



Financial Statements and Independent Auditor's report

Fondi Slloveni Kosovar i Pensioneve

31 December 2007

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Independent Auditor's Report

Grant Thornton DOO
M.H.Jasmin 52 v-1/7
1000 Skopje
Macedonia

T +389 (2) 3214 700
F +389 (2) 3214 710
www.grant-thornton.com.mk

To the Management and Shareholders of
the Fondi Sllveno Kosovar i Pensioneve

We have audited the accompanying financial statements of the Fondi Sllveno Kosovar i Pensioneve (further referred as "the Fund" or "FSKP") which comprise of the Statement of Fund's Net Assets as of 31 December 2007 and the Statement of Income and Expenditure, Statement of Changes in Fund's Net Assets, Accounting Unit's Financial Indicators and Statement of Accounting Unit, and a summary of significant accounting policies and other explanatory notes, included on pages 3 to 17.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with UNMIK regulations on pension system in Kosovo as well as the rules defined by Central Banking Authority of Kosovo (CBAK). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements of the Fund present fairly, in all material respects, the financial position of the Fund as of 31 December 2007, the results of its operations, and changes in net assets and participants' funds in accordance with UNMIK regulations on pension system in Kosovo as well as the rules defined by Central Banking Authority of Kosovo (CBAK).



Grant Thornton,

Skopje,
25 March 2008

Statement of Fund's Net Assets

	Notes	(in Euro) At 31 December 2007
Assets		
Cash and cash equivalents	3	38,158
Securities held-for-trading	4	348,736
Other receivables	5	8,558
Total assets		395,452
Liabilities and participants' funds		
Liabilities		
Liabilities for investment on securities		1,268
Liabilities for management fee	6	1,365
Fees and other liabilities		607
Total liabilities		3,240
Participants' funds		
Net assets of the Fund		382,399
Surplus for the year		9,813
Total participants' funds		392,212
Total liabilities and participants' funds		395,452
Issued accounting units		3,506.49170000
Value of an accounting unit		111.8533

These financial statements have been approved by the Management of the Fund and signed on its behalf by,

Mr. Dardan Sejdiu
 President of the Management Board

Mr. Bostjan Mikulic,
 Member of the Executive Board

FONDI
 SLLLOVENO-KOSOVAR
 ■ ■ ■ I PENSIONEVE
 Shoqëri Aksionare - Prishtine

Statement of Income and Expenditures

	Notes	(in Euro) Year ended 31 December 2007
Interest income	7	4,384
Other gains/(losses), net	8	6,842
Total income		11,226
Expenses		
Management fee	6,9	1,365
Provision and transaction fees		673
Total expenses		2,038
Net profit from investments		9,188
Unrealized profit		
Gains from change in fair value of securities		625
Total unrealized gains		625
Net surplus of the Fund for the year		9,813

Statement of Changes in Fund's Net Assets

	Notes	(in Euro) Year ended 31 December 2007
Net profit from investments		9,188
Unrealized gains		625
Net surplus of the Fund for the year		9,813
Participant's contributions received		382,399
Total increase net assets		392,212
Net assets as of 01 January		-
Net assets as of 31 December		392,212
<i>Number of accounting units</i>		<i>3,506.49170000</i>

Accounting Unit's Financial Indicators

(in Euro)
Year ended 31 December
2007

Accounting units at the beginning of year	-
Value of accounting units at the beginning of year	100.000
Net assets of pension fund at the end of the year	392,212
Number of accounting units at the end of the year	3,506.49170000
Value of accounting unit at the end of the year	111.8533
Additional ratios and information	-
Ratio - Expenses as percentage of net assets fund	1.2945%
Ratio - net gain from investment as percentage of net assets fund	5.8358%
Rate of return of the pension fund	11.8533%

Statement of Accounting Units

	(in Euro)	
	Year ended 31 December 2007	
Description	Number of accounting units	Value of net assets
Accounting units at the beginning of the year	-	-
Issued accounting units during the year-contributions	3,506	392,212
Issued accounting units during the year-transfers to other funds	-	-
Reduction of accounting units due to transfers to other funds	-	-
Reduction of accounting units due to payment of benefits	-	-
Reduction of accounting units due to payment of fee from net assets of the Pension Fund	-	-
Total number of accounting units at end of the year	3,506	392,212
Value of accounting unit		
At the beginning of the year		100
At the end of year		111.8533

Notes to the financial statements

1 Establishment and general information

The Fondi Sllloveno Kosovar i Pensioneve (hereinafter “the Fund” or "FSKP") was established as a shareholding association on 4 September 2006 based on UNMIK Regulation 2005/20 on Pensions in Kosovo. The operating license was obtained on 14 November 2006 based on regulations from CBAK.

