

REPORT

MOLDAUDITING SRL

- Competence
- Objectivity
- Professionalism

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INDEPENDENT AUDITOR'S REPORT**TO THE MANAGEMENT OF PUBLIC ASSOCIATION "CASMED"****16.05.2022****OPINION**

In our opinion, the accompanying financial statements:

- present fairly, in all material respects, the financial position of PA "CASMED" for the year ended 31.12.2021 and its financial performance, also the statements of changes in funding sources for the year then ended, according to Methodological Guidelines for Accounting in non-commercial Organisations approved by Finance Ministry Order nr. 188 as of 30 December 2014 and National Accounting Standards;
- are prepared according to the accounting records of PA "CASMED".

We have audited the financial statements of PA CASMED (hereinafter "CASMED") which comprise the balance sheet for the year ended 31.12.2021, statement of income and expenses and statement of changes in funding sources for the year than ended and notes to the financial statements, including a summary of the significant accounting policies.

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 Association in accordance with the *Code of Ethics for Professional Accountants (IESBA Code)* issued by International Ethics Standard Board for Accountants, corroborated with the ethical requirements that are relevant to the audit of the financial statements in Republic of Moldova, and we have fulfilled our ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER MATTER

According to the audit contract and terms of reference we have also issued a Management Letter.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with the Methodological Guidelines for Accounting in non-commercial Organisations approved by Finance Ministry Order nr.188 as of 30 December 2014 and National Accounting Standards 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management weathers intends to liquidate the Association or to cease operations, or has realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 a 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 statement, 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 Association'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 Association'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 Association to cease to continue as a going concern.

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.

**GENERAL DIRECTOR, PHD
AUDITOR
„MOLDAUDITING” S.R.L.,**

AUDITOR



PAVEL BODAREV

DANIELA PLUGARU

I. FINANCIAL STATEMENTS

BALANCE SHEET AS OF 31.12.2021

| Item | Note | 2021 | 2020 |
|--|------|------------------|------------------|
| | | MDL | MDL |
| Assets | | | |
| Long-term assets | | | |
| Intangible assets | | 27 299 | 50 165 |
| Tangible assets in construction | | 31 950 | 59 500 |
| Fixed assets | 1 | 4 930 274 | 5 167 798 |
| Financial investments | | 322 863 | 0 |
| | | 5 312 386 | 5 277 463 |
| Current assets | | | |
| Inventory | | 66 273 | 63 119 |
| Short-term receivables | 2 | 9 346 | 194 571 |
| Other short-term receivables | 2 | 27 389 | 264 970 |
| Cash | 3 | 2 808 720 | 1 960 109 |
| Other short-term assets | | 35 040 | 3 264 |
| | | 2 946 768 | 2 486 033 |
| Total assets | | 8 259 154 | 7 763 496 |
| Equity and liabilities | | | |
| Equity | | | |
| Net excess (net deficit) of the period | | 0 | 133 898 |
| Funds | 4 | 6 102 957 | 6 020 665 |
| | | 6 102 957 | 6 154 563 |
| Long-term liabilities | | | |
| Long-term special purpose financing and receipts | 6 | 1 996 277 | 1 270 126 |
| | | 1 996 277 | 1 270 126 |
| Short-term liabilities | | | |
| Short-term loans | | | |
| Short-term trade payables and advances received | | 10 778 | 11 063 |
| Short-term accrued liabilities | | 0 | 0 |
| Short-term deferred income | 5 | 137 672 | 311 393 |
| Other short-term liabilities | | 11 471 | 16 351 |
| Total short-term liabilities | | 159 921 | 338 807 |
| Total equity and liabilities | | 8 259 154 | 7 763 496 |

The financial statements, accounting policies used and notes presented at pages 6-16, which are integral part of those financial statements, has been approved by PA CASMED as of 16.05.2022 and signed in name of Association by:

