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Audit

Albanian Red Cross
Independent Audit Report and Financial Statements as at and for the year ended December 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the President of Albanian Red Cross,

Opinion

We have audited the financial statements of Albanian Red Cross ("the Organization"), which comprise the balance sheet as at December 31, 2018, and statement of income and expenses, statement of changes in fund balance and cash flows statement for the year ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and with the ethical requirements that are relevant to our audit of the financial statements in Albania, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash modified basis of accounting, which is a basis of accounting other than accounting principles generally accepted in Albania. Our opinion is not modified with respect to this matter.

Restriction on Distribution and Use

Our report is intended solely for the information and use of the management of the Organization and its donors, and should not be further distributed to other parties or used for any other purposes without our prior written consent.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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2019 Deloitte Audit Albania

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Engagement Partner
Enida Cara

July 30, 2019
Tirana, Albania

Albanian Red Cross
Statement of income and expenses for the year ended December 31, 2018
(All amounts are expressed in LEK, unless otherwise stated)

	Notes	For the year ended December 31, 2018	For the year ended December 31, 2017
Income			
Donors	3	25,243,025	28,800,579
Branch activities	4	75,360,472	72,525,278
Head office income	5	63,907,274	60,984,968
Grant income	11	8,463,926	14,623,196
Total Income		**172,974,697**	**176,934,021**
Expenses			
Program expenses	6	(45,956,689)	(51,979,090)
Administrative expenses	7	(101,371,083)	(89,275,011)
Depreciation	8	(22,666,633)	(20,704,891)
Total expenses		**(169,994,405)**	**(161,958,992)**
Surplus of income less Expenses		**2,980,292**	**14,975,029**
Net financing loss			
Interest income		5,408,414	10,349,413
Net foreign exchange loss		(18,243,955)	(24,905,946)
Total financing loss		**(12,835,541)**	**(14,556,533)**
(Deficit)/Surplus for the year		**(9,855,249)**	**418,495**

The statement of income and expenses is to be read in conjunction with the notes set out on pages 7 to 16 and forming part of the financial statements

Albanian Red Cross
Balance sheet as at December 31, 2018
(All amounts are expressed in LEK, unless otherwise stated)

	Notes	As at December 31, 2018	As at December 31, 2017
Assets			
Non-current assets			
Property and equipment	**8**	92,413,617	90,649,546
Other assets	**10.b**	76,147,931	238,060,687
Total non-current assets		**168,561,548**	**328,710,233**
Current assets			
Cash and cash equivalents	**9**	165,747,144	164,002,344
Other assets	**10.a**	184,265,719	46,590,986
Total current assets		**350,012,863**	**210,593,330**
Total Assets		**518,574,411**	**539,303,563**
Liabilities and fund balance			
Non-current liabilities			
Deferred income	**11**	-	8,463,926
Fund balance		513,591,358	523,446,607
Total non-current liabilities		**513,591,358**	**531,910,533**
Current liabilities			
Other liabilities	**12**	4,983,053	7,393,030
Total current liabilities		**4,983,053**	**7,393,030**
Total Liabilities and Fund Balance		**518,574,411**	**539,303,563**

The Secretary General of Albanian Red Cross has authorised these financial statements for issue on June 14, 2019.

Mr.Artur Katuci
General Secretary

Ms. Elvetina Stillo
Finance Manager

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The balance sheet is to be read in conjunction with the notes set out on pages 7 to 16 and forming part of the financial statements.

Albanian Red Cross

Statement of changes in fund balance for the year ended December 31, 2018

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

	Funds generated through donors	Funds generated by Albanian Red Cross	Total
Fund balance at January 1, 2016	**169,016,659**	**325,873,139**	**494,889,798**
Total surplus for the year	31,533,111	(3,394,798)	28,138,313
Fund balance at December 31, 2016	**200,549,770**	**322,478,341**	**523,028,111**
Fund balance at January 1, 2017	**200,549,770**	**322,478,341**	**523,028,111**
Total surplus for the year	28,800,579	(28,382,084)	418,495
Fund balance at December 31, 2017	**229,350,349**	**294,096,257**	**523,446,606**
Fund balance at January 1, 2018	**229,350,349**	**294,096,257**	**523,446,606**
Total surplus for the year	4,124,143	(13,979,392)	(9,855,249)
Fund balance at December 31, 2018	**233,474,492**	**280,116,865**	**513,591,357**

The statement of Changes in Fund Balance is to be read in conjunction with the notes set out on pages 7 to 16 and forming part of the financial statements.