The regulation 2005/20 under which the Fund was established, provides for a supplementary pension savings program, funded by pensions contributions of both employees and their employers. Each voluntary participant has an Individual Account with the FSKP, to which contributions are credited.

The Fund is administered and managed by Asset Management Company - FSKP, located at Nëna Terezë Nr.33, 10000 Prishtina, Kosovo. The principal shareholder of the Asset Management Company is Prva Group from Ljubljana, Slovenia.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements of the FSKP have been prepared in accordance with the UNMIK regulations on pension system in Kosovo as well as the rules defined by Central Banking Authority of Kosovo (CBAK) with regard to the Kosovo Pension system.

These financial statements are prepared on the historical cost basis. Data are expressed in Euros, except otherwise stated.

Notes to the financial statements (continued)
Accounting policies (continued)

2.2 Cash and cash equivalents

Cash and cash equivalents, comprising balances with banks for pension contributions payments and for investments purposes, are carried at cost.

2.3 Financial assets

The Fund classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Fund's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. The Fund has no assets classified in this category.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Fund commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement as part of other income when the Fund's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognized in equity. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as 'gains and losses from investment securities'.

Notes to the financial statements (continued)
Accounting policies (continued)

(Financial assets, continued)

Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognized in the income statement as part of other income when the Fund's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Fund establishes fair value by using valuation techniques.

The Fund assesses at each balance sheet date whether there is objective evidence that a financial asset or a Fund of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described further in this note.

2.4 Receivables and payables related with investment securities

Receivables and payables arise from the acquisition and sale of securities and are recognized as assets and/or liabilities at the date of the transaction made. They are settled at the payment date.

2.5 Fund assets and investment strategy

The Fund is obliged to follow CBAK rules with regard to investments in different types of financial assets and the amount of investments in those assets.

As prescribed by Rule 9 on Investment of Pension Assets, pursuant to the provisions of UNMIK regulation no. 2001/35, the Fund must comply with the following **common conditions**:

- a. The Fund must invest their assets only in the classes of permitted (eligible) investments prescribed under this Rule or in cash in the course of deposit to the custodian or for cash and bank deposits representing amounts as are reasonably necessary to conduct its pension operations.
- b. The eligibility of investment is determined at the time of its making or acquisition. If the determination of eligibility is based on amount, the limitation is based on the amount of total investment assets as of the last asset valuation date, as reported to the CBAK.
- c. Investment of pension assets must be in accordance with the statement of investment principles and in conformity with investment directives adopted and issued by the pension entity consistent with the requirements of the Pensions Regulation and these Rules.
- d. Investments made in breach or violation of the investment principles and directives must be corrected and rectified immediately. Breaches and deviations, of previously conforming investments, arising from cause or causes beyond the control of the board of directors or asset manager of the pension entity may be rectified or corrected within such time and manner that is least detrimental to the interests of the participants which period of time is not greater than 6 months from the date of such breach or deviation.

Fund assets and investment strategy (continued)

Notes to the financial statements (continued)
Accounting policies (continued)

- e. The governing bodies of pension entities providing pensions shall submit to the CBAK, together with quarterly and yearly reports, a statement certified by a duly authorized officer, attesting that all investment assets of the entity are in compliance with the conditions, restrictions and limitations prescribed in the Pensions Regulation and this Rule and in conformity with the statement of investment principles and investment directives adopted by the entity; provided that, if otherwise, the certified statement must clearly indicate the nature of the violation, breach or deviation, identifying the particular non-complying investment asset and describing the manner and the time frame for rectification and/or correction.