Executive Director
Postolachi Natalia



Chief Accountant
Moraru Olga



STATEMENTS OF INCOME AND EXPENSES FOR THE YEAR 2021

| Item | Note | 2021 | 2020 |
|--|------|----------------|----------------|
| | | MDL | MDL |
| Income related to special purpose funds | | 12 681 983 | 10 715 051 |
| Expenses related to special purpose funds | 7 | 12 371 270 | 10 598 603 |
| Excess (deficit) related to special purpose funds | | 310 713 | 116 448 |
| Other income (except income from economic activity) | | 14 084 | 18 882 |
| Other expenses (except income from economic activity) | | 0 | 1 432 |
| Excess (deficit) related to other activities | | 14 084 | 17 450 |
| Income from economic activities | | - | - |
| Expenses related to economic activities | | - | - |
| Result: profit (loss) from economic activity | | - | - |
| Income tax expenses | | - | - |
| Net excess (net deficit) of the financial period | | 324 798 | 133 898 |

STATEMENTS OF CHANGES IN FUNDING SOURCES FOR THE YEAR 2021

| Items | Opening balance | Increases | Decreases | Closing balance |
|--|------------------|-------------------|-------------------|------------------|
| Special purpose funds | 1 270 126 | 14 052 641 | 13 326 490 | 1 996 277 |
| Special purpose funding from the national budget | 5 012 | 572 141 | 558 572 | 18 581 |
| Special purpose funding from the local budget | 20 978 | 1 154 961 | 1 175 939 | 0 |
| Grants | 1 244 136 | 11 618 515 | 10 884 955 | 1 977 696 |
| Other special purpose funds | 0 | 707 024 | 707 024 | 0 |
| | | | | |
| Funds | 6 154 563 | 1 153 104 | 1 101 498 | 6 102 957 |
| Founders' and members' contributions | | | | |
| Fixed assets fund | 5 217 963 | 654 217 | 393 827 | 5 478 353 |
| Other funds | 936 600 | 498 887 | 707 671 | 727 817 |
| Other sources of funding | 0 | 0 | 0 | 0 |
| | | | | |
| Total: | 7 424 689 | 15 205 745 | 14 427 988 | 8 099 234 |

II. LEGAL STATUS AND CORE BUSINESS

PA "CASMED" (hereinafter "Association") is a non-commercial organization, non-governmental, non-political, independent, founded as a result of free will of the persons who associated with the purpose of achieving the goals defined in the Articles.

Was founded in December 13, 2010 and registered in the Republic of Moldova under no. 4843 as a association.

The Association legal address: off.51, 81, Mircea cel Batrin street, Balti city, Republic of Moldova.

The main objectives of the Association:

- Contributing to the efficient growth and quality of healthcare in the Republic of Moldova;
- Contributing to ensure and provide professional social and medical assistance to people with health problems by providing integrated home care services;
- Contributing to the development of rural and urban communities through sustainable development programs;
- Contributing to the promotion of volunteering and a healthy lifestyle in society.

In order to achieve its goals, the Association aims to carry out the following activities:

- defending the rights and interests of the members of the Association, as well as promoting the rights of the elderly in relation to other professional associations, organizations and / or republican and international authorities;
- contributing to the medical rehabilitation of the sick, single persons, persons with disabilities, who do not have the means to be treated;
- promoting the public-private partnership in the field of social integration of the elderly; providing medical and social care services at home;
- concluding partnerships with the Administration of Hospitals and Medical Services of the Republic in the purpose of providing medical and social services for the elderly and people with special needs;
- organizing and carrying out various charitable, social and medical actions to support and provide assistance to the socially vulnerable and the social integration of the elderly;
- supporting the development of the non-governmental sector in the northern region of the Republic of Moldova;
- etc.

The Association implemented in 2021 projects financed by IREX EUROPE, SOROS Foundation Moldova, NGO RED CROSS, GIZ, AO Pro Cooperare Regionala, etc.

As of 31.12.2021 the Association had 87 employees hired according to individual labour contracts. The salary expenses for the 2021 period were MDL 7 938 243.

III. PRESENTATION PRINCIPLES

GENERAL PRINCIPLES

The financial statements are prepared according to National Accounting Standards and Methodological Guidelines for Accounting in non-commercial Organisations approved by Finance Ministry Order nr. 188 as of 30.12.2014.

