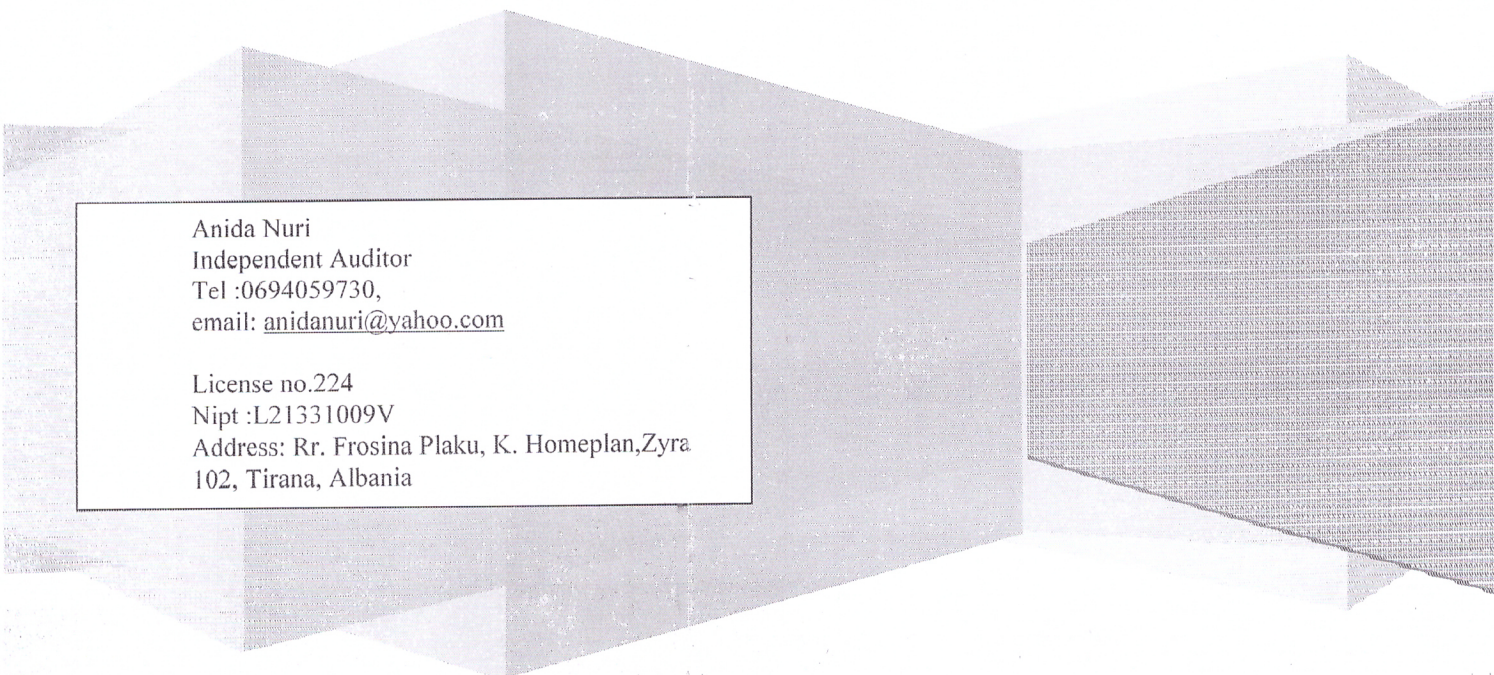


# **Independent Auditor's Report**

(FINANCIAL STATEMENTS 31.12.2018 ATTACHED)

**Instituti Shqiptar i Shkencave  
Albanian Institute of Science  
TIRANA, ALBANIA**



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## Independent Auditor's Report

To: **Instituti Shqiptar i Shkencave**  
**(Albanian Institute of Science)**  
**Tirana, Albania**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Instituti Shqiptar i Shkencave (Albanian Institute of Science), Non-profit Organization, which comprises the Statement of Financial Position as at March 31, 2018, the Statement of Activities, Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion the financial statements give a true and fair view in conformity with the accounting principles generally accepted in Albania, of the financial position of the organization as at December 31, 2018, statement of activities, and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing. 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, 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.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The organization owns as at 31.12.2018 Unrestricted Assets/ Reserves a total sum of 2,553,416 ALL.

#### **Responsibility of Management for the Financial Statements**

The Organization Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows statement in accordance with the accounting principles generally accepted in Albania. This responsibility also includes implementation and maintenance of adequate internal financial controls, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization 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 Company or to cease operations, or has no realistic alternative but to do so.



The management is also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility 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 ISA 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 skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 Company'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 Company 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 a true and fair view.