Albanian Red Cross.
Statement of cash flows for the year ended December 31, 2018
(All amounts are expressed in LEK, unless otherwise stated)

	Note	As at December 31, 2018	As at December 31, 2017
Cash flows from operating activities			
(Deficit)/ Surplus for the year		**(9,855,249)**	**418,495**
Adjustments for:			
Depreciation	8	22,666,633	20,704,891
Interest income		(5,408,414)	(10,349,413)
Changes in operating assets and liabilities:			
Changes in receivables		-	37,391
Changes in deferred income		(8,463,926)	(14,623,196)
Changes in liabilities		(2,409,977)	525,416
Interest received		5,408,414	10,349,413
Net cash from operating activities		**1,937,480**	**7,062,997**
Investing activities			
Acquisition of property and equipment	8	(24,430,703)	(3,448,276)
Withdrawal in time deposits		24,238,023	10,589,408
Net cash generated in investing activities		**(192,680)**	**7,141,132**
Net decrease in cash and cash equivalents		1,744,800	14,204,129
Cash and cash equivalents, beginning of the year		164,002,344	149,789,680
Cash and cash equivalents, end of the year	9	**165,747,144**	**163,993,809**

The statement of Cash Flows is to be read in conjunction with the notes set out on pages 7 to 16 and forming part of the financial statements.

1. GENERAL INFORMATION

The Albanian Red Cross (hereinafter "ARC" or the "Organization") was founded in 1921 and in 1923 was recognized by the International Committee of Red Cross ("ICRC"), also becoming a member of the International Federation of Red Cross and Red Crescent Societies. In 1969, the ARC suspended its activities, which were resumed 22 years later, in 1991. The ARC was established in Albania as a non-profit organization. ARC carries out projects such as health care, disaster relief, professional and institutional development and the promotion of humanitarian values.

As at December 31, 2018, ARC had 39 branches (2017: 39) throughout the country, with full time staff 53 (2017: 51), part-time staff 270 (2017: 276) and 2,160 supporting volunteers.

President and General Secretary as at December 31, 2018 and 2017 are:

Ylli Alushi	President
Artur Katuci	General Secretary

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basic of preparation

The accompanying financial statements have been prepared on the modified cash basis of accounting which differs from Albanian and International Financial Reporting Standards. On this basis income is recognised when received rather than when earned, and expenses are recognised when paid rather than when incurred. The cash basis is modified to recognise on an accrual basis depreciation, non-cash contributions donated in the form of depreciable assets and personnel related costs.

Going Concern

Management prepared Financial Statements on a going concern basis. In making this judgement management considered the Company's financial positions, current intentions, profitability of operations and access to financial resources, and analyzed the impact of recent financial crisis on future operations of the Company. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements were prepared on the going concern basis.

The accompanying financial statements are presented in Albanian Lek. The financial statements aggregate the activities and balance of Organisation's head office and its branches.

2.2 Foreign currency transactions

Foreign currency transactions are converted into Lek at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currency included in the balance sheet are converted into Lek at the year-end exchange rate. Property and equipment in foreign currencies have been converted into Lek at the historical exchange rate. Resulting exchange differences are recognized in the statement of income and expenses for the year. In converting foreign currency transactions the Organization refers to the exchange rate of Bank of Albania.

2.3 Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation for property and equipment is calculated on straight-line basis, at rates, which approximate average economic useful lives. Land is not depreciated. The useful lives are as follows.

Buildings	20 years
Computers and Equipment	4 years
Office Supplies	5 years
Vehicles	5 years

2. Significant accounting policies (continued)

2.4 Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid bank deposits with an original maturity of three months or less.

2.5 Personnel and related costs

The Organisation recognises personnel related costs on an accrual basis of accounting. These costs comprise wages and salaries, social insurance contributions and personal income tax. Accounts payable at year end represent accrued personnel and related costs.

2.6 Fund balance

Fund balance generated through donors relate to contributions for which the donor imposed restrictions on destination of funds, limiting ARC's use of an asset or its economic benefits neither expire with the passage of time nor can be removed by meeting certain requirements. Funds generated through own activities include those fund balances generated by ARC activities and awareness promotions for which the use is not restricted by a donor agreement, even though its use may be limited in other respects, such as yearly budget plan, purpose of donation, contract and by board designation.