As prescribed by Rule 9, the Fund should follow and comply with the following **specific conditions**:

- a. At any one time, investment of pension assets is subject to the following specific conditions:
- Stocks or equity shares shall not be greater than 5% of the total shares issued by one issuer.
 - Bonds shall not be greater than 30% of any single bond issue.
 - Total investments in any one entity, including its affiliate entities, shall not be greater than 5% of the total pension assets.
- b. For the further protection of the quality of pension assets, the CBAK may, from time to time, prescribe minimum investment grades or ratings of securities in the determination of eligibility of the investment. Investment grade or rating conditions shall form part and parcel of this Rule on the date set by written directive of the BPK prescribing such requirement(s).

The investments securities which are **eligible (permitted)** are as follows:

A Securities Issued and/or Located Outside of Kosovo

Pension assets may be invested only in the following international types and classes:

- Monetary funds, including bank accounts and deposits with banks that are licensed by a bank regulatory authority of a member state of the OECD, and whose license remains in force and in good standing.
- Securities issued by any member state of the OECD.
- Securities issued by local governments in member states of the OECD to the extent guaranteed by the respective state.
- Securities registered with the capital markets regulator of any member state of the OECD and placed for public offering and actively listed or traded in the Stock Exchange that is appropriately regulated and supervised in such state(s).
- Mutual funds and other investment funds (open-end entities) subject to the approval in the OECD member state of their establishment and for which compliance requirements are prescribed by the appropriate regulatory or supervisory authority within such member state relating to the conduct of business activities of such open-end entities.
- All other types and classes of international securities as may be authorized, from time to time, by effective laws, statutes, regulations and rules issued by competent authorities in Kosovo.

Notes to the financial statements (continued)
Accounting policies (continued)

B Securities Issued and/or Located within Kosovo

- Monetary funds, including bank accounts and deposits with banks that are licensed by the BPK and conducting banking business in Kosovo in good standing with the regulatory requirements of the CBAK.
- Securities issued by competent authority in Kosovo, to the extent guaranteed by such authority.
- Securities issued by public and/or private enterprises that are registered with the capital markets regulator in Kosovo provided that such securities are listed and traded in securities exchange(s) licensed in Kosovo or in a member state of the OECD and subject to regulation and supervision of the applicable capital market authority in such state.
- Mutual funds and other investment funds (open-end entities) subject to the approval in Kosovo and for which compliance requirements are prescribed by the appropriate regulatory or supervisory authority in Kosovo relating to the conduct of business activities of such open-end entities.
- All other types and classes of domestic securities as may be authorized, from time to time, by effective laws, statutes, regulations and rules issued by competent authorities in Kosovo.

The Fund should also comply with the rule on **prohibited investments** which are defined as follows:

Pension assets cannot be invested in the following types of classes:

- Securities that are either unlisted or not publicly traded.
- Assets that cannot be legally conveyed, sold, disposed of or otherwise alienated.
- Derivatives securities, options, futures, forward and other agreements with respect to securities and other financial assets.
- Real or physical assets not listed on organized markets and for which valuation is uncertain including, but not limited to, precious objects, works of arts, antiques, coins, collections, and motor vehicles.
- Securities issued by proscribed parties as defined under this Rule.
- Securities that are not of the types or classes permitted under the Pensions Regulation, this Rule and/or securities acquired not in accordance with the investment principles and directives of the pension entity at the time of their acquisition.
- Such other assets or securities as are specified by the SRSG and/or laws, statutes, regulations and rules promulgated by competent authorities.

Pension Funds and Pension Providers shall be deemed to have complied with the rules on **diversification of investments** if the following conditions are fulfilled:

- The investments made are in accordance with the terms and stipulations contained in their Statements of Investment Principles approved by the CBAK.
- The assets of the Pension Fund, or when applicable the Pension Provider, are kept and safeguarded by an independent Custodian in accordance an asset custodial agreement.
- The amount of the assets does not exceed Five Hundred Thousand (500,000) Euro.
- The Pension Fund or Pension Provider has submitted to the CBAK an acceptable plan for increasing the diversification of its investments.

2.6 Net assets of the Fund

The Fund's net asset value equals total assets minus total liabilities of the Fund.

