

**Albanian Red Cross**  
**Independent Audit Report and Financial Statements**  
**as at and for the year ended December 31, 2024**

**forv/s**  
**mazars**

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**INDEPENDENT AUDITOR'S REPORT****To the Management of Albanian Red Cross****Opinion**

We have audited the financial statements of Albanian Red Cross ("the Organization"), which comprise statement of financial position as at December 31, 2024, statement of income and expenses, statement of changes in fund balance and statement of cash flows 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, 2024, and its financial performance and its cash flows for the year then ended in accordance with 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 modified cash basis method 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.

**Other Information**

Management is responsible for the Other Information. The Other Information comprises the information provided in the Performance Activity Report, prepared by Management in accordance with Article 22 of Law No. 25/2018, dated May 10, 2018, "On Accounting and Financial Statements", but does not include the financial statements and our auditors' report thereon. The Performance Activity Report is expected to be made available after the date of this auditors' report. Our opinion on the financial statements does not cover the other information and we do not convey any conclusion that provides assurance about this information

### **Other Information (continued)**

In relation to the audit of the financial statements, we are responsible for reading the Other Information, as identified above when available to us, and assessing whether it is materially inconsistent with the financial statements or with the knowledge obtained during the audit, or otherwise appears to contain a material misstatement. After reading the Performance Activity Report, if we conclude that it contains a material misstatement, we are required to communicate the matter to those charged with governance.

### **Restriction on Distribution and Use**

Our report is intended solely for the information and use of the Organization's management and its donors, and should not be distributed to other parties or used for any other purpose 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.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objective is 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.

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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 according to cash modified basis of accounting.

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.



**forv/s  
mazars**  
Enlin Duraku, Str. Binjaket Build,  
No.5, 1013, Tirane, Albania  
NUI: K32123006W

December 02, 2025

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**Diana Ylli (Golemi)**

Statutory Auditor

**Albanian Red Cross**

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

**Statement of Financial Position**  
As at December 31, 2024

	Notes	December 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment, net	4	42,544,189	44,556,086
Other assets	7	261,014,368	241,303,601
<b>Total non - current assets</b>		<b>303,558,557</b>	<b>285,859,687</b>
<b>Current assets</b>			
Cash and cash equivalents	5	243,460,443	288,732,248
Investments	6	10,000,000	10,000,000
Other assets	7	140,999,832	119,466,720
<b>Total current assets</b>		<b>394,460,275</b>	<b>418,198,968</b>
<b>Total assets</b>		<b>698,018,832</b>	<b>704,058,655</b>
<b>Liabilities and fund balance</b>			
<b>Non-current liabilities</b>			
Deferred grant	8	1,548,600	-
Fund balance		688,529,757	696,376,871
<b>Total non-current liabilities</b>		<b>690,078,357</b>	<b>696,376,871</b>
<b>Current liabilities</b>			
Other liabilities	9	7,940,475	7,681,784
<b>Total current liabilities</b>		<b>7,940,475</b>	<b>7,681,784</b>
<b>Total liabilities and Fund Balance</b>		<b>698,018,832</b>	<b>704,058,655</b>

The General Secretary of Albanian Red Cross has authorised these financial statements for issue on November 26, 2025.



Mr. Artur Katuci  
General Secretary




Ms. Elvetina Stillo  
Finance Manager

The balance sheet is to be read in conjunction with the notes set out on pages 8 to 22 and forming part of the financial statements.

