

**Foundation for the Promotion and Guidance of
Mental Health Care on St. Maarten (Mental Health
Foundation)**

at St. Maarten

Financial Statements 2022

Table of contents

	Page
1. FINANCIAL STATEMENTS	
1.1 Balance sheet as at 31 December 2022	3
1.2 Income statement for the year 2022	5
1.3 Notes to the financial statements	6
1.4 Notes to the balance sheet as at 31 December 2022	9
1.5 Notes to the income statement for the year 2022	16
1.6 Independent auditor's report	20

Mental Health Foundation, St. Maarten

2.1 BALANCE SHEET AS AT 31 DECEMBER 2022

		<u>31 December 2022</u>		<u>31 December 2021</u>	
		ANG	ANG	ANG	ANG
ASSETS					
Fixed assets					
Intangible assets					
Software	1		32,674		16,628
Tangible Fixed assets					
Land and buildings	2	4,199,514		4,318,989	
Computers		7,885		30,729	
Furniture and fixtures		62,698		85,368	
Vehicles		<u>63,953</u>		<u>113,053</u>	
			4,334,050		4,548,139
Current assets					
Receivables					
Accounts receivable	3	318,225		284,724	
Other receivables	4	57,050		17,582	
Prepayments		<u>17,902</u>		<u>21,589</u>	
			393,177		323,895
Cash and cash equivalents	5		913,212		694,892
Total assets			<u><u>5,673,113</u></u>		<u><u>5,583,554</u></u>

Mental Health Foundation, St. Maarten

		<u>31 December 2022</u>		<u>31 December 2021</u>	
		ANG	ANG	ANG	ANG
EQUITY AND LIABILITIES					
Foundation's equity	6				
Foundation's capital		100		100	
Other reserves		268,968		328,130	
Result for the year		<u>-102,399</u>		<u>-57,146</u>	
			166,669		271,084
Equalization reserve	7		26,243		74,873
Non-current liabilities	8				
Long-term loans	9	3,319,194		3,540,454	
Advance receipts		<u>114,097</u>		<u>113,246</u>	
			3,433,291		3,653,700
Current liabilities					
Amounts owed to credit institutions	10	325,666		325,278	
Accounts payable	11	260,823		143,080	
AVBZ contribution liability	12	328,194		252,751	
USZV Settlement liability	13	723,911		467,627	
Payables relating to taxes and social security contributions	14	124,648		110,827	
Other payables and accrued expenses	15	<u>283,668</u>		<u>284,334</u>	
			2,046,910		1,583,897
Total equity and liabilities			<u><u>5,673,113</u></u>		<u><u>5,583,554</u></u>

Mental Health Foundation, St. Maarten

2.2 INCOME STATEMENT FOR THE YEAR 2022

		<u>2022</u>	<u>2021</u>
		ANG	ANG
Income from contributions and consultations	16	5,937,032	5,972,927
Other income	17	<u>-</u>	<u>20,692</u>
Gross margin		5,937,032	5,993,619
Wages and salaries	18	3,458,467	3,421,151
Social security contribution	19	404,469	384,536
Pension contribution	20	122,320	126,112
Other personnel expenses	21	296,806	299,358
Amortization and Depreciation	22	185,407	199,621
Housing expenses	23	482,619	460,608
Office expenses	24	162,866	176,607
Client direct expenses	25	204,524	151,445
Professional expenses	26	323,199	288,876
General expenses	27	<u>193,555</u>	<u>433,180</u>
Total operating expenses		<u>5,834,232</u>	<u>5,941,494</u>
Operating result		102,800	52,125
Financial expenses	28	<u>-205,199</u>	<u>-109,271</u>
Net result before tax		-102,399	-57,146
Income tax expense		<u>-</u>	<u>-</u>
Net result		<u><u>-102,399</u></u>	<u><u>-57,146</u></u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

General notes

Entity information

The Foundation for promotion and guidance of mental healthcare on St. Maarten, also known as Mental Health Foundation (MHF), (the 'Foundation') was incorporated on October 10, 2001 under the laws of St. Maarten. The address of the Foundation's registered office is Leopard Road #1, Cay Hill, St. Maarten. The main activities of the Foundation are the promotion and guidance of mental healthcare on St. Maarten.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with Book 2 of the civil code applicable in St. Maarten. The Board and Management have opted to prepare the financial statements in compliance with generally accepted accounting principles in the Netherlands.

Corporate Governance Code

The Corporate Governance Code (the Code) enacted in 2009 is applicable to the foundation. The foundation aims to comply with the requirements related to the Code. However, the Mental Health Foundation is a relatively small foundation which makes it complicated to comply to all rules and regulations of the Code. Management continuously monitors the non-compliance points and tries to reduce the gap between the requirements and the situation of the foundation.