2.7 Value of accounting unit

Notes to the financial statements (continued)
Accounting policies (continued)

The value of the accounting unit equals the value of Fund's net assets divided by the total number of accounting units as of the date of calculation. This formula does not apply as of the first day of operations when the value of the accounting unit equals Euro 100 in accordance with Fund's policy.

2.8 Interest income

Interest income includes income from bond's coupon rates and interest on term deposits. The interest income is recorded on an accrual basis.

2.9 Management fee

The Fund is obliged to pay management fee to the Asset Management Company on daily basis. The annual management fee is 1.5% of the total Fund's assets.

2.10 Expenses for transactions fees

These expenses relate to the fees paid to financial intermediaries (banks and brokerage houses) who are acquiring investments securities for the Fund.

2.11 Realized gains/losses

Realized gains/losses arise from the sale of securities, leveling of prices when securities are acquired and matured principals and interest on securities acquired at premium or discount. These gains/losses are recorded as revenues or expenses at the moment when they occur.

2.12 Unrealized gains/losses

Unrealized gains/losses are recorded as the difference between purchasing cost and the fair value of the security or with the amortized cost. When the principal or part of the principal matures, as well as when security is sold the amount of unrealized gains/losses is transferred in realized gains/losses for the period in question.

2.13 Amortization of the discount/premium of the security

Amortization of the discount/premium of the security is recorded through deferred revenues/expenses and accrued expenses/revenues. At the moment when the security matures or is sold, the amount of amortization is transferred as realized capital gain or loss.

2.14 Foreign exchange gains/losses

Transactions in foreign currencies are recorded in accordance with the valid exchange rate as of the date of the transaction. The differences are recorded in the income statement as gains/losses.

2.15 Income tax expense

The Fund is not a legal entity in Kosovo and therefore, according to the United Nations Mission in Kosovo ("UNMIK"), the governing body of Kosovo, it is has no obligation to submit tax on profit application.

2.16 Transactions with related parties

Related parties are defined as those parties which have control over each other or have an influence on the financial and operational decisions of each other.

The Fund related parties are Prva Group from Ljubljana, Slovenia and Corporation Dukagjini from Peja, Kosovo, which are managing and administering the Fund.

Notes to the financial statements (continued)
As of and for the year ended 31 December 2007
(All amounts are expressed in Euro, unless otherwise stated)

3 Cash and cash equivalents

	2007
Collection account - Raiffeisen Bank	19,002
Saving account - Raiffeisen Bank	925
Custodian account - Nova Ljubljanska Banka d.d., NLB	18,231
	38,158

As of 31 December 2007, the Fund has two operating accounts in Raiffeisen Bank. The Collection account consists of pension contributions paid by Fund members. The cash inflow on the collection account is transferred to the saving account after subtracting the amount charged for entrance fee to the Asset Management Company. The saving account, on the other hand, is used for investment purposes. The Custodian account in NLB is interest bearing (0.6% per annum) and is used for investments in securities abroad.

4 Securities held-for-trading

	2007
Government bonds	125,269
Corporate Bonds	203,121
Equity investments	
- In Euro	15,333
- In foreign currency	5,013
	348,736

Government bonds

At 31 December 2007 government bonds consist entirely from bonds issued by the Government of Finland (RFGB 2008). These bonds mature in April 2008 and bear interest at rate of 3%.

Corporate bonds

At 31 December 2007 corporate bonds consist of bonds issued by large multinational companies operating in different industries, headquartered in the European Union and USA. These bonds are with short maturities and bear interest from 4.58% to 6.16%.

Detailed breakdown of the portfolio of corporate bonds is as follows:

	2007
AVIP 2017 - Abanka Vipva, Slovenia	50,500
TELEFO 2010 - Telefonica Emisiones SAU, Spain	49,733
DIAGRFLOAT 2010 - DaimlerChrysler NA HLDG, USA	49,928
UCIM FLOAT 2012 - Unicredito Italiano, Italy	29,890
METFNL 09 - Metro AG, Germany	23,070
	203,121