## Statement of Activities for the year ended December 31, 2024

	Notes	For the year ended as at December 31, 2024	For the year ended as at December 31, 2023
<b>Income</b>			
Donors	10	17,715,533	35,073,766
Branches' activities	11	77,034,575	83,435,943
Head office income	12	70,644,521	94,739,491
<b>Total Income</b>		<b>165,394,629</b>	<b>213,249,200</b>
<b>Expenses</b>			
Program expenses	13	(53,089,546)	(72,916,716)
Administrative expenses	14	(119,646,636)	(123,818,889)
Depreciation	4	(5,715,292)	(11,449,851)
<b>Total Expenses</b>		<b>(178,451,474)</b>	<b>(208,185,456)</b>
<b>Surplus of income over expenses</b>		<b>(13,056,845)</b>	<b>5,063,744</b>
<b>Net financing income</b>			
Interest income	16	10,687,469	9,302,585
Net foreign exchange (loss)/gains	15	(5,477,738)	(34,042,937)
<b>Total financing loss</b>		<b>5,209,731</b>	<b>(24,740,352)</b>
<b>Surplus for the year</b>		<b>(7,847,114)</b>	<b>(19,676,608)</b>

The statement of income and expenses is to be read in conjunction with the notes set out on pages 8 to 22 and forming part of the financial statements.

**Albanian Red Cross**

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

**Statement of Changes in Fund Balance for the year ended December 31, 2024**

	Fund generated through donors	Funds generated by Albanian Red Cross	Total
<b>Fund balance at 1 January 2022</b>			<b>621,644,506</b>
Total surplus / (deficit) for the year	287,456,953 (255,040)	334,187,553 94,664,011	94,408,971
<b>Fund balance at 31 December 2022</b>	<b>287,201,913</b>	<b>428,851,564</b>	<b>716,053,477</b>
<b>Fund balance at 1 January 2023</b>			<b>716,053,477</b>
Total surplus / (deficit) for the year	287,201,913 (17,155,222)	428,851,564 (2,521,384)	(19,676,606)
<b>Fund balance at 31 December 2023</b>	<b>270,046,691</b>	<b>426,330,180</b>	<b>696,376,871</b>
<b>Fund balance at 1 January 2024</b>			<b>696,376,871</b>
Total surplus / (deficit) for the year	270,046,691 (13,120,337)	426,330,180 5,273,223	(7,847,114)
<b>Fund balance at 31 December 2024</b>	<b>256,926,354</b>	<b>431,603,403</b>	<b>688,529,757</b>

The statement of Changes in Fund Balance is to be read in conjunction with the notes set out on pages 8 to 22 and forming part of the financial statements.

**Albanian Red Cross***(All amounts are expressed in LEK, unless otherwise stated)***Statement of Cash Flow****For the year ended as at December 31, 2024**

		<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
<b>Cash flows from operating activities</b>			
Surplus for the year		(7,847,114)	(19,676,608)
<i>Adjustments for:</i>			
Depreciation	4	5,715,292	11,449,851
Interest income	16	(10,687,469)	(9,302,585)
<i>Changes in operating assets and liabilities</i>			
Increase in prepayments		-	2,985,493
Increase/ (Decrease) in liabilities	9	258,691	(278,596)
Increase/(decrease) in deferred grants	8	1,548,600	-
Interest received	16	10,687,469	9,302,594
<b>Net cash from operating activities</b>		<u><b>(324,531)</b></u>	<u><b>(5,519,851)</b></u>
<b>Investing activities</b>			
Acquisition of property and equipment	4	(3,703,395)	(8,004,200)
Withdrawal/(Deposits) in time deposits		(41,243,879)	19,400,284
<b>Net cash from investment activities</b>		<u><b>(44,947,274)</b></u>	<u><b>11,396,084</b></u>
<b>Net increase in cash and cash equivalents</b>		<u><b>(45,271,805)</b></u>	<u><b>5,876,233</b></u>
Cash and cash equivalents, beginning of the year		288,732,248	282,856,015
<b>Cash and cash equivalents at 31 December</b>	<b>5</b>	<u><u><b>243,460,443</b></u></u>	<u><u><b>288,732,248</b></u></u>

The statement of Cash Flows is to be read in conjunction with the notes set out on pages 8 to 23 and forming part of the financial statements.