We communicate with the Board of Directors 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

Tirana, 14 April 2019

ALLS Auditing

Anida NURI  
Auditor



<b>Name</b>	INSTITUTI SHQIPTAR I SHKENCAVE (ALBANIAN INSTITUTE OF SCIENCE)
<b>NIPT</b>	L11529451L
<b>Address</b>	RR.ASIM VOGSHI, PLL.13 KATESH ,SHK.25 AP6 TIRANA
<b>No. of Court Decision</b>	No.28
<b>Date of Court Decision</b>	28/03/2011
<b>Activity</b>	NPO (Non-Profit Organization) Open Data, Statistical analysis and other information

## FINANCIAL STATEMENTS

(Non-Profit Organization)

( In accordance with Accounting National Standard "For NPO")

### YEAR 2018

**Monetary Unit**  
**Round**

ALL  
0

**Current year**

from 01.01.2018  
up to 31.12.2018

**Date of preparing the Financial Statements**

12.01.2019



## Statement of Financial Position as at 31.12.2018

Nr	Assets	Current Year 2018	Previous Year 2017
1	Cash and cash equivalents	11,120,524	3,178,396
2	Receivables, Rights and interests receivable	446,019	588,171
3	Receivables (prepaid taxes)	1,250	1,250
4	Long-term financial Investments		
5	Limited assets for investments (land, building, equipment)		
6	Land, building, equipment	1,151,428	1,297,438
7	Other long-term investments		
	<b>Total Assets</b>	<b>12,719,221</b>	<b>5,065,255</b>
	<b>Liabilities</b>		
8	Payables, insurance, tax on salaries etc	362,646	470,758
9	Payables to employees	21,300	
10	Payables to suppliers	2,121,609	
11	Grants		
12	Payable conditional promises		
13	Long-term loans		
	<b>Total Liabilities</b>	<b>2,505,555</b>	<b>470,758</b>
	<b>Net Assets</b>	<b>10,213,666</b>	
14	Restricted	7,660,250	2,498,708
	a) Land, artwork given in use, to be protected, not for sale		
	b) assets donated for investment, for permanent incomes		
	c) restricted from donors with contractual condition	7,660,250	2,498,708
15	Unrestricted	2,553,416	2,095,789
	<b>Total Net Assets</b>	<b>10,213,666</b>	<b>4,594,497</b>
	<b>Total Net Assets and liabilities</b>	<b>12,719,221</b>	<b>5,065,255</b>

Prepared by: Executive Director Aranita Brahaj



## Statement of Activities as at 31.12.2018

No.	Description	Current Year 2018	Previous Year 2017
I	Changes in net assets unrestricted	457,627	-1,654,211
II	<b>INCOMES</b>		
2	Incomes from membership		
3	Incomes from donations and voluntary contributions		
4	Incomes from government grants and other financing agencies		
5	Incomes from investments and donations in the current year	35,596,954	22,362,495
6	Incomes from services		
7	Incomes from commercial activity		
8	Other Incomes		
9	<b>Total incomes from unrestricted net assets</b>	27,479,078	24,016,706
10	<b>Net assets released from restrictions</b>	2,498,708	-1,646,034
11	Net assets released from restriction		
12	Realization of program restrictions		
13	Realization of condition for purchasing equipment		
14	End of restriction		
15	<b>Total Net Assets released from restrictions</b>	2,498,708	-1,646,034
	<b>Total Incomes from net assets unrestricted</b>	29,977,786	25,662,740
III	<b>EXPENSES for activities</b>	29,977,786	25,662,740
30	Administrative expenses (depreciation, rent etc)	4,963,635	3,754,188
2	Expenses for salaries and social contributions for projects	15,078,934	12,564,507
3	Other project expenses	9,935,216	9,344,045
	<b>Total expenses</b>	29,977,785	25,662,740
	<b>Increase/Decrease of net assets unrestricted (A)</b>	457,627	-1,654,211
	<b>Changes in net assets unrestricted:</b>	2,662,834	-1,646,034
	Contributions		
	Incomes from long-term investment		
	Profit realized/unrealized from long-term investments		
	Loss from yearly obligations		
	Net assets released from restrictions	-2,498,708	-4,144,742
	<b>Increase/decrease of restricted net assets (B)</b>	5,161,542	2,498,708
	<b>Changes in net assets</b>	5,619,169	-3,300,245
	Net Assets at the beginning	4,594,497	7,894,742
	Net Assets at the end	10,213,666	4,594,497

Prepared by: Executive Director Aranita Brahaj





## Cash Flow Statement for Nonprofit Organization

### Indirect Method

No	Description	Current Year 2018	Previous Year 2017
	Increase / Decrease in Net Assets	5,619,169	-3,300,245
	Rregullimet për përputhjen e ndryshimeve në aktivet neto me flukset neto nga aktivitetet e shfrytëzimit:		
	Amortization and Depreciation	345,000	324,359
	Unrealized/realized Loss from investments		
	Loss from nga dalja jashtë përdorimit e machinery, equipment		
	Non cash contributions		
	Increase / decrease in inventories		
	Restricted contributions for investment in donations		
	Increase / decrease in assets and short-term liabilities		
	Others receivable	142,152	-345,716
	Prepaid expenses	2,034,797	308,450
	Payables		216,088
	Donations on annual basis		
	<b>Net Cash from Operating Activities</b>	<b>8,141,118</b>	<b>-2,797,064</b>
	<b>Cash Flows from Investing Activities</b>		
	Purchase/Selling of Investments		
	Fixed Asset Purchases /Selling	-198,990	-583,489
	<b>Net Cash Used for Investing Activities</b>		
	<b>Cash Flows from Financing Activities</b>		
	Cash in from Restricted contributions for investment in donations		
	Paid principal		
	<b>Net Cash from Financing Activities</b>		
	<b>Net Increase/ decrease in Cash</b>	<b>7,942,128</b>	<b>-3,380,553</b>
	Opening Cash Balance	3,178,396	6,558,949
	Closing Cash Balance	11,120,524	3,178,396

Prepared by: Executive Director Aranita Brahaj