2.7 Income recognition

Donation income derives principally from donations received from donors for specific projects and from the International Federation of Red Cross ("IFRC"). Income from branches mainly derives from first aid courses, local donations, membership fees and other courses organised locally by the branches. All donations are recognised as income when received rather than when earned. Other incomes also recorded when received rather than when earned.

Non-cash contributions donated in the form of depreciable assets (e.g. buildings) are recognized in the balance sheet initially as deferred income when there is reasonable assurance that they will be received and that the Organisation will comply with the conditions attaching to such contributions. These contributions are recognised in the statement of income and expenses as grant income on a systematic basis over the useful life of the respective asset.

Non-cash contributions donated in the form of non-depreciable assets (e.g. land) are recognized in the statement of income and expenses as grant income immediately.

Non-cash contributions donated in the form of assets for which the Organisation has not yet estimated the initial costs or fair value, assets donated prior to its establishment in 1991 for which no legal title is obtained and services in kind are not reflected in the financial statements.

2.8 Taxation

Based on the Law No. 7864, dated September 29, 1994 "On Albanian Red Cross", the activity of the Organisation is exempt from taxes.

The Organisation is liable for the personal income tax, social insurance contributions, withholding taxes and acts as an agent to collect and report the taxes to the Tax Authorities.

3. Income from donors

Income from donors represents funds received from the International Federation of Red Cross in Budapest ("IFRC") and other donors. Income from donors is composed as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Albanian Red Cross		
IFRC DREF	12,471,536	-
National Centre for blood donation	6,363,950	6,523,750
IFRC	4,848,844	-
French Embassy	656,500	693,000
Raiffeisen Bank	474,682	480,605
American Embassy	234,638	467,145
German RC	192,875	-
TAP Project	-	11,676,456
Chinese RC	-	5,760,000
Macedonian RC	-	1,106,083
Church of Saint	-	722,790
Funds for Syria	-	687,250
Croatian RC	-	683,500
TOTAL	**25,243,025**	**28,800,579**

All the funds received during 2018 and 2017 are restricted by donor agreement.

4. Income from branch activities

Income from branch activities is composed as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
First Aid Courses	22,569,200	21,381,750
First Aid Books	21,234,800	20,087,600
Local donations	11,356,191	10,755,236
Membership fees	9,786,500	9,066,100
Local courses	4,900,500	4,500,400
National Centre for blood donation	4,101,250	5,116,150
Income from renting offices	1,071,050	1,351,100
Other	340,981	266,942
TOTAL	**75,360,472**	**72,525,278**

4. Income from branch activities (continued)

Income from first aid courses and books mainly arise from first aid courses offered by the Organisation to individuals to individuals applying for a driving license. The Government of Albania regulates this service on a nationwide basis and has granted the Organisation with exclusive right to offer such service in order to support implementation of its humanitarian programs. Accordingly, the Steering Council designated such as restricted in their purpose.

Local donations include funds that are raised for campaigns launched during the year. These include campaigns for orphans and disabled children, elderly, families in need etc. Accordingly, the Steering Council designated such funds as restricted in their purpose.

5. Head Office income

Head Office income is composed as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
First Aid Courses	42,688,530	44,021,250
Income from renting offices and warehouse	10,309,988	6,624,217
First Aid Books	5,308,700	5,021,900
Founds bequeathed from citizens	2,940,483	3,370,590
Other and other courses	2,659,573	1,947,011
TOTAL	**63,907,274**	**60,984,968**

Funds bequeathed from citizens include funds donated by an American citizen fund to be used in different humanitarian activities. Accordingly, the Steering Council designated such funds as restricted in their purpose.

6. Program expenses

Program expenses are composed as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Albanian Red Cross programs	35,976,070	37,584,010
Branch programs	9,980,619	14,395,080
TOTAL	**45,956,689**	**51,979,090**

Program expenses comprise of expenditures covered by funds, for which, the donor imposed specific restrictions (fund generated through donors) and expenditures paid out of unrestricted fund and other funds designated as restricted in their purpose, although not specifically defined by donor agreement (fund generated through own activities).