PRESENTATION CURRENCY

Items included in the financial statements are presented in Moldavian lei (MDL), unless otherwise provided.

GOING CONCERN CONCEPT

The financial statements of the Association were prepared in accordance with going concern concept.

IV. ACCOUNTING PRINCIPLES

GENERAL PROVISIONS

The financial statements are based on the accounting records of the Association; the evaluation of the items is carried out based on the following principles: the going concern, accrual principle, permanence of methods principle, prudence, intangibility, substance over form principle and essentiality principle.

Financial statements, excepting for **Report on donors' contribution**, are prepared based on accrual method.

Intangible assets

In financial accounting the intangible assets are recorded at historical cost which comprises:

- the purchase price of intangible assets;
- taxes and duties according to legislation in force;
- expenses for bringing the assets in working condition.

The amortization of intangible assets is computed using the straight-line method according to National Accounting Standard (NAS) "Intangible and tangible assets" taking into consideration its useful life and historical cost starting with the date of the asset being put into operation.

Tangible assets

The tangible assets include the objects with a value higher than 6000 MDL and useful life of more than one year. The tangible assets are reflected in the balance sheet at historical cost which is:

- a) for the tangible assets created by the entity – at the effective value, including taxes according to the legislation in force and which are not recoverable from the budget;
- b) for the buildings and special constructions executed according to the contract – at the contract value of the object, including taxes according to the legislation in force and which are not recoverable from the budget;
- c) for the tangible assets procured – at procurement value adding the expenses related to this procurement, assembling and installation expenses;
- d) for the tangible assets received free of charge – at the value established in the acts of receiving/delivery.

The depreciation of tangible assets is calculated using the straight-line model, according to the stipulation of NAS "Intangible and tangible assets" taking into consideration its useful life and depreciation value starting with the date of the asset being put into operation.

The useful life of the tangible assets is established for each object (group of objects) of tangible assets and is reflected in the source documents and the registers of analytical evidence.

Current assets

The inventory accounting is performed in quantitative and value manner.

Outgoing inventory are valued using the weighted average cost method after each outflow. >

The net realisable value is determined through the inventory elements method. In the balance the inventory is evaluated at the lower value between cost and net realisable value.

Small value and short-term objects

The small value and short-term objects are assets with a value less than 6000 MDL with a any useful life and assets with useful life more than one year with any unitary value.

The small value and short-term objects are reflected in the balance at acquisition value for the objects in the deposit and remaining value for the assets put into operation.

Receivables

Long and short-term receivables are recorded at nominal value, including VAT and excise. The impaired receivables are reflected to period expenses via direct method without creation of provision. The amount of material damage is recorded as current income.

Cash

The balances of cash in cashier's office, in the bank accounts in MDL and foreign currency etc. in bank are reflected in the balance sheet at nominal value. For the restricted cash there is a separate account in the balance sheet.

Financing and receipts with special purpose

The initial recognition of financing and receipts with special purpose is performed in base of cash method.

The utilisation of special purpose financing and receipts for the current expenses is registered as decrease of financing and increase of current income.

The utilisation of special destination funds for the inventory and other current assets acquisition and for the payment of advances is registered to current deferred income in total amount, and at the moment of inventory advances utilisation the deferred income is reflected to the current income.

The special purpose funds received as intangible and tangible assets or utilised for the procurement/creation of such assets are recorded as decrease of special purpose financing and receipts and increase of long-term assets fund.

Funds with no special purpose

Unused funds with no special purpose up to the reporting date are settled in the self-financing fund.

The Association's funds

The organisation forms: fixed assets fund, self-financing fund.

