

Public Association
"VIAȚA FĂRĂ LEUCEMIE"
Financial reports for the period 2019-2022

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INDEPENDENT AUDITOR'S REPORT

TO THE MANAGEMENT OF Public Association "Viaţa fără leucemie".

05.02.2024

OPINION

In our opinion, the accompanying financial statements:

- present fairly, in all material respects, the financial position of Public Association "Viaţa fără leucemie" for the year ended 31.12.2019-2022,
- 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 Public Association "Viaţa fără leucemie".

We have audited the financial statements of Public Association "Viaţa fără leucemie", (hereinafter "The Association") which comprise the balance sheet for the year ended 31.12.2019-2022, statement of income and expenses and statement of changes in funding sources for the year then 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 Foundation 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

This report, including the audit opinion, was issued exclusively for the Association Management and should not be utilized for other purposes than the purposes intended for a financial audit report.

To the fullest extent permitted by Law, we do not accept or assume any responsibility for the utilization of this report for any other purposes or to any other third person, other than the parties mentioned above, to whose knowledge this report may come to.

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 weather 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
AUDITOR
„MOLDAUDITING” S.R.L.,**

PAVEL BODAREV

AUDITOR

GALINA NISTOR

I. FINANCIAL STATEMENTS**BALANCE SHEET AS OF 31.12.2019-2022**

	Notes	2022	2021	2020	2019
		MDL	MDL	MDL	MDL
Assets					
Long-term assets					
Intangible assets					
Tangible assets in construction					
Lands					
Tangible assets	1	65 653	86 280	75 779	
Other long-term receivables					
Total		65 653	86 280	75 779	0
Current assets	2				
Inventories		70 112	60 112	39 811	2 741
Personnel claims		5 090			
Claims of the budget		328	295	219	
Current receivables		27 188	10 168	11 314	13 756
Other current receivables (own project donations)		1 400	900		
Cash	3	4 229 146	618 012	190 084	166 317
Other current assets					
Total		4 333 264	689 487	241 428	182 814
Total assets		4 398 917	775 767	317 207	182 814
Equity and liabilities					
Equity					
Net excess (net deficit) of the period					
Funds	4	65 653	86 280	75 779	
Equity and liabilities		65 653	86 280	75 779	0
Long-term liabilities					
Long-term special purpose financing and receipts					
Other long-term liabilities					
Long-term liabilities					
Short-term liabilities					
Short-term loans					
Short-term trade payables and advances received	5	2 788		29 684	219
Short-term accrued liabilities			204	189	
Short-term special purpose financing and receipts		4 330 476	689 283	211 555	182 595
Short-term deferred income					
Total Short-term liabilities		4 333 264	689 487	241 428	182 814
Total equity and liabilities		4 398 917	775 767	317 207	182 814

The financial statements, accounting policies used and notes presented at pages 6-17, which are integral part of those financial statements, has been approved by Public Association "Viața fără leucemie" as of 05.02.2024 and signed by:

Executive Director
Vilcu-Bajurean Natalia

Chief Accountant
Iovu Veronica

STATEMENTS OF INCOME AND EXPENSES FOR THE YEAR 2019-2022

Item	Note	2022	2021	2020	2019
		MDL	MDL	MDL	MDL
Income related to special purpose funds		1 550 328	830 340	671 055	440 711
Expenses related to special purpose funds	6	1 550 328	830 340	671 055	440 711
Excess (deficit) related to special purpose funds		0		0	0
Other income (except income from economic activity)					
Other expenses (except income from economic activity)					
Excess (deficit) related to other activities					
		0	0	0	0
Income from economic activities					
Expenses related to economic activities					
Result: profit (loss) from economic activity					
		0	0	0	0
Income tax expenses					
		0	0	0	0
Net excess (net deficit) of the financial period		0	0	0	0

The financial statements, accounting policies used and notes presented at pages 6-17, which are integral part of those financial statements, has been approved by Public Association "Viața fără leucemie" as of 05.02.2024 and signed by:

Executive Director
Vilcu-Bajurean Natalia

Chief Accountant
Iovu Veronica

STATEMENTS OF CHANGES IN FUNDING SOURCES FOR THE YEAR 2019-2022

Items	Opening balance 2022	Increases	Decreases	Closing balance 2022
Special purpose funds				
Other financing financing and receipts with the special destination	689 283	5 191 521	1 550 328	4 330 476
Total	689 283	5 191 521	1 550 328	4 330 476
Funds				
Founders' and members' contributions	0	0	0	0
Fixed assets fund	86 280	0	20 627	65 653
Self financing fund				
Total	86 280	0	20 627	65 653
Other sources of funding				
Total:	775 563	5 191 521	1 570 955	4 396 129

Items	Opening balance 2021	Increases	Decreases	Closing balance 2021
Special purpose funds				
Other financing financing and receipts with the special destination	211 555	1 432 266	954 538	689 283
Total	211 555	1 432 266	954 538	689 283
Funds				
Founders' and members' contributions	0	0	0	0
Fixed assets fund	75 779	27 385	16 884	86 280
Self financing fund				
Total	75 779	27 385	16 884	86 280
Other sources of funding				
Total:	287 334	1 459 651	971 422	775 563

