

Financial Statements and Independent Auditor's  
Report

Albanian Helsinki Committee (ACH)

As of and for the year ended in 31 December 2021

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## Independent Auditor's Report

To the Board of Directors of "Albanian Helsinki Committee",

### *Opinion*

We have audited the financial statements of "Albanian Helsinki Committee" ("AHC"), which comprise the statement of financial position as at 31 December 2021, the statement of activities, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the "Albanian Helsinki Committee" as at 31 December 2021, the statement of activities and its cash flows for the year then ended in accordance with AHC's accounting policies for purposes of donor reporting as described in note 2.

### *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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of matter – Basis of accounting*

We draw attention to note 2 to the financial statements, which describes the basis of preparation. The financial statements are prepared to assist the Organization to meet the requirements of its donors. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*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 AHC's accounting policies as described in note 2., 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 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.

**Grant Thornton sh.p.k.**

Tirana, Albania  
7 October 2022





## STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2021	31 December 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash on hand	4	75,541	79,132
Cash on bank	4	23,164,714	35,940,312
Other receivables	5	-	43,161
<b>Total current assets</b>		<b>23,240,255</b>	<b>36,062,605</b>
<b>Non-current assets</b>			
Property, plant and equipment	6	1,242,530	1,267,204
<b>Total non current assets</b>		<b>1,242,530</b>	<b>1,267,204</b>
<b>Total assets</b>		<b>24,482,785</b>	<b>37,329,809</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	9	4,173,402	4,735,027
Tax liabilities	9	638,727	878,674
<b>Total current liabilities</b>		<b>4,812,129</b>	<b>5,613,701</b>
<b>Non-current liabilities</b>			
Project funds	7	16,485,885	28,434,461
<b>Total non-current liabilities</b>		<b>16,485,885</b>	<b>28,434,461</b>
<b>Total liabilities</b>		<b>21,298,014</b>	<b>34,048,162</b>
<b>Equity</b>			
Other funds	8	3,184,771	3,281,647
<b>Total equity</b>		<b>3,184,771</b>	<b>3,281,647</b>
<b>Total equity and liabilities</b>		<b>24,482,785</b>	<b>37,329,809</b>

The Financial Statements should be read together with the Notes on pages 4 to 10, which form an integral part of these financial statements.

The Financial Statements of the Organization were approved by the Board of Directors on 24 March 2022.

Erida Skënda  
 Executive Director



Vjosana Neziri  
 Finance Officer



## STATEMENT OF ACTIVITIES

	Notes	For the year ended as at 31 December 2021	For the year ended as at 31 December 2020
Funds from donors	10	59,758,106	38,213,227
<b>Total revenues</b>		<b>59,758,106</b>	<b>38,213,227</b>
Personnel expenses	11	(16,674,512)	(15,114,316)
Activities direct cost	11	(35,170,484)	(18,956,378)
Photocopies, stationary and other supplies	11	(1,122,011)	(456,045)
Office rent and utilities	11	(2,541,737)	(1,825,568)
Telecommunication	11	(295,941)	(404,357)
Transport	11	(1,930,050)	(196,690)
Translation	11	(634,773)	(117,781)
Audit	11	(365,040)	(91,328)
Legal services, taxes	11	(67,190)	(16,853)
Banking costs	11	(375,331)	(157,111)
Depreciation	11	(259,967)	(271,889)
Miscellaneous	11	(321,070)	(604,911)
<b>Total expenses</b>		<b>(59,758,106)</b>	<b>(38,213,227)</b>
<b>Result of the Year</b>		<b>-</b>	<b>-</b>

The Financial Statements should be read together with the Notes on pages 4 to 10, which form an integral part of these financial statements.

## STATEMENT OF CASH FLOWS

	Notes	For the year ended as at 31 December 2021	For the year ended as at 31 December 2020
<b>Operating activities</b>			
Net profit before tax		-	-
<i>Adjustment for non-cash items:</i>			
Depreciation and amortization		259,967	271,889
<i>Changes in working capital</i>			
Decrease in other receivables		43,161	208,020
Increase/(Decrease) in accounts payable		(801,573)	3,894,033
Increase/(Decrease) in project funds		(11,948,576)	23,858,050
(Decrease) in other funds		(96,876)	(985,891)
<b>Net Cash from/(used in) in operating activities</b>		<b>(12,543,896)</b>	<b>27,246,101</b>
<b>Investing activities</b>			
Purchase of property, plant, and equipment	6	(235,293)	-
<b>Net Cash from/(used in) Investing activities</b>		<b>(235,293)</b>	<b>-</b>
<b>Financing activities</b>			
<b>Net Cash from/(used in) Financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(12,779,189)	27,246,101
Cash and cash equivalents at the beginning		36,019,444	8,773,343
<b>Cash and cash equivalents at the end</b>	4	<b>23,240,255</b>	<b>36,019,444</b>

The Financial Statements should be read together with the Notes on pages 4 to 10, which form an integral part of these financial statements.