## **Albanian Red Cross**

### **Notes to the financial statements for the year ended December 31, 2024**

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

#### **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, 2024, ARC had 39 branches (2023: 39) throughout the country, with full time staff 56 (2023: 59), part-time staff 15 (2023: 18) and 2,295 supporting volunteers (2023: 2,750).

President and General Secretary as at December 31, 2024 and 2023 are:

Mr. Ylli Alushi - President

Mr. Artur Katuci - General Secretary

#### **2 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

The accompanying financial statements have been prepared on the modified cash basis method 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 Organization'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 Organization. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the financial statements were prepared on the going concerning 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.

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

##### **3.1 Foreign currency transactions**

Foreign currency transactions are converted into Lek at the exchange rate at the beginning of each month. 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.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.2 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

Residual value, useful life and depreciation methods are reviewed and adjusted when appropriate. Changes in the amortization method will be recognized as changes in accounting rules. No indicators have emerged, indicating a need for an asset revaluation.

**3.3 Cash and cash equivalents**

Cash and cash equivalents include cash and highly liquid bank deposits with an original maturity of three months or less. Deposits with maturity between 1 to 12 months are classified as short-term. Deposits with maturity 12 months and more are classified as long-term.

**3.4 Investments**

Investments is comprised from investments in other entities. The funds for performing this investment belong to other income that Albania Red Cross gains from its activities, and not from the donations given from donors. The investments are treated under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount is then increased or decreased to recognise the investor's share of the subsequent profit or loss of the investee and to include that share of the investee's profit or loss in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee and for the investee's other comprehensive income.

**3.5 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.

**3.6 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.

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

### **3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **3.7 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.

#### **3.8 Taxation**

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

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.

Albanian Red Cross

Notes to the financial statements for the year ended December 31, 2024

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

4. Property and equipment

Property and equipment are composed as follows:

Cost	Land and Buildings	Computers and Equipment	Office supplies	Vehicles	Total
At 1 January 2023	509,475,324	13,088,677	26,139,553	22,854,623	571,558,177
Additions	7,220,200	255,000	529,000	-	8,004,200
At 31 December 2023	516,695,524	13,343,677	26,668,553	22,854,623	579,562,377
At 1 January 2024	516,695,524	13,343,677	26,668,553	22,854,623	579,562,377
Additions	-	1,706,425	448,370	1,548,600	3,703,395
At 31 December 2024	516,695,524	15,050,102	27,116,923	24,403,223	583,265,772
Accumulated depreciation					
At 1 January 2023	(478,465,350)	(9,806,032)	(22,282,208)	(13,002,849)	(523,556,439)
Depreciation for the year	(4,261,101)	(1,269,008)	(2,292,775)	(3,626,968)	(11,449,852)
At 31 December 2023	(482,726,451)	(11,075,040)	(24,574,983)	(16,629,817)	(535,006,291)
At 1 January 2024	(482,726,451)	(11,075,040)	(24,574,983)	(16,629,817)	(535,006,291)
Depreciation for the year	(607,730)	(1,563,228)	(607,450)	(2,936,884)	(5,715,292)
At 31 December 2024	(483,334,181)	(12,638,268)	(25,182,433)	(19,566,701)	(540,721,583)
Carrying amount					
At 31 December 2023	33,969,073	2,268,637	2,093,570	6,224,806	44,556,086
At 31 December 2024	33,361,343	2,411,834	1,934,490	4,836,522	42,544,189

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

#### 4. Property and equipment (continued)

No tangible asset is used as loan collateral from banks and third parties (2023: none).