6. Program expenses (continued)

Program expenses for the years indicated is categorized as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Albanian Red Cross		
Disaster Preparedness & Response	17,722,749	23,897,290
First aid courses	4,166,089	2,304,664
Social Welfare	3,733,596	3,253,201
Youth and Humanitarian	3,709,556	2,045,463
Institutional Development	2,986,002	3,943,939
Headquarters support	1,508,644	271,540
Public relation	1,174,726	551,026
Blood promotion	522,283	766,380
Health program	447,200	550,507
Property administration	5,225	-
Total	**35,976,070**	**37,584,010**
Branches		
Social Welfare	6,042,018	9,436,180
Branch support	1,675,105	1,926,598
Institutional Development	1,555,625	596,796
Youth and Humanitarian	292,625	242,661
Disaster Preparedness	164,903	1,928,429
Health program	152,991	173,956
Blood promotion	51,480	90,460
First aid	45,872	-
Total	**9,980,619**	**14,395,080**
Grand Total	**45,956,689**	**51,979,090**

7. Administrative Expenses

Administrative Expenses for the years indicated are categorized as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Personnel expenses	78,782,879	71,838,757
Operating expenses	22,588,204	17,436,254
TOTAL	**101,371,083**	**89,275,011**

Administrative expenses comprise of expenditures covered by funds, for which the donor imposed specific restrictions (fund generated through donors) and expenditures paid out of unrestricted funds and other funds designated as restricted in their purpose, although not specifically defined by donor agreement (fund generated own activities).

7. Administrative Expenses (continued)

Personnel Expense is categorized as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Albanian Red Cross		
Salaries	19,036,666	20,631,702
Other	5,407,804	6,262,733
Social charges	4,850,522	4,888,370
Pension and social charges	2,855641	-
Volunteer coordinator	1,751,070	-
Volunteers	1,314,240	663,560
Per diem	1,054,071	821,308
Total	**36,270,014**	**33,267,673**
Branches		
Salaries	23,374,260	21,076,943
Social charges	5,434,581	5,067,618
Volunteer coordinator	4,510,363	-
Volunteers	4,331,150	5,639,453
Other	2,477,600	6,658,620
Pension and social charges	2,352,611	-
Per diem	32,300	128,450
Total	**42,512,865**	**38,571,084**
Grand Total	**78,782,879**	**71,838,757**

7. Administrative Expenses (continued)

Operating Expense is categorized as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Albanian Red Cross		
Capital expenditure	4,613,044	5,991,947
Consultants	1,780,550	811,445
Office costs	1,746,205	1,155,447
Communication	963,757	1,057,496
Other	868,859	228,904
Financial charges	387,855	248,942
Advertisement	76,560	32,200
Professional fees	-	1,661,209
Total	**10,436,830**	**11,187,590**
Branches		
Capital expenditure	8,056,494	2,284,763
Office costs	2,231,418	2,362,806
Communication	1,058,480	941,035
Financial charges	743,405	660,060
Consultant	61,577	-
Total	**12,151,374**	**6,248,664**
Grand Total	**22,588,204**	**17,436,254**

8. Property and equipment

Property and equipment are composed as follows:

	Land and Buildings	Computers and Equipment	Office supplies	Vehicles	Total
Cost					
At January 1, 2017	**504,540,924**	**8,640,153**	**8,138, 705**	**4,719,785**	**526,039,567**
Additions	-	3,291,906	156,370	-	3,448,276
At December 31, 2017	**504,540,924**	**11,932,059**	**8,295,075**	**4,719,785**	**529,487,843**
Additions	2,550,000	2,018,966	16,844,991	3,016,747	24,430,704
Disposal	-	(1,716,606)	(1,289,500)	-	(3,006,106)
At December 31, 2018	**507,090,924**	**12,234,419**	**23,850,566**	**7,736,532**	**550,912,441**
Accumulated depreciation					
At January 1, 2017	**(400,311,516)**	**(6,977,263)**	**(7,159,518)**	**(3,685,109)**	**(418,133,406)**
Depreciation for the year	(19,199,831)	(854,055)	(306,113)	(344,892)	(20,704,891)
At December 31, 2017	**(419,511,347)**	**(7,831,318)**	**(7,465,631)**	**(4,030,001)**	**(438,838,297)**
Depreciation for the year	(19,251,277)	(1,749,048)	(1,263,141)	(403,167)	(22,666,633)
Depreciation for the year for disposals	-	1,716,606	1,289,500	-	3,006,106
At December 31, 2018	**(438,762,624)**	**(7,863,760)**	**(7,439,272)**	**(4,433,168)**	**(458,498,824)**
Carrying amount					
At December 31, 2017	**85,029,577**	**4,100,741**	**829,444**	**689,784**	**90,649,546**
At December 31, 2018	**68,328,300**	**4,370,659**	**16,411,294**	**3,303,364**	**92,413,617**

8. Property and equipment (continued)

No tangible asset is used as loan collateral from banks and third parties (2017: none).

