-	-	-	(141,427,425)
pbde4 - privatisation tender deposit confiscation	7	(3,529,788)	90,000	-	90,000	(3,439,788)
pbde5 - deposit transfer to privatisation account	7	(24,990,000)	-	190,000	(190,000)	(25,180,000)
pbde6 - transfer of sales price from tender deposit to privatisation account	7	(1,899,929)	-	-	-	(1,899,929)
pbde7 - return of sales price to bidder from tender deposit	7	(1,227,040)	-	-	-	(1,227,040)
pbde8 - transfer of tender submission fee from tender deposit	7	(3,500)	-	-	-	(3,500)
pbde9 - transfer of submission fee to privatisation submission fee	7	(8,300)	-	-	-	(8,300)
pbde10 - transfer of liquidation deposit to bidder	7	(49,000)	-	-	-	(49,000)
pbde11 - correction of double transfer	7	(20,000)	-	-	-	(20,000)
pbde1 - bank expenses	17	(60,141)	-	-	-	(60,141)
pbde12 - transfer to Kosovo Budget	17	(3,300)	-	-	-	(3,300)
Balance of income and expenses/distribution from privatisation bid deposit account		51,738	140,000	191,738	(51,738)	-
pbd1 - Controlling account*		-	-	-	-	-
pbd2 - preliminary transfer from other trust accounts*		(0)	-	-	-	(0)
pbd3 - time deposits*		0	-	-	-	(0)
Bank balance		51,738	140,000	191,738	(51,738)	(0)

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category pbd1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABELA 7.
PRIVATISATION BID SUBMISSION FEE BANK ACCOUNT

	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15	
		Balance	Input	Output		Balance
		EUR	EUR	EUR		Input vs output EUR
Total income from privatisation accounts	Explanator y note	3,708,168	-	-	-	3,708,168
pts2 - interest gained	6	79,535	-	-	-	79,535
pts1 - tender submission fee	7	2,905,787	-	-	-	2,905,787
pts3 - tender deposit transferred to privatisation tender submission fee	7	722,845	-	-	-	722,845
Total expenses/distribution from privatisation accounts based on accounting plan	Explanator y note	(3,440,640)	-	-	-	(3,440,640)
ptse2 - privatisation bid submission fee transfer to reserve fund of the agency	7	(2,079,337)	-	-	-	(2,079,337)
ptse2a - transfer of the fee from privatisation bid submission account into administrative fee	7	(94,028)	-	-	-	(94,028)
ptse3 - tender submission fee return to the bidder	7	(76,750)	-	-	-	(76,750)
ptse4 - transfer to PAK reserve fund	7	-	-	-	-	-
ptse5 - transfer of tender submission fee to Kosovo Budget	7	(362,035)	-	-	-	(362,035)
ptse6 - transfer correction to other trust accounts	7	(1,176)	-	-	-	(1,176)
ptse8 - bid deposit returned to bidder from privatisation tender with submission fee	7	(270,000)	-	-	-	(270,000)
ptse11 - deposit transfer to privatisation tender deposit account	7	(530,000)	-	-	-	(530,000)
ptse12 - transfer of sales price from submission fee to privatisation	7	(22,845)	-	-	-	(22,845)
ptse13 - services paid from privatisation tender submission fee	7	(1,525)	-	-	-	(1,525)
ptse9 - court deposit	15	(1,500)	-	-	-	(1,500)
ptse10 - court expenses (non refundable)	15	(40)	-	-	-	(40)
ptse1 - bank expenses	17	(1,381)	-	-	-	(1,381)
ptse7 - petty cash expenses from privatisation tender submission	17	(23)	-	-	-	(23)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		267,527	-	-	-	267,527
pts1 - Controlling account*		-	-	-	-	-
pts2 - preliminary transfer from other trust accounts*		-	-	-	-	-
pts3 - time deposits*		(0)	-	-	-	(0)
Bank balance		267,527	-	-	-	267,527

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category pts1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 8
LIQUIDATION BID DEPOSIT BANK ACCOUNT