The Organization has not obtained legal title to the following properties as of December 31, 2024:

- The land on which Tirana headquarters are located, which as per decision taken in Tirana Judicial District Court on June 4, 2018, shall be registered as a property of ARC on Real Estate Registration Office. As of the date of these financial statements the defendant Ministry of Finance, has not appealed this decision. ARC is in process of obtaining the ownership certificate. This asset has not yet been recorded on the fixed asset register from ARC.
- Durres Branch building confirmed for construction from Urban Planning Section. Legal title is not yet obtained because the Organization has not purchased the land on which the office is located, which is state property, and no response has been obtained from Property Handling Agency, with regard to ARC requirement for the recognition of ownership for the land and building in question. No legal procedures have been yet initiated in this regard. This asset has not yet been recorded on the fixed asset register from ARC.
- Part of the office building located in Elbasan, which has been subsequently constructed in the year 2000, for which the owner according to the certificate of ownership, due to an application process error, is the former branch secretary. The transfer of ownership from former branch secretary to ARC cannot be done without the deed of donation by the former secretary. No legal procedures have been yet initiated in this regard therefore this part of the building has not yet been recorded on the fixed asset register from ARC.
- Albanian Red Cross claims its ownership on a specific land area and building of the Trauma Hospital. ARC claims to take in its ownership the land area not part of the public interest, whereas for the building ARC claims a monetary compensation, since it includes a building of public interest. This is an ongoing case, and it is complicated since it requires a revaluation of the investment made by ARC on the construction of the "Shelter for the poor" (nowadays the Trauma Hospital). The case is still being processed in terms of technical issues and evaluation process.
- Durrës Judicial District Court is processing the case with the land area in Xhafzotaj and Rashbull, Durres, known as "Cifligu Rreth". ARC claims to take in its ownership this land area or requires a monetary compensation, if the land cannot be taken under the ownership of ARC because of public interests involved. Currently, the case is in the phase of realization and submission of the technical Expertise Act form.
- Saranda Judicial District Court is processing the case of the land areas donated in "Donation Act of Saranda", from the King Zogu I. ARC claims to take in its ownerships these land areas or to be compensated financially in accordance with the value of the land area. The case is currently in the preparatory action phase. The procedural requests of the parties participating in the trial are being evaluated by the court.
- Albanian Red Cross claims ownership on the land areas located in "Pylli i Pishave", Divjake. These land areas were donated in a Donation Act during the era of the King Zogu I. If the areas cannot be taken under the ownership of ARC, because of existing public interests, then ARC claims to be compensated accordingly.

**4. Property and equipment (continued)**

Currently no court hearing has been held as the case is in the communication phase of the claim to the defendants and third parties. The Red Cross is awaiting communication from the court of the Defence Statements of these parties.

The Albanian Red Cross has also legal issues, in which individuals claim ownership on the buildings owned by the ARC. As per December 31, 2024, three citizens claim ownership or monetary compensation for the land area in Saranda branch. This case is being processed by the Saranda Judicial District Court. As there is still no court decision to accept the review of the lawsuit, no billing is made to the legal studio for the representation of the ARC in the position of the defendant in this trial.

There are no contingent assets or liabilities requirements that are met for a respective one to be recognized.

Management has a fixed asset register with assets not recognised in the financial statements being old, and fully amortised, therefore no recoverable amount is expected from them, but that they continue to be in the possession of the Organisation. Once an opportunity arises for these assets to be sold or reused, they will be properly disclosed in the financial statements.

There are some fixed assets which are fully amortized but are still in use by the organization. They are currently held at a nil net book value. For this asset no revaluation has been deemed necessary to be performed for this financial year. The cost of fixed assets which are fully depreciated is 521,795,756 ALL (424,525,454 ALL : 2023)

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, 2024

**5. Cash and cash equivalents**

Cash and cash equivalents consist of balances held in bank accounts. Cash and cash equivalents as at December 31, 2024 and 2023 are detailed below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<b>Cash at banks</b>	<b>243,460,443</b>	<b>288,732,248</b>
<i>Current accounts in ALL</i>	102,699,554	167,849,175
<i>Current accounts in EUR</i>	34,116,515	49,529,696
<i>Current accounts in USD</i>	103,798,461	66,232,458
<i>Current accounts in CFH</i>	2,845,913	5,120,919
<b>Total</b>	<b>243,460,443</b>	<b>288,732,248</b>