Items	Opening balance 2020	Increases	Decreases	Closing balance 2020
Special purpose funds				
Other financing financing and receipts with the special destination	182 595	699 448	670 488	211 555
Total	182 595	699 448	670 488	211 555
Funds				
Founders' and members' contributions	0	0	0	0
Fixed assets fund	0	75 779	0	75 779
Self financing fund				
Total	0	75 779	0	75 779
Other sources of funding				
Total:	182 595	775 227	670 488	287 334

Items	Opening balance 2019	Increases	Decreases	Closing balance 2019
Special purpose funds				
Financial and technical assistance	0	182 595		182 595
Total	0	182 595	0	182 595
Funds				
Founders' and members' contributions	0	0	0	0
Fixed assets fund	0		0	
Self financing fund				
Total	0	0	0	0
Other sources of funding				
Total	0	182 595	0	182 595

The financial statements, accounting policies used and notes presented at pages 6-17, which are integral part of those financial statements, has been approved by Public Association "Viața fără leucemie" as of 05.02.2024 and signed by:

Executive Director
Vilcu-Bajurean Natalia

Chief Accountant
Iovu Veronica

II. LEGAL STATUS AND CORE BUSINESS

"Viața fără leucemie" Public Association (hereinafter "Association"), is a non-governmental, non-political, independent, non-profit organization, established on the basis of the free volition of the people who joined in order to jointly achieve the objectives defined in the Statute .

The association carries out its activity in accordance with the Constitution of the Republic of Moldova, Law no. 86 of 11.06.2020 on non-commercial organizations, the Civil Code of the Republic of Moldova and the statute.

It was registered at the Public Services Agency in the Republic of Moldova on 24.01.2007 with no. identification/fiscal code 1011620004380, registration certificate MD-003141.

Association address: Republic of Moldova, Chisinau municipality, bd. Dacia 50, apartment 278.

The mission of the Public Association "Viața fără leucemie".

The "Viața fără leucemie" Public Association, hereinafter "the Association", is a non-commercial, apolitical organization, voluntarily established by the founders in order to achieve the non-commercial purposes for which it was established.

The specific objectives of the "Viața fără leucemie" Public Association **are:**

- ensuring the realization of the right of every oncologically ill child to qualified medical assistance and offering the opportunity to recovery and to a complete and healthy life;
- contributing to the rehabilitation and integration of children with oncological diseases into society;
- granting any type of support to oncologically ill children and disadvantaged families who take care of children with oncological diseases hospitalized or in remission;
- increasing the degree of information of public opinion regarding the prevention, treatment and available services for oncologically ill children;
- contributing to capacity building and raising awareness in society regarding philanthropic and sponsorship activities for the field of pediatric oncology.

As of 31.12.2022, the Association had 14 employees employed according to the individual employment contract. Salary expenses for the audited period constituted: 2022 -741 347 MDL, 2021-373 082 MDL, 2020-262 520 MDL, 2019-105 339 MDL.

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 PRINCIPLES

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.

Inventories

The inventory accounting is performed in quantitative and value manner.

The scrapping of inventories is carried out at the value at which they were purchased.

The outgoing stocks are valued at the book value which is determined by applying the FIFO method, and the donated stocks by the special identification method.

Small value and short-term objects

The small value and short-term objects are assets with a value less than 6000 MDL with an 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.

The small value and short-term objects with a value less the 3 000 MDL are reflected to expenses at the moment when the assets are put into operation. For the items with a value lower than 3 000 MDL the amortisation is calculated at the moment when the asset is put into operation in an amount of 100% of the cost less the residual value, and the difference of amortization is calculated when the asset is written off.

Receivables

Long- and short-term receivables are recorded at nominal value, including VAT and excise duties. 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.

Deferred expenses

Deferred expenses are reflected in the records and balance sheet in separate items and are transferred to consumption or expenses as they occur in the period to which they refer by the straight-line method.

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 accrual accounting.

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

The use 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 used for the procurement/creation of such assets are recorded as decrease of special purpose financing and receipts and increase of long-term assets fund.

The exchange rate difference related to special destination funds are registered as increase or decrease of those funds.

The unused special purpose funds are redirected to co-financing of other projects (programs) or turned back to the Donor according to each grant agreement conditions.

Funds with no special purpose

The funds with no special purpose received in the form of long-term assets are recorded as simultaneous increase of tangible and intangible assets and of long-term assets fund.

The funds with no special purpose received in form of current assets are recorded as simultaneous increase of respective assets and current income.

The funds with no special purpose which initially were registered as current income and used subsequently for the procurement/creation of tangible and intangible assets are registered as simultaneous increase of current assets and long-term assets fund.

Organisation founders' and members' contributions

The contributions and other fees of founders and members are recorded according to cash method.

The Foundation's funds

The organisation forms: long-term assets fund, self financing fund and other funds.