	Explanatory note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts		39,642,660	-	50,000	(50,000)	39,592,660
lbd2 - interest gained	6	84,881	-	-	-	84,881
lbd1 - tender deposit	7	39,508,989	-	50,000	(50,000)	39,458,989
lbd3 - sale price deposit to liquidation deposit account	7	28,009	-	-	-	28,009
lbd4 - registration fee deposit to liquidation tender deposit account	7	780	-	-	-	780
lbd5 - liquidation registration fee deposit transfer	7	20,000	-	-	-	20,000
Total expenses/distribution from privatisation accounts based on accounting plan		(39,460,335)	182,884	305,209	(122,325)	(39,582,660)
lbde2 - liquidation bid submission fee transfer to reserve fund of the agency	7	(84,573)	-	208	(208)	(84,781)
lbde2a - transfer of the fee from liquidation bid submission account into administrative fee	7	(308)	-	-	-	(308)
lbde3 - deposit return to the bidder	7	(32,352,722)	9,999	60,000	(50,001)	(32,402,723)
lbde4 - liquidation tender deposit confiscation	7	(575,550)	-	120,000	(120,000)	(695,550)
lbde5 - deposit transfer to liquidation	7	(6,191,550)	150,000	125,000	25,000	(6,166,550)
lbde6 - transfer to Kosovo Budget	7	-	-	-	-	-
lbde7 - registration fee returned to bidder from liquidation tender deposit	7	(2,050)	-	-	-	(2,050)
lbde9 - sales price transfer to liquidation account	7	(250,259)	22,885	-	22,885	(227,374)
lbde10 - registration fee transfer to liquidation registration fee	7	(1,530)	-	-	-	(1,530)
lbde8 - service providers paid from liquidation deposit	12	(700)	-	-	-	(700)
lbde1 - court expenses	17	(1,092)	-	1	(1)	(1,093)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		182,325	182,884	355,209	(172,325)	10,000
lbd1 - Controlling account*		-	-	-	-	-
lbd2 - preliminary transfer from other trust accounts*		-	-	-	-	-
lbd3 - time deposits*		(0)	-	-	-	(0)
Bank balance		182,325	182,884	355,209	(172,325)	10,000

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category lbd1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 9
LIQUIDATION BID SUBMISSION FEE BANK ACCOUNT

	Explanatory note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts		869,415	-	-	-	869,415
Irfi2 - interest gained	6	4,354	-	-	-	4,354
Irfi1 - registration fee	7	759,061	-	-	-	759,061
Irfi3 - tender deposit transferred to liquidation registration fee	7	106,000	-	-	-	106,000
Total expenses/distribution from privatisation accounts based on accounting plan		(532,905)	-	901	(901)	(533,806)
Irf2 - liquidation bid submission fee transfer to reserve fund of the agenc	7	(304,325)	-	-	-	(304,325)
Irf2a - liquidation registration fee transfer to administrative fee	7	(78,630)	-	-	-	(78,630)
Irf3 - registration fee return to bidder	7	(40,600)	-	900	(900)	(41,500)
Irf4 - transfer to PAK reserve fund	7	-	-	-	-	-
Irf5 - liquidation registration fee tranfer to Kosovo budget	7	(160)	-	-	-	(160)
Irf6 - tender deposit returned to bidder from liquidation registration fee	7	(69,000)	-	-	-	(69,000)
Irf11 - deposit transferred from liquidation registration fee to liquidation tender deposit	7	(37,000)	-	-	-	(37,000)
Irf12 - transfer of sales price from liquidation registration fee	7	-	-	-	-	-
Irf10 - service provider paid from liquidation registration fee	12	-	-	-	-	-
Irf7 - court deposit	15	(2,000)	-	-	-	(2,000)
Irf8 - court expenses (non refundable)	15	-	-	-	-	-
Irf1 - bank expenses	17	(743)	-	1	(1)	(744)
Irf9 - petty cash expenses from liquidation registration fee	17	(446)	-	-	-	(446)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		336,510	-	901	(901)	335,609
Irf1 - Controlling account*		-	-	-	-	-
Irf2 - preliminary transfer from other trust accounts*		-	-	-	-	-
Irf3 - time deposits*		0	-	-	-	(0)
Bank balance		336,510	-	901	(901)	335,609

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category irf1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

The amount of 900 EUR at Irf3 - registration fee return to bidder is return of fee with 300 EUR to bidders.
The amount was returned following the tender cancellation decision.

TABLE 10
REVIEW COMMITTEE DEPOSIT BANK ACCOUNT

	Explana- tor y note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts		22,952	-	-	-	22,952
rlci1 - interest gained	6	86	-	-	-	86
rlci2 - LRC deposit received from claimants	7	22,867	-	-	-	22,867
Total expenses/distribution from privatisation accounts based on accounting plan		(22,927)	-	-	-	(22,927)
rlce3 - transferred to PAK reserve fund	7	-	-	-	-	-
rlce4 - transfer to PAK administrative fee	7	(9,818)	-	-	-	(9,818)
rlce1 - bank expenses	17	(213)	-	-	-	(213)
rlce2 - LRC deposit received from claimants	17	(12,896)	-	-	-	(12,896)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		-	-	-	-	-
rlc1 - Controlling account*		-	-	-	-	-
rlc2 - preliminary transfer from other trust accounts*		-	-	-	-	-
rlc3 - time deposits*		-	-	-	-	-
Bank balance		25	-	-	-	25