**Albanian Red Cross****Notes to the financial statements for the year ended December 31, 2024***(All amounts are expressed in LEK, unless otherwise stated)***6. Investment**

EN-KKSH is a subsidiary of ARC founded in 2020 with 50% of the founding capital owned by Albanian Red Cross. The investment in the subsidiary includes the cost of the investment on EN KKSH and subsidiary post-acquisition profits. Investment is detailed as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Investment for EN-KKSH shpk	10,000,000	10,000,000
<b>Total</b>	<b>10,000,000</b>	<b>10,000,000</b>

**7. Other assets**

Other assets comprise the following deposits as of December 31, 2024 and 2023:

**a. Short term deposits**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short term Time deposits		
in ALL	93,091,831	44,314,718
in USD	28,278,001	75,152,002
in EUR	19,630,000	-
<b>Total</b>	<b>140,999,832</b>	<b>119,466,720</b>

Short term deposits represent eight deposits (2023: six deposits) placed with local banks with a remaining maturity of between 1 to 12 months.

**b. Long term deposits and investment fund**

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Long term Time Deposits		
in ALL	165,256,648	161,654,995
in USD	47,130,001	28,182,001
in EUR	48,627,719	51,466,605
<b>Total</b>	<b>261,014,368</b>	<b>241,303,601</b>

Long-term deposits represent six deposits and one Investment fund (2023: six deposits) placed with local banks with a remaining maturity of between 2 and 5 years (2023: from 2 to 5 years).

**Albanian Red Cross**

**Notes to the financial statements for the year ended December 31, 2024**

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

**8. Deferred grant**

Deferred grant as at December 31, 2024 and 2023 are detailed below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deferred Grants - WHALY Boat	1,548,600	-
<b>Total</b>	<b>1,548,600</b>	<b>-</b>

The deferred grant represents the donation of a WHALY boat and will be allocated to income over the asset's estimated useful life.

**9. Other liabilities**

Other liabilities as at December 31, 2024 and 2023 are detailed below:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Social Insurance and personal income tax	3,517,094	3,724,698
Payables to employees	4,350,362	4,038,765
Clearing Account	-	(401,430)
Differences from banks	73,019	319,751
<b>Total</b>	<b>7,940,475</b>	<b>7,681,784</b>

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

**Albanian Red Cross**

**Notes to the financial statements for the year ended December 31, 2024**

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

**10. 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:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
IFRC/ PSS	1,609,301	-
IFRC Scaling Up	-	4,292,730
IFRC Alert HUB	-	1,106,700
IFRC BOCA	943,679	-
Shoken Funds	-	2,917,186
RESOPP/Serbian RC	-	5,224,802
Austrian Red Cross	(915,367)	-
ADA	997,830	-
IFRC PEER	-	(1,229,310)
IFRC / Flood Resilience	5,150,883	5,164,483
ICRC/ HR	1,209,653	474,559
Spanish Red cross	2,009,611	-
Italian Red Cross	2,406,909	-
Vodafone Albania Foundation	-	3,107,715
American Embassy	-	428,078
QKT (Blood promotion)	176,800	5,373,700
Qatar Red Crescent / Social project	3,692,347	2,071,085
OBSH Vaccination/sensibilization	-	5,410,200
Credins Bank Smile platform	-	275,983
Raiffeisen Bank	433,887	455,855
<b>Total</b>	<b><u>17,715,533</u></b>	<b><u>35,073,766</u></b>

The funds received during 2024 are composed by restricted funds LEK 18,630,900 (2023: LEK 36,303,075) and unrestricted funds LEK nil (2023: nil).

The amount of 915,367 LEK represents the return of funds received from the Austrian Red Cross during 2024, while the amount of 1,229,310 LEK represents the return of funds received from IFRC PEER during 2023.