Foreign currency conversion

The official exchange rate for the audited period was:

Currency/Period	31.12.2022	31.12.2021	31.12.2020	31.12.2019
USD	19.1579	17.7452	17.2146	17.2093
EURO	20.3792	20.0938	21.1266	19.2605

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

The tangible assets of the Association consist of the following:

Elements	Machinery, equipment and technical installations	Other tangible assets	Total
	MDL	MDL	MDL
Cost			
As at 1 January 2022	103 164	0	103 164
Additions	0	0	0
Disposals	0	0	0
As at 31 December 2022	103 164	0	103 164
Depreciation			
As at 1 January 2022	16 884	0	16 884
Charge for the year	20 627	0	20 627
On disposals	0	0	0
As at 31 December 2022	37 511	0	37 511
Net book amount			
As at 1 January 2022	86 280	0	86 280
As at 31 December 2022	65 653	0	65 653

Elements	Machinery, equipment and technical installations	Other tangible assets	Total
	MDL	MDL	MDL
Cost			
As at 1 January 2021	75 779	0	75 779
Additions	27 385	0	27 385
Disposals		0	0
As at 31 December 2021	103 164	0	103 164
Depreciation			
As at 1 January 2021			0
Charge for the year	16 884	0	16 884
On disposals	0	0	
As at 31 December 2021	16 884	0	16 884
Net book amount			
As at 1 January 2021	75 779	0	75 779
As at 31 December 2021	86 280	0	86 280

Elements	Machinery, equipment and technical installations	Other tangible assets	Total
	MDL	MDL	MDL
Cost			
As at 1 January 2020	0	0	0
Additions	75 779	0	75 779
Disposals		0	0
As at 31 December 2020	75 779	0	75 779
Depreciation			
As at 1 January 2020			0

Charge for the year	0	0	0
On disposals	0	0	
As at 31 December 2020	0	0	0
Net book amount			
As at 1 January 2020	0	0	0
As at 31 December 2020	75 779	0	75 779

(2) CURRENT RECEIVABLES

Items	2022	2021	2020	2019
	MDL	MDL	MDL	MDL
Trade receivables				
Short-term advance payments	27 188	10 168	11 314	13 756
Claims of the budget	328	295	219	
Personnel claims	5 090			
Other special purpose receivables	1 400	900	0	
Total	34 006	11 363	11 533	13 756

(3) CASH

Items	2022	2021	2020	2019
	MDL	MDL	MDL	MDL
Cash at bank, total, including:				
in national currency	180 658	58 048	189 753	166 134
in foreign currency	4 047 701	486 558	331	183
Other financial means	787	73 406	0	
Total:	4 229 146	618 012	190 084	166 317

(4) FUNDS

The Association's funds comprise the self-financing fund and the fixed assets fund in a total amount of 65 653 MDL as of 31.12.2022, 86 280 MDL as of 31.12.2021, 75 779 MDL as of 31.12.2020.

(5) FINANCING AND RECEIPTS WITH SPECIAL DESTINATION

Items	2022	2021	2020	2019
	MDL	MDL	MDL	MDL
UNDP MOLDOVA				44 921
CASA GUSTULUI SRL				9 100
ST JUDE CHILDRENS RESEARCH	3 451 730		0	0
Viata Fara Leucemie	878 746	689 283		1 100
DONATIONS INDIVIDUALS			3 700	118 774
VIATA MERITA TRAITA			94 591	
Return of Deposit from Victoria Bank			10 868	
Petrom Moldova SRL			23 500	8 700
Other entries			78 896	
Total	4 330 476	689 283	211 555	182 595

(6) EXPENSES RELATED TO SPECIAL PURPOSE FUNDS

Elemente	2022	2021	2020	2019
	MDL	MDL	MDL	MDL
Salary expenses, social contributions	919 271	462 621	321 586	129 040
Accounting services	25 000			
REFUGEE PROJECT 2022	135 359			
Public health master's studies	24 200			
Disposal of materials	79 108	7 449	45 631	68 450
Financial aid for sick children	312 341	335 696	182 260	221 933
Wear of OMVSD	5 947	13 894	29 622	15 204
Bank Commission	7 004	2 023	1 662	2 224
Repair services	2 380			
Mobile phone services	3 255	2 465	2 229	2 000
Training expenses	28 370			
Exit of tangible fixed assets			87 606	
Other expenses	8 093	6 192	459	1 860
Total:	1 550 328	830 340	671 055	440 711

VI. COMMITMENTS AND CONTINGENT LIABILITIES

No contingent liabilities, acquisitions or tax aspects were disclosed, that could significantly influence the financial position of the Association.

VII. RIGHTS OF EMPLOYEES

The Association pays deductions to social and health insurance calculated based on rates determined by effective legislation for the respective year from employees' accrued wages. The deductions to social and health insurance are charged to expenses in the periods that correspond to employees' wage calculation.

The Association has no other liabilities to similar payments on higher rates other than those provided for in the legislation. The Association does not take part in any other similar projects.