## 1. General information

The Albanian Helsinki Committee ('AHC' or the 'Organization') was initially founded under the name the "Forum for the Protection of Human Rights" on December 16, 1990. On March 22, 1992, the AHC became a member of the International Helsinki Federation for Human Rights, based in Vienna.

Albanian Helsinki Committee (AHC) was registered with the Tirana District Court, with decision no. 2/1, dated 19.07.2002. with TIN K41915012D. The address of the Committee is at Street "Brigada 8", Building "Tekno Projekt", Entrance 2, Floor 6, Apartment 10, Tirana Albania.

The Organization is based in Tirana and carries out its activity throughout Albania, with the help of its network of correspondents, based in Kukës, Gjirokastër, Fier, Vlorë, Korçë, Elbasan, and Shkodër.

AHC's mission is to contribute to respect for human rights, strengthening the rule of law, and the conduct of free and fair elections, in accordance with the Constitution and international acts applicable to the Republic of Albania.

AHC is a member of the Network of Free Legal Clinics in Albania; the Albanian Network of Organizations for the Protection of Human Rights; the Council of Europe's Civil Society Solidarity Platform; and the Network of Organizations for the Protection of Human Rights in the Balkans, which stems from this Platform.

The main donors of the Committee are: Civil Rights Defenders, EU Delegation to Albania, Council of Europe, Open Society Institute – Budapest, Open Society Foundation in Albania (OSFA), UNICEF, NATIONAL Endowment for Democracy (NED), Embassies of the Netherlands, Switzerland and the USA in Tirana.

AHC exercises its activity in accordance with the legislation in force, the act of establishment, the statute and its internal regulation. The General Assembly is defined as the highest decision-making body of the Committee. The General Assembly has the competence to decide on the admission and dismissal of members, to review the financial reports and audit reports, to decide on changes of the Committee's structure and to appoint the Executive Director. The executive board is a body of the General Assembly and exercises decision-making functions between two meetings of the Assembly, according to the competences assigned to it in the statute.

The members of the General Assembly are:

- 1-AV. Vjollca Meçaj
- 2-Z. Niazi Jaho
- 3-Prof.Dr. Artan Hoxha
- 4-Z. Kujtim Çashku
- 5-Prof.Dr Aurela Anastasi
- 7-Prof.Dr. Shaban Sinani
- 8-Z. Lutfi Dervishi
- 9-Z. Julian Mertiri
- 10-Znj. Luljeta Lleshanaku
- 11-Z. Florian Hasko

The Executive Director is responsible for the implementation of programmes, has the right to hire employees and is the legal representative of the Albanian Helsinki Committee in national and international relationships. The executive Director is Mrs. Erida Skëndaj.

## 2. Basis of preparation

The financial statements have been prepared in accordance with AHC's accounting policies as detailed below.

### 2.1. The modified cash basis

The organization maintains its accounting records in accordance with the modified cash flow method. Under this accounting method, expenses are recorded when paid and revenues are recognised only to the extent of project expenses. Only at the end of a project are payables or receivables recorded in order to show all expenses in the final statements to donors.

## 3. Summary of key accounting policies and rules

### 3.1. Going concern

The preparation of the financial statements of the Organization is normally based on the assumption that its activity is ongoing and will continue to develop without substantial changes even in the following 12-month period, except for cases where the activity is headed for decline and cessation or its liquidation within year, that there is no other alternative to act.

### 3.2. Functional and presentation currency

The Financial Statements are presented in the local currency Lekë (ALL), which is the functional and reporting currency of the Organization. Financial information is presented in Lekë.

Monetary assets and liabilities in foreign currency have been translated in the statement of financial position with the exchange rate of the Bank of Albania on 31.12.2021. Exchange rate differences arising from translation are recognized in the statement of income and expenses.

Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities in foreign currency that are presented at fair value are translated at the exchange rate on the date when the fair value is determined.

The exchange rate for the two main foreign currencies with the local currency according to the Bank of Albania on December 31, 2021 and December 31, 2020, was respectively as follows:

Exchange rate	2021	2020
Euro/ ALL	120.76	123.70
USD/ ALL	106.54	100.84

Funds received are expressed in Euros, while expenses are expressed in Euros and ALL.