**Albanian Red Cross**

**Notes to the financial statements for the year ended December 31, 2024**

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

**11. Income from branch activities**

Income from branch activities is composed as follows:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
Local courses	6,128,200	5,673,800
Local donations	15,463,625	7,842,689
Membership fees	8,648,200	10,097,000
First Aid Courses	16,130,400	24,789,375
First Aid Books	19,852,000	30,506,800
Income from renting offices	1,381,410	1,549,000
National Centre for blood donation	7,714,600	2,164,100
Other	1,716,140	813,179
<b>Total</b>	<b><u>77,034,575</u></b>	<b><u>83,435,943</u></b>

Income from first aid courses and books mainly arise from first aid courses offered by the Organisation 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 funds as restricted in their purpose.

Membership fees are related to individuals that contribute and donate to ARC paying on a membership quote of 100 ALL, Based on Albanian Red Cross Policy this fee is applicable to any individual who joins Red Cross as a member.

Income from renting offices includes the income from rents that Red Cross generates from the properties that rents.

National Centre for blood donation includes income that the National Blood Centre in Albania donates to Red Cross.

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.

## Albanian Red Cross

### Notes to the financial statements for the year ended December 31, 2024

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

#### 12. Head Office income

Head Office income is composed as follows:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
First Aid Courses	43,428,000	66,740,625
First Aid Books	4,963,000	7,626,700
Rent Offices & Warehouses	14,059,079	11,342,377
Funds donated from citizens	6,841,339	2,166,035
Funds donated from citizens for Earthquake/Turkey&Syria	-	5,100,012
Other	1,353,103	1,763,742
<b>Total</b>	<b><u>70,644,521</u></b>	<b><u>94,739,491</u></b>

Funds donated 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.

According to the agreement with the Ministry of Public works and transport, organizations should allocate 3% of the income from first aid courses every 6 months. Regarding this financial year, the organization has not allocated and paid this amount to the Ministry because the Ministry has not made any request or verification of income yet.

The amount to be paid in 2024 is 1,786,752 Lek out of 59,558,400 Lek, while for 2023 the amount to be paid was 2,745,900 Lek out of 91,530,000 Lek.

#### 13. Program expenses

Program expenses are composed as follows:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
Headquarter programs	40,856,902	63,841,797
Branch programs	12,232,644	9,074,919
<b>TOTAL</b>	<b><u>53,089,546</u></b>	<b><u>72,916,716</u></b>

Program expenses comprise 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 through own activities).

Albanian Red Cross

Notes to the financial statements for the year ended December 31, 2024

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

13. Program expenses (continued)

Program expenses for the years indicated is categorized as follows:

	For the year ended as at December 31, 2024	For the year ended as at December 31, 2023
<i>Headquarter programs</i>		
Social Welfare	5,636,750	12,818,050
Disaster Preparedness& Response	22,270,476	36,722,884
Health&PSS	1,729,791	818,422
Blood promotion	299,279	20,250
Development	3,197,133	4,293,913
First aid	2,023,877	2,699,633
Youth and Humanitarian Education	1,680,183	2,221,358
Public relation	1,605,090	1,097,923
Property administration	75,557	363,950
Headquarters support	2,338,766	2,785,414
	<b>40,856,902</b>	<b>63,841,797</b>
<i>Branches</i>		
Social Welfare	8,566,757	5,465,183
Disaster Preparedness	126,196	127,237
Health program	70,445	85,614
Blood promotion	27,150	69,540
Development	1,074,943	1,168,538
First aid	-	21,410
Youth and Humanitarian Education	806,914	617,869
Branch support	1,560,239	1,519,528
	<b>12,232,644</b>	<b>9,074,919</b>
<b>TOTAL</b>	<b>53,089,546</b>	<b>72,916,716</b>

**Albanian Red Cross**

**Notes to the financial statements for the year ended December 31, 2024**

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

**14. Administrative Expenses**

Administrative Expenses for the years indicated are categorized as follows:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
Personnel expenses	105,207,583	107,409,298
Operating expenses	14,439,053	16,409,591
<b>TOTAL</b>	<b><u>119,646,636</u></b>	<b><u>123,818,889</u></b>

Administrative expenses comprise 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).