TABLE 11
PAK CHARTER CAPITAL BANK ACCOUNT

	Explanator y note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts		1,132,172	-	-	-	1,132,171.99
capi1 - interest gained	6	118,972	-	-	-	118,972.16
capi2 - charter capital received from Kosovo Budget	9	1,013,200	-	-	-	1,013,199.83
capi3 - transfer from PAK reserve fund		-	-	-	-	-
Total expenses/distribution from privatisation accounts based on accounting plan		(22,623)	-	-	-	(22,623)
cape2 - court expenses	15	(1,000)	-	-	-	(1,000)
cape3 - court order for attorney expenses	15	(406)	-	-	-	(406)
cape4 - court order for enterprise compensation (claimants)	15	(21,210)	-	-	-	(21,210)
cape5 - court order for compensation of natural entities claimants	15	-	-	-	-	-
cape1 - bank expenses	17	(7)	-	-	-	(7)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		1,109,549.39	-	-	-	1,109,549.39
cap1 - Controlling account*		-	-	-	-	-
cap2 - preliminary transfer from other trust accounts*		-	-	-	-	-
cap3 - time deposits*		(0)	-	-	-	(0)
Bank balance		1,109,549	-	-	-	1,109,549

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category cap1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 12
PAK RESERVE FUND BANK ACCOUNT

	Explanatory note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts		7,557,524	121,946	90,000	31,946	7,589,470
rfi1 - interest gained	6	117,934	-	-	-	117,934
rfi2 - privatisation tender deposit confiscation	7	3,529,788	-	90,000	(90,000)	3,439,788
rfi3 - liquidation tender deposit confiscation	7	575,550	120,000	-	120,000	695,550
rfi4 - wrong transfer to third parties	8	57,751	-	-	-	57,751
rfi5 - transfer from the interest on privatisation tender deposit account into PAK reserve fund	7	601,756	1,738	-	1,738	603,494
rfi6 - transfer from privatisation tender submission fee into PAK reserve fund	7	-	-	-	-	-
rfi7 - transfer of liquidation tender deposit account interest into PAK reserve fund	7	84,573	208	-	208	84,781
rfi8 - transfer of liquidation registration fee account interest into PAK reserve fund	7	-	-	-	-	-
rfi9 - transfer from commercialisation fee into PAK reserve fund	7	206,510	-	-	-	206,510
rfi10 - transfer of privatisation tender submission fee as PAK revenue	7	2,079,337	-	-	-	2,079,337
rfi11 - transfer of liquidation registration fee as PAK revenue	7	304,325	-	-	-	304,325
Total expenses/distribution from privatisation accounts based on accounting plan		(6,043,307)	-	546,163	(546,163)	(6,589,470)
rfe1 - tender deposit returned into privatisation tender deposit from reserve fund	8	(50,000)	-	-	-	(50,000)
rfe2 - transfer of reserve fund into PAK privatisation administrative fee account in MF treasury	16	(1,800,000)	-	-	-	(1,800,000)
rfe3 - bank expenses	17	(354)	-	-	-	(354)
rfe4 - transfer of reserve fund in PAK administrative fee	7	(3,776,830)	-	546,163	(546,163)	(4,322,993)
rfe5 - transfe to third parties	17	(416,123)	-	-	-	(416,123)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		1,514,217	121,946	636,163	(514,217)	1,000,000
rf1 - Controlling account*		-	-	-	-	-
rf2 - preliminary transfer from other trust accounts*		0	-	-	-	0
rf3 - time deposits*		(0)	-	-	-	(0)
Bank balance		1,514,217	121,946	636,163	(514,217)	1,000,000

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category rf1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 13
DONOR BANK ACCOUNT

	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15	
		Balance	Input	Output		Balance Input vs output
		EUR	EUR	EUR		EUR
Total income from privatisation accounts	8,469.19	-	-	-	8,469.19	
di1 - interest gained	467.25	-	-	-	467.25	
di2 - received donations	8,001.94	-	-	-	8,001.94	
Total expenses/distribution from privatisation accounts based on accounting plan	(6)	-	-	-	(6)	
de1 - bank expenses	(6.00)	-	-	-	(6.00)	
de2 - balance transferred to PAK reserve fund	-	-	-	-	-	
Balance of income and expenses/distribution from privatisation accounts based on accounting plan	8,463.19	-	-	-	8,463.19	
d1 - Controlling account*	-	-	-	-	-	
d2 - preliminary transfer from other trust accounts*	-	-	-	-	-	
d3 - time deposits*	-	-	-	-	-	
Bank balance	8,463	-	-	-	8,463	