Foreign currency conversion

The official exchange rate for the audited period was:

| Currency/Period | 31.12.2021 | 31.12.2020 |
|-----------------|------------|------------|
| USD | 17.7452 | 17.2146 |
| EURO | 20.0938 | 21.1266 |

V. NOTES TO FINANCIAL STATEMENTS**(1) Tangible assets**

The fixed assets of Association consist of the following:

| Items | Buildings | Machinery, equipment, transmitting devices | Transport vehicles | Other fixed assets | Total |
|-------------------------------|------------------|---|-----------------------|--------------------------|------------------|
| | MDL | MDL | MDL | MDL | MDL |
| Cost | | | | | |
| As at 1 January 2021 | 3 966 175 | 1 318 963 | 1 635 782 | 104 215 | 7 025 136 |
| Additions | 0 | 309 075 | 167 415 | 0 | 476 489 |
| Disposals | 0 | 44 885 | 655 590 | 0 | 700 475 |
| As at 31 December 2021 | 3 966 175 | 1 583 153 | 1 147 607 | 104 215 | 6 801 150 |
| Depreciation | | | | | |
| As at 1 January 2021 | 130 185 | 585 776 | 1 125 719 | 15 659 | 1 857 339 |
| Charge for the year | 99 446 | 252 153 | 213 201 | 32 375 | 597 175 |
| On disposals | 0 | 10 121 | 573 517 | 0 | 583 638 |
| As at 31 December 2021 | 229 631 | 827 808 | 765 404 | 48 033 | 1 870 876 |
| Net book amount | | | | | |
| As at 1 January 2021 | 3 835 990 | 733 187 | 510 063 | 88 557 | 5 167 798 |
| As at 31 December 2021 | 3 736 544 | 755 345 | 382 203 | 56 182 | 4 930 274 |

(2) CURRENT RECEIVABLES

| Items | 2021 | 2020 |
|---|---------------|----------------|
| | MDL | MDL |
| Trade receivables | 0 | 0 |
| Short-term advance payments | 9 346 | 194 410 |
| Receivables on settlements with budget | 0 | 161 |
| Receivables on settlements with the staff | 0 | 0 |
| Other special purpose receivables | 27 389 | 264 970 |
| Total | 36 735 | 459 542 |

(3) CASH

| Items | 2021 | 2020 |
|--|------------------|------------------|
| | MDL | MDL |
| Cash at bank, total, including: | 2 808 720 | 1 960 009 |
| local currency | 2 589 775 | 1 604 891 |
| foreign currency | 218 945 | 355 118 |
| Cash in hand | 0 | 100 |
| local currency | 0 | 100 |
| Total: | 2 808 720 | 1 960 109 |

(4) FUNDS

The Association's funds comprise the fixed assets fund in a total amount of MDL 6 102 957 as of 31.12.2021.

(5) CURRENT DEFERRED INCOME

The current deferred income in a total amount of MDL 137 672 as of 31.12.2021 represents costs which will be reported in the next periods.

(6) LONG TERM FINANCING AND RECEIPTS WITH SPECIAL DESTINATION

| Items | 2021 | 2020 |
|-----------------------------|------------------|------------------|
| | MDL | MDL |
| Civil Society Forum | 0 | 70 651 |
| SOROS FOUADATION MOLDOVA | 250 192 | 415 |
| IREX EUROPE | 0 | 3 469 |
| SWISS RED CROSS | 382 453 | 1 072 683 |
| NGO Pro Cooperare Regionala | 0 | 96 918 |
| Other donors | 1 605 072 | 25 990 |
| Total: | 2 237 717 | 1 270 126 |

(7) EXPENSES RELATED TO SPECIAL PURPOSE FUNDS

| Items | 2021 | 2020 |
|--|-------------------|-------------------|
| | MDL | MDL |
| Salary expenses | 7 938 243 | 7 536 582 |
| Audit, accounting and consulting services | 144 800 | 222 446 |
| Taxes and dues | 20 524 | 20 524 |
| Expenses related to conferences organisations (including rent) | 103 769 | 32 244 |
| Expenses on trips (transport, accommodation) | 216 363 | 54 510 |
| Office maintenance (rent, communications, internet) | 70 495 | 59 226 |
| Fuel and insurance | 166 145 | 141 881 |
| Office Supplies | 741 862 | 670 296 |
| Bank services, postal and legal services | 139 619 | 54 872 |
| Other expenses | 2 735 335 | 1 638 222 |
| Maintenance and repairs of fixed assets | 62 088 | 133 452 |
| Phone and internet services | 32 027 | 34 347 |
| Total: | 12 371 270 | 10 598 603 |