Transactions in foreign currencies are converted into lek at the exchange rate on the day of the transaction.. The resulting differences are recognized in the statement of activities for the period.



### 3. Summary of key accounting policies and rules (continued)

#### 3.3. Property, plant and equipment

Property, plant and equipment (PPE) are presented on the statement of financial position at their gross value minus accumulated depreciation. Additions of PPE are recorded at the cost of their acquisition or production. Assets are depreciated using the residual value method using the following percentages:

Computer and Equipment	25%
Furniture	20%
Vehicles	10%

The cost of acquisition includes all expenses incurred to bring the asset to its existing location and conditions.

#### 3.4. Liquidities and other cash values

For the purpose of presentation and disbursement of funds, the money is considered cash and operating accounts in banks.

#### 3.5. Grants

Grants are assistance by government or other non-government organizations in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

The Committee recognises the grants as below:

- A grant that does not set future compliance with certain conditions by the beneficiary is recognized in revenue when the grant is received.
- A grant that sets future compliance with certain conditions by the beneficiary are recognized in revenue only when performance conditions are met.
- Grants received before meeting the recognition criteria of income are recognized as a liability.

Assets received or purchased through grants are recognized in the statement of financial position in the same way as other assets of the same type are recognized. Income and expenses related to grants are recognized in the statement of activities in the items "Other operating income and other operating expenses" or as a separate item.

#### 3.6. Taxes and contributions

In Albania, non-profit organizations are exempt from income tax, based on Law 8438, dated 28.12.1998, "On Income Tax", amended.

#### 3.7. Employee benefits and employment income tax

The organization is responsible for social security contributions and income tax from the employment of its personnel. It has to pay contributions to the Albanian state pension fund based on the salary of each employee and has the obligation to pay the withholding tax to the tax authorities.

**4. Cash and cash equivalents**

Cash and cash equivalents on 31 December 2021 and 31 December 2020 are presented as follows:

	31 December 2021	31 December 2020
<b>Cash at banks</b>		
ALL	1,573,238	2,704,723
EUR	18,173,264	29,271,176
USD	3,418,212	3,964,413
<b>Total Cash at banks</b>	<b>23,164,714</b>	<b>35,940,312</b>
<b>Cash on hand</b>		
ALL	9,029	14,489
EUR	33,378	49,517
USD	33,134	15,126
<b>Total Cash on hand</b>	<b>75,541</b>	<b>79,132</b>
<b>Total</b>	<b>23,240,255</b>	<b>36,019,444</b>

**5. Other receivables**

Other receivables on 31 December 2021 and 31 December 2020 are presented as follows:

	31 December 2021	31 December 2020
Prepayments for office rent	-	43,161
	-	<b>43,161</b>

## 6. Property, plant and equipment

	Computer and Equipment	Furniture	Vehicles	Total
<b>Cost</b>				
Balance as at 1 January 2020	1,635,752	1,180,203	1,827,944	4,643,899
Additions	-	-	-	-
Disposals	-	(4,607)	-	(4,607)
Balance as at 31 December 2020	1,635,752	1,175,596	1,827,944	4,639,292
Balance as at 1 January 2021	1,635,752	1,175,596	1,827,944	4,639,292
Additions	235,293	-	-	235,293
Disposals	(14,567)	(8,547)	-	(23,114)
Balance as at 31 December 2021	1,856,478	1,167,049	1,827,944	4,851,471
<b>Accumulated depreciation</b>				
Balance as at 1 January 2020	(1,043,281)	(1,035,299)	(1,026,226)	(3,104,806)
Depreciation of the year	(144,483)	(32,667)	(94,739)	(271,889)
Disposals	-	4,607	-	4,607
Balance as at 31 December 2020	(1,187,764)	(1,063,359)	(1,120,965)	(3,372,088)
Balance as at 1 January 2021	(1,187,764)	(1,063,359)	(1,120,965)	(3,372,088)
Depreciation of the year	(173,094)	(29,285)	(57,588)	(259,967)
Disposals	14,567	8,547	-	23,114
Balance as at 31 December 2021	(1,346,291)	(1,084,097)	(1,178,553)	(3,608,941)
<b>Net book value</b>				
Balance as at 31 December 2020	447,988	112,237	706,979	1,267,204
Balance as at 31 December 2021	510,187	82,952	649,391	1,242,530

## 7. Project funds

Project funds on 31st December 2021 and 31 December 2020 are as following:

	31 dhjetor 2021	31 dhjetor 2020
Opening Balance	28,434,461	4,576,411
Funds received during the year (note 10)	45,712,653	60,489,731
Funds transferred from restricted to unrestricted	-	-
Expenses of the projects	(57,661,229)	(36,631,681)
Balance at the end of the year	16,485,885	28,434,461

## 8. Other funds

Other funds movement during the year are presented as below:

	31 dhjetor 2021	31 dhjetor 2020
Opening balance	3,281,647	4,267,538
Funds received and reimbursements during the year (note 10)	-	-
Foreign exchange rate (note 10)	-	-
Funds transferred from restricted to unrestricted	2,000,000	-
Project Expenses	(2,096,876)	(985,891)
Closing balance at the end of the year	3,184,771	3,281,647



## 9. Other Payable

Payables as at December 2021 and 2020 are as follows:

	31 December 2021	31 December 2020
Liabilities toward suppliers and other third parties	4,173,402	4,735,027
Tax liabilities	638,727	878,674
<b>Total</b>	<b>4,812,129</b>	<b>5,613,701</b>

## 10. Funds from Donors

Project funds received during the 2021 are as follows:

Donor	Amount in ALL	OCY	Amount in OCY
East West Management Institute (EWMI)	3,025,643	USD	29,504
Open Society Foundation for Albania (OSFA)	1,251,290	USD	12,137
International Aid Network (IAN)	1,517,518	EUR	12,278
Deutsch-Russischer Austausch (DRA)	5,168,800	EUR	42,200
German Embassy	1,844,336	EUR	15,000
The Netherlands Helsinki Committee (NHC)	304,970	EUR	2,475
Balkan Trust for Democracy (BTD)	2,503,581	USD	24,996
Partners Albania for Change and Development (PAA)	716,031	EUR	5,844
The Institute for Democracy and Mediation (IDM)	6,922,151	ALL	6,922,151
Group 484	60,830	EUR	500
Center for the Study of Democracy and Governance (CSDG)	2,841,453	EUR	23,425
Macedonian Committee of Helsinki	154,436	EUR	1,272
Embassy of Netherlands	1,426,856	EUR	11,800
United nations development programme (UNDP)	400,550	ALL	400,550
Embassy of Sweden	17,574,208	SEK	1,500,000
	<b>45,712,653</b>		

Revenue from grant for the year ended 31 December 2021 and 2020, recognised only to the extent of overall AHC's expenditures:

	For the year ended as at December 31, 2021	For the year ended as at December 31, 2020
Funds from Grants	59,758,106	38,213,227
<b>TOTAL</b>	<b>59,758,106</b>	<b>38,213,227</b>

**11. Expenses**

The balance of expenses as at December 31, 2021 and 2020 is presented here below:

	For the year ended as at December 31, 2021	For the year ended as at December 31, 2020
Personnel	(16,674,512)	(15,114,316)
Direct cost for activities	(35,170,484)	(18,956,378)
Photocopies, stationary and office supply	(1,122,011)	(456,045)
Office rent and utilities	(2,541,737)	(1,825,568)
Telecommunication	(295,941)	(404,357)
Transport cost	(1,930,050)	(196,690)
Translation	(634,773)	(117,781)
Audit	(365,040)	(91,328)
Legal services, taxes	(67,190)	(16,853)
Bank Charges	(375,331)	(157,111)
Depreciation	(259,967)	(271,889)
Miscellaneous	(321,070)	(604,911)
	<b>(59,758,106)</b>	<b>(38,213,227)</b>

Direct cost for activities are detailed as following:

	For the year ended as at December 31, 2021	For the year ended as at December 31, 2020
Subgrantees/Partners	16,122,329	3,353,752
Services from external experts	11,403,617	8,816,723
Services from internal experts	2,710,977	1,300,371
Coffee break and room rental for activities	2,263,803	133,708
Expenses for printing reports, publications, posters, etc.	1,133,936	3,257,931
Accommodation expenses	793,038	540,352
Expenses for monitoring reports	227,408	248,481
Financial service	233,084	467,650
Expenses for reception and representations - working lunches	140,543	634,832
Purchase of material Covid 19	69,329	63,539
Newspapers purchase	10,860	9,060
Court costs	33,500	38,640
Telephone expenses for the third	28,060	-
Others	-	91,340
	<b>35,170,484</b>	<b>18,956,378</b>

**12. Events after the reporting dates**

There are no other subsequent events incurred that require disclosure or adjustment of the financial statements.