Equity investments

	2007
<u>Equity investments in Euro</u>	
Ordinary shares - PPR – Pinault Printemps France	4,163
Ordinary shares - KBMR – Nova Kreditna Banka Maribor Slovenia	11,170
	15,333
<u>Equity investments in foreign currency</u>	
Ordinary shares - HPQ – Hewlett Packard, United States	5,013
	5,013
	20,346

Notes to the financial statements (continued)
As of and for the year ended 31 December 2007
(All amounts are expressed in Euro, unless otherwise stated)

5 Other Receivables

	2007
Interest receivables from investments	
- Interest receivable from government bonds	1,859
- Interest receivable from corporate bonds	1,461
Receivables from securities sold	4,985
Other receivables	253
	8,558

6 Liabilities for management fee

At 31 December 2007, the Fund has liability toward the Asset Management Company in the amount of Euro 1,365. The amount represents the FSKP's calculated management fee charged to the fund. Management fee equals to 1.5% from Fund's assets per annum and is calculated on daily basis.

7 Interest income

	2007
Interest income from securities held-for-trading	4,124
Interest income from bank accounts	260
	4,384

8 Other gains / (losses), net

	2007
Gains / (losses) on sale of securities	
- Corporate bonds DT 2012 - Deutsche Telekom, Germany	6,788
- Forex equity investment in NESN – Nestle, Switzerland	5
- Forex equity investment in NESN – Nestle, Switzerland	(4)
	6,789
Net foreign exchange gains	53
	6,842

9 Transactions with related parties

Related parties are considered to include major shareholders, affiliates and entities under common ownership, control and management with the Fund, or whose activities the Fund has an ability to control.

All Fund's transactions with related parties arise in the normal course of business and their value is not materially different from the terms and conditions that would prevail in arms-length transactions. The significant related party transactions and balances refer to the Asset Management Company, FSKP and are as follows:

	As of and for the year ended 31 December 2007
Liabilities for management fees/ Management fees charged	1,365

Notes to the financial statements (continued)

10 Financial risk management

The Fund's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of risks. The Fund's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Fund's financial performance.

The Fund's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Fund regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by Risk Management Committee under policies approved by the Asset Management Company. This department identifies and evaluates financial risks in close co-operation with the Fund's operating units. The Fund provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk.

10.1 Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counter party will cause a financial loss for the Fund by failing to discharge an obligation. Credit risk is the most important risk for the Fund's business activities. Therefore, the Fund's management carefully manages its exposure to credit risk.

10.2 Market risks

The Fund is exposed to market risks. Market risks arise from the open position of the Fund to the effect of fluctuation in the prevailing level of market interest rates, as well as from the effect of fluctuation in the foreign exchange rates. The Fund's management sets limits of the value of risk that may be accepted, which is mainly based on a day - by - day monitoring.

Interest rate risk

The Fund takes on exposure to effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

The table below analyses assets and liabilities of the Fund into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date as of 31 December 2007 (in EUR).

	Less than 1 month	Interest-bearing From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets							
Cash and cash equivalents	-	-	38,158	-	-	-	38,158
Securities held-for-trading	20,346	-	125,269	153,388	49,733	-	348,736
Other receivable	-	-	5,238	-	-	3,320	8,558
	20,346	-	168,665	153,388	49,733	3,320	395,452
Liabilities							
Liabilities for investment on securities	-	-	1,268	-	-	-	1,268
Liabilities for management fee	-	-	1,365	-	-	-	1,365
Fees and other liabilities	-	-	607	-	-	-	607
	-	-	3,240	-	-	-	3,240
Net interest risk gap	20,346	-	165,425	153,388	49,733	3,320	392,212

Notes to the financial statements (continued)
Financial Risk Management (continued)

Foreign currency risk

The Fund takes on exposure to effects on fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The following tables summarize the net foreign currency risk position of the Fund at 31 December 2007 (in EUR).

	in EUR	in USD	Total
Assets			
Cash and cash equivalents	38,158	-	38,158
Securities held-for-trading	343,704	5,032	348,736
Other receivable	8,558	-	8,558
	390,420	5,032	395,452
Liabilities			
Liabilities for investment on securities	1,268	-	1,268
Liabilities for management fee	1,365	-	1,365
Fees and other liabilities	607	-	607
	3,240	-	3,240
Net foreign currency risk	387,180	5,032	392,212

10.3 Liquidity risk

The Fund is exposed to daily calls on its available cash resources from current accounts, loan draw downs and other cash calls.