Personnel Expense is categorized as follows:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
<b>Headquarter</b>		
Salaries	26,253,460	29,258,400
Per diem	541,683	645,660
Social charges	7,101,870	7,735,508
Pension and social charges	3,215,781	3,283,425
Volunteers/rep exp	1,978,800	1,555,200
Volunteers/Coordin	2,574,600	4,526,359
Other	5,839,712	5,771,969
	<b><u>47,505,906</u></b>	<b><u>52,776,521</u></b>
<b>Branches</b>		
Salaries	38,698,063	36,071,138
Per diem	79,600	-
Social charges	7,691,539	7,496,910
Pension and social charges	2,714,294	3,113,712
Volunteers/rep exp	1,896,000	2,148,000
Volunteers/Coordinator	3,854,830	3,734,399
Other	2,767,351	2,068,618
	<b><u>57,701,677</u></b>	<b><u>54,632,777</u></b>
<b>Total Personnel expenses</b>	<b><u>105,207,583</u></b>	<b><u>107,409,298</u></b>

**Albanian Red Cross****Notes to the financial statements for the year ended December 31, 2024**

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

**14. Administrative Expenses (continued)**

Personnel expenses of branches comprise expenditures covered by funds, for which the donor imposed no 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 from organization activities).

Personnel expenses of head office are all covered by funds generated from organization activities.

Operating Expense is categorized as follows:

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
<b>Headquarter</b>		
Financial charges	351,001	303,944
Office costs	1,112,057	1,320,413
Electricity	426,402	472,518
Water	46,416	314,518
Consultants	757,900	1,446,900
Professional fees	4,039,461	3,230,338
Capital expenditure	917,337	251,013
Communication	1,003,675	919,799
Other	640,926	777,162
	<u>9,295,175</u>	<u>9,036,605</u>
<b>Branches</b>		
Financial charges	735,984	712,961
Office costs	708,377	806,471
Electricity	1,298,585	1,409,925
Water	398,447	366,651
Capital expenditure	1,059,078	3,078,646
Communication	943,407	998,332
	<u>5,143,878</u>	<u>7,372,986</u>
<b>Total Operating expenses</b>	<u>14,439,053</u>	<u>16,409,591</u>

**Albanian Red Cross****Notes to the financial statements for the year ended December 31, 2024**

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

**15. Net foreign exchange losses**

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
Foreign exchange losses	5,477,738	34,042,937
	<u>5,477,738</u>	<u>34,042,937</u>

The change in net foreign exchange is primarily attributable to fluctuations in the exchange rate. These fluctuations, particularly concerning the exchange rate of the local currency against foreign currencies, have impacted the valuation of foreign currency.

**16. Interest income**

Interest income balance is comprised by interest on short term ,long-term deposits and investment fund

	<u>For the year ended as at December 31, 2024</u>	<u>For the year ended as at December 31, 2023</u>
Interest income	10,687,469	9,302,585
	<u>10,687,469</u>	<u>9,302,585</u>

**17. Contingencies and commitments***Commitments*

There are no significant capital commitments contracted at the date of the statement of financial position that are not already recognized in the financial statements.

*Litigations*

During the normal course of its business, the Organisation may be involved in legal claims or actions of third parties as well as from tax authorities. Based on the opinion of the management of the Organisation, the final conclusion about these matters will not have an effect on the financial position of the Organisation or would not bring changes in assets.

The Organization is not subject to any legal proceedings, claims, and litigation arises in the ordinary course of business.

There are some legal cases in progress as disclosed on PPE note - but the conditions not yet met for an appropriate booking to be made.

**18. Events after the reporting date**

There are no other events after the reporting date that would require either adjustments or additional disclosures in the financial statements.