During 2008, the Organization capitalized land and buildings donated or purchased with donated funds during the years 1993 to 2002. At the same time, buildings donated were recognized as deferred income, which is realized to grant income on a systematic basis over the useful life of the respective assets (refer to note 10).
The Organization has not obtained legal title to the following properties as at December 31, 2018:

- Building of Tirana branch with a net carrying amount of LEK 0 which is under legal procedures (refer to note 12).
- Office building in Durres branch with a net carrying amount of LEK 925,858. Legal title is not obtained because the Organization has not purchased the land on which the office is located, which is state property. The process hold as the Government has not yet approved the price of the land.
- Part of the office building located in Elbasan with a net carrying amount of LEK 184,070.

Management believes that is reasonably certain that legal title will be obtained in the future. Accordingly these buildings have been recognized in the financial statements.

Properties where the Organisation has neither obtained legal title nor estimated the initial costs or fair value, are not included in property and equipment at December 31, 2018 (refer to note 12).

9. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

	As at December 31, 2018	As at December 31, 2017
Cash at banks	165,747,144	164,002,344
Current account in LEK	*98,789,883*	*93,818,254*
Current account in EUR	*29,010,549*	*30,444,208*
Current account in USD	*32,596,324*	*37,065,089*
Current account in CHF	*5,350,387*	*2,674,793*
TOTAL	**165,747,144**	**164,002,344**

10. Other assets

Other assets comprise by the following deposits as of December 31, 2018 and 2017:

a. Short term deposits

	December 31, 2018		December 31, 2017	
	Amount	Interest Rate	Amount	Interest Rate
LEK	65,631,984	2.1% - 4.2%	46,590,986	0.1% - 4%
USD	118,633,735	1.3% - 4%	-	-
Total	**184,265,719**		**46,590,986**	

Short term deposits represent six deposits (2017: five deposits) placed with local banks with a remaining maturity of between 4 to 12 months.

10. Other assets (continued)

b. Long term deposits

	December 31, 2018		December 31, 2017	
	Amount	Interest Rate	Amount	Interest Rate
LEK	15,000,000	4.2%	45,000,000	2.1% - 4.2%
EUR	61,147,931	2.0% - 2.5%	67,330,687	2.0% - 2.5%
USD	-	-	125,730,000	2.5% - 3.3%
Total	**76,147,931**		**284,660,208**	

Long term deposits represent three deposits (2017: six deposits) placed with local banks with a remaining maturity of between 3 and 4 years (2017: from 3 to 5 years).

11. Deferred Income

Deferred income represents the net carrying value of assets donated during the years 1993 to 2002 first recognized in 2008 (refer to note 8). Movement in deferred income is as follows:

	As at December 31, 2018	As at December 31, 2017
Balance at the beginning of the year	8,463,926	23,087,122
Released to grant income during the year	(8,463,926)	(14,623,196)
Balance at the end of the year	**-**	**8,463,926**

12. Other liabilities

	As at December 31, 2018	As at December 31, 2017
Social Insurance and personal income tax	2,404,308	2,335,326
Payables to employees	1,807,451	3,701,269
Due to branches	771,294	1,356,435
Total	**4,983,053**	**7,393,030**

Due to branches, represent amount received in the bank account, which are not the income of the Head office but are income of the branches.

13. Contingencies and commitments

Commitments

There are no commitments as at December 31, 2018.

Litigations

Please refer to note 8 for litigations regarding Property and Equipment. There are no other litigations except those mentioned in note 8.

14. Related parties transactions

Related party transactions, and for the year ended December 31, 2019 and 2018 are as follows:

	For the year ended December 31, 2018	For the year ended December 31, 2017
Income from donors:		
IFRC DREF	12,471,536	-
IFRC	4,848,844	-
German RC	192,875	-
Chinese RC	-	5,760,000
Macedonian RC	-	1,106,083
Croatian RC	-	683,500
TOTAL	**25,243,025**	**28,800,579**
Management Remuneration		
Salaries and Bonuses	2,111,530	2,111,530
	2,111,530	**2,111,530**

15. Events after the reporting date

There are no events after the balance sheet date that would require either adjustments or additional disclosures in the financial statements

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