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category d1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 14
PAK ADMINISTRATIVE FEE BANK ACCOUNT

	Explana- tor y note	31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15
		Balance	Input	Output	Balance Input vs output	Balance
		EUR	EUR	EUR	EUR	EUR
Total income from privatisation accounts		39,287,519	612,880	58,014	554,866	39,842,385
ati1 - Interest gained on PAK administrative fee	6	76,787	500	-	500	77,287
ati6 - PAK administrative fee (from PAK reserve fund)	7	3,776,830	546,163	-	546,163	4,322,993
ati7 - PAK administrative fee (from privatisation bid deposit account)	7	324	-	-	-	324
ati8 - PAK administrative fee (from privatisation bid deposit fee)	7	94,028	-	-	-	94,028
ati9 - PAK administrative fee (from liquidation bid deposit account)	7	308	-	-	-	308
ati10 - PAK administrative fee (from liquidation registration fee)	7	78,630	-	-	-	78,630
ati12 - PAK administrative fee (from liquidation bid review account)	7	9,818	-	-	-	9,818
ati2 - PAK administrative fee (5% of liquidation sale)	26	4,399,803	21,050	49,740	(28,690)	4,371,113
ati3 - PAK administrative fee (5% from privatisation sale)	26	29,926,109	39,680	8,274	31,407	29,957,515
ati4 - PAK administrative fee (5% of commercialisation proceeds)	26	264,830	-	-	-	264,830
ati5 - PAK administrative fee (5% of other SOE revenues if any)	26	246,107	-	-	-	246,107
ati11 - PAK administrative fee (5% of liquidation bank account interest)	26	413,944	5,487	-	5,487	419,431
Total expenses/distribution from privatisation accounts based on accounting plan		(21,851,966)	3,417,498	6,412,542	(2,995,044)	(24,847,010)
ate4 - Transfer to liquidation authority	11	(2,681,784)	3,049,396	390,299	2,659,097	(22,687)
ate5 - payment of goods	12	-	-	-	-	-
ate6 - payment of services	12	(620,760)	368,102	520,786	(152,684)	(773,444)
ate2 - transfer of PAK administrative fee to MF treasury	16	(18,548,000)	-	5,500,000	(5,500,000)	(24,048,000)
ate1 - bank expenses	17	(1,422)	-	1,457	(1,457)	(2,879)
Balance of income and expenses/distribution from privatisation accounts based on accounting plan		17,435,553	4,030,378	6,470,556	(2,440,178)	14,995,375
at1 - Transactions controlling account*		-	-	-	-	-
at2 - preliminary transfer from other trust accounts*		-	-	-	-	-
at3 - time deposits*		(500,000)	500,000	-	500,000	0
Bank balance		16,935,553	4,530,378	6,470,556	(1,940,178)	14,995,375

Notes

*Amounts in minus show 'output' from privatisation accounts whereas 'plus' shows input in privatisation accounts.

*See time deposits, if the balance is 'minus' then funds were sent to time deposit accounts.

Category at1 - Controlling accounts is used in cases when corrections are made to bank transfers between accounts.

TABLE 15
TIME DEPOSIT BANK ACCOUNT

		31-Dec-14	Input/output from current accounts during fiscal year			31-Dec-15		
			Balance	Input	Output		Balance Input vs output	Balance
			EUR	EUR	EUR		EUR	EUR
Total income from privatisation accounts	Explanatory note	329,203,017 €	5,005,000 €	- €	5,005,000 €	334,208,017 €		
tdi1 - time deposit transferred from PAK into PAK individual accounts	6	321,974,330	5,000,000	-	5,000,000	326,974,330		
tdi2 - time deposit interest received from CBK	6	7,228,687	5,000	-	5,000	7,233,687		
tdi3 - current account interest paid to time deposits	6	0	-	-	-	0		
Total expenses/distribution from privatisation accounts based on accounting plan	Explanatory note	(329,203,017)	-	5,005,000	(5,005,000)	(334,208,017)		
tde1 - time deposit transferred from CBK into their accounts pending maturity	6	(321,974,330)	-	5,000,000	(5,000,000)	(326,974,330)		
tde2 - time deposit interest received from CBK and transferred to PAK individual accounts	6	(7,228,687)	-	5,000	(5,000)	(7,233,687)		
tde3 - bank expenses	17	0.6	-	-	-	0.6		
Bank balance		0.6	5,005,000	5,005,000	-	0.6		