The tables below analyze assets and liabilities of the Fund into relevant maturity based on the remaining period at balance sheet date to the contractual maturity date (in EUR).

	Less than 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	Over 5 years	Total
Assets						
Cash and cash equivalents	-	-	38,158	-	-	38,158
Securities held-for-trading	20,346	-	125,269	153,388	49,733	348,736
Other receivable	-	-	8,558	-	-	8,558
Total assets	20,346	-	171,985	153,388	49,733	395,452
Liabilities						
Liabilities for investment on securities	-	-	1,268	-	-	1,268
Liabilities for management fee	-	-	1,365	-	-	1,365
Fees and other liabilities	-	-	607	-	-	607
	-	-	3,240	-	-	3,240
Net liquidity gap	20,346	-	168,745	153,388	49,733	392,212

10.4 Fair Value estimation

Fair value represents the amount at which an asset could be replaced or a liability settled on an arms length basis. Fair values have been based on management assumptions according to the profile of the asset and liability base.

Securities held-for-trading

Securities classified as held-for-trading are measured at fair value. Fair value is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

APPENDICES

Appendices

As of and for the year ended 31 December 2007

(All amounts are expressed in Euro, unless otherwise stated)

Table 1 - Structure of Fund's investments

a) Equity securities

Description	No. of shares	Purchase cost per shares (in EUR)	Total purchase cost (in EUR)	Value of share on the reporting date	Total value on the reporting date	% share of issuer	% share of fund's value
Shares issued in European Union member countries and USA:							
- Shares in companies	140	-	5,032	-	15,333	-	3.88%
Total investments in shares issued in European Union member countries and USA	140	-	5,032	-	15,333	-	3.88%
Shares issued in other countries:							
- Shares in companies	301	-	14,845	-	5,013	-	1.27%
Total investments in shares issued in other countries	301	-	14,845	-	5,013	-	1.27%
Total investments in shares	441	-	19,877	-	20,346	-	5.15%

b) Bonds securities

Description	Nominal value	Purchase cost (in EUR)	Total value on the reporting date	Percentage shares of issuer	Percentage share of value of the fund
Bonds and other securities issued by foreign Governments and Central banks	85,580	124,499	125,269	-	31.68%
Bonds and other debt securities issued by foreign companies and banks	137,880	203,736	203,121	-	51.36%
Total investments in bonds and other fixed income securities	223,460	328,235	328,390	-	83.04%

c) Structure of the Fund's assets per type of investments

Description	Total on the reporting date	Percentage share in value of the fund
Shares	20,346	5.15%
Bonds and other fixed income securities	328,390	83.04%
Investments funds	-	-
Cash and cash equivalents	38,158	9.65%
Other receivables	8,558	2.16%
Total asset value of the Pension Fund	395,452	100.00%

Appendices

As of and for the year ended 31 December 2007

(All amounts are expressed in Euro, unless otherwise stated)

Table 2 - Realized gains / losses

Sold security	Sales date	No. of securities	Accounting value	Sales price	Realized gain/(loss)
Shares	-	-	-	-	-
Shares issued in European Union member countries and USA					
- shares in companies	12/21/2007	12	4,979	4,980	1
Bonds and other fixed income securities issued in other countries					
- Bonds and other debt securities issued by foreign companies and banks	7/5/2007	68	68,086	74,875	6,789

Table 3 - Unrealized gains / losses

SECURITY	Purchase cost	Fair value (market value)	Unrealized gain/(loss)
Shares			
Shares issued in European Union member countries and USA:			
- shares in companies	5,032	5,013	(19)
Shares issued in other countries			
- shares in banks	-	-	-
- shares in companies	14,845	15,333	488
- close-end investments funds	-	-	-
Bonds and other fixed income securities			
- Bonds and other fixed income securities issued in European Union member countries and USA			
- Bonds and other securities issued by foreign Governments and Central banks	124,499	125,269	770
Bonds and other fixed income securities issued in other countries			
- Bonds and other debt securities issued by foreign companies and banks	203,736	203,121	(615)



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