Use of Judgements and Estimates

In preparing the financial statements, Management of MHF, in accordance with accounting principles generally accepted in the Netherlands, have to make certain judgements and estimates that affect the application of the Foundation's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results can deviate from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Information about assumptions and estimation uncertainties at December 31, 2022 that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities in the next financial year is included in the following notes:

Note 20 - measurement of post-employment benefits obligation: key measurement assumptions;

Note 3 - measurement of allowance for trade receivables: key assumptions in determining the likelihood of default.

Conversion of amounts denominated in foreign currency

Unless otherwise stated, the amounts in the financial statements are denominated in Antillean Guilders (ANG). Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Foreign currency transactions during the reporting period denominated in United States Dollars are recognized in the financial statements at the rate of USD 1.00 = ANG 1.80.

Comparative figures

Mental Health Foundation, St. Maarten

The accounting policies have been consistently applied to all the years presented. Where necessary, the comparative figures have been adjusted to conform to current year's presentation.

Accounting principles

Intangible assets

Intangible fixed assets are stated at cost less accumulated amortization and, if applicable, less impairments in value. Amortization is computed based on the estimated useful lives of the assets using the straight line method.

Property, plant and equipment

Tangible fixed assets are stated at cost, net of accumulated depreciation. Depreciation is computed based on the estimated useful lives of the assets using the straight line method and an eventual residual value has been taken into consideration. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period.

Trade receivables

Accounts receivable are shown after deduction of a provision for bad and doubtful debts where appropriate.

The accounts receivable have a maturity date due within one year.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value and are freely disposable unless stated otherwise.

Other reserves

The Foundation has formed an equalization reserve for donated tangible assets. The amounts that are related to donated fixed assets are amortized in line with the straight-line depreciation of the related assets.

Provisions

Provisions are formed in respect of concrete or specific risks and liabilities existing on the balance sheet date, which extent is uncertain, but can reasonably be estimated.

Non-current liabilities

Long-term liabilities are carried at face value, being the amount received taking into account of any premium or discount, less transaction costs. The difference between the book value determined and the ultimate repayment value, together with the interest due, is determined in such a manner that the effective interest is taken to the profit and loss account during the term of the liabilities.

Current liabilities

Short-term liabilities are liabilities due within one year or less.

Pension

The Foundation has a defined contribution plan and pays premiums based on a contract to an insurance company. Premiums are recognized as personnel costs when they are due.

Accounting principles for determining the result

The net result is determined as the difference between the recognized income and the expenses relating to the reporting period. Costs are determined in accordance with the accounting policies applied to the balance sheet.

Income is realized in the year in which the services rendered are recognized. Losses are taken upon recognition. Other income and expenses are allocated to the periods to which they relate.

Revenue recognition

Income from contributions

The income from contributions is recognized in the period for which the contribution has been awarded and is based on the underlying agreements. In 2018, the Foundation entered into a contractual agreement with USZV of which the income is based on a fixed budget.

Income from consultations

The income from consultations is recognized based on the moment that the service is delivered to the client. The income in the year includes all services provided up to the balance sheet date.

Other operating income

Other income includes (a) income recognized at the moment that the amounts have been awarded and is based on the underlying agreements and subsidy decrees; and (b) other income recognized in the period.

Other operating expenses

The Foundation's expenses represent the direct and indirect expenses attributable to the income. Expenses are based on the historical cost convention and allocated to the reporting year to which they are related.

Result after tax

Mental Health Foundation is a non-profit foundation, therefore no profit tax is due.

Mental Health Foundation, St. Maarten

2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS

Fixed assets

1 Intangible assets

The changes in intangible fixed assets are presented as follows:

	<u>Software</u> ANG
Net Book value as at 1 January 2022	16,628
Additions	27,732
Amortization	<u>-11,685</u>
Net Book value as at 31 December 2022	<u><u>32,674</u></u>

Mental Health Foundation, St. Maarten

2 Tangible Fixed assets

Changes in tangible fixed assets are presented as follows:

	<i>Land and buildings</i>	<i>Computers</i>	<i>Furniture and fixtures</i>	<i>Vehicles</i>	<i>Total</i>
	ANG	ANG	ANG	ANG	ANG
Balance as at 1 January 2022					
Costs	5,562,963	185,062	543,141	279,974	6,571,140
Accumulated release of equalization reserve	-	-	-3,840	-44,888	-48,728
Accumulated depreciation	-1,243,974	-154,333	-453,933	-122,033	-1,974,273
Net Book value as at 1 January 2022	<u>4,318,989</u>	<u>30,729</u>	<u>85,368</u>	<u>113,053</u>	<u>4,548,139</u>
Movements					
Additions	-	2,211	6,053	-	8,264
Release equalization reserve	-	-	-521	-48,108	-48,629
Depreciation	-119,475	-25,055	-28,201	-991	-173,722
Balance movements	<u>-119,475</u>	<u>-22,844</u>	<u>-22,670</u>	<u>-49,100</u>	<u>-214,089</u>
Balance as at 31 December 2022					
Costs	5,562,963	187,273	549,194	279,974	6,579,404
Accumulated release of equalization reserve	-	-	-521	-48,108	-48,629
Accumulated depreciation	-1,363,449	-179,388	-485,975	-167,913	-2,196,725
Net Book value as at 31 December 2022	<u>4,199,514</u>	<u>7,885</u>	<u>62,698</u>	<u>63,953</u>	<u>4,334,050</u>

The estimated useful life for the current and comparative periods are as follows:

- Buildings 20 Years
- Furniture and Fixtures 3-5 years
- Computer 3-5 years
- Vehicles 3-5 years

The residual value of the tangible fixed assets is 10% of the cost which is taken into account in the calculation of the depreciation expense.

	<u>31-12-2022</u>	<u>31-12-2021</u>
	ANG	ANG
3 Accounts receivable		
Accounts receivable	697,230	632,985
Provision for doubtful debts	-379,005	-348,261
	<u>318,225</u>	<u>284,724</u>

Mental Health Foundation, St. Maarten

4 Other receivables

Other receivables	42,717	17,582
Other current accounts	14,333	-
	<u>57,050</u>	<u>17,582</u>
	<u>31-12-2022</u>	<u>31-12-2021</u>
	ANG	ANG

Other current accounts

Payroll Tax receivable	<u>14,333</u>	<u>-</u>
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This comprises of an amount which has been declared as an overpayment in taxes and acknowledged as a payable to MHF.

Other receivables

Security deposit	25,433	15,713
Staff Loan	15,490	1,517
Other receivables	1,442	-
Donation Samenwerkende Fondsen	352	352
	<u>42,717</u>	<u>17,582</u>

5 Cash and cash equivalents

The Windward Island Bank Ltd, savings account (ANG)	700,821	479,113
Restricted cash (WIB Loan)	216,000	216,000
Cash on hand	<u>-3,609</u>	<u>-221</u>
	<u>913,212</u>	<u>694,892</u>

Cash and cash equivalents consist of:

- cash on hand;
- Restricted cash in connection with WIB loan, see note 8.

Mental Health Foundation, St. Maarten

EQUITY AND LIABILITIES

6 Foundation's equity

Movements in the Foundation's equity were as follows:

	<i>Foundation's capital</i>	<i>Other reser- ves</i>	<i>Result for the year</i>	<i>Total</i>
	ANG	ANG	ANG	ANG
Balance as at 1 January 2022	100	328,130	-57,146	271,084
Restatement	-	-2,016	-	-2,016
Change from net income Result	-	-	57,146	57,146
for the year Appropriation of	-	-	-102,399	-102,399
result	-	-57,146	-	-57,146
Balance as at 31 December 2022	<u>100</u>	<u>268,968</u>	<u>-102,399</u>	<u>166,669</u>

	<u>2022</u>	<u>2021</u>
	ANG	ANG
Undistributed profit		
Balance as at 1 January Change	-57,146	-230,033
from net income Result for the	57,146	230,033
year	<u>-102,399</u>	<u>-57,146</u>
Balance as at 31 December	<u>-102,399</u>	<u>-57,146</u>

7 Equalization reserve

Equalization reserve	<u>26,243</u>	<u>74,873</u>
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Equalization reserve

Balance as at 1 January	74,873	92,016
Addition	-	17,292
Release	<u>-48,629</u>	<u>-34,435</u>
Balance as at 31 December	<u>26,243</u>	<u>74,873</u>

Non-current liabilities

9 Long-term loans

Long-term loans	<u>3,319,194</u>	<u>3,540,454</u>
The Windward Islands Bank Ltd	3,563,740	3,774,419
Less: Short - term portion Total	<u>-244,546</u>	<u>-233,965</u>
	<u>3,319,194</u>	<u>3,540,454</u>

Mental Health Foundation, St. Maarten

The Windward Island Bank Ltd

Outstanding principal amount as at Aug 1	3,774,419	3,860,000
Interest to date	205,721	87,919
	<u>3,980,140</u>	<u>3,947,919</u>
Repayment 2022	-416,400	-173,500
Outstanding principal amount as per December 31	<u><u>3,563,740</u></u>	<u><u>3,774,419</u></u>

In 2010, MHF entered into a loan agreement with the Windward island Bank Ltd (WIB), with the principal amount of ANG 3,700,000 and interest rate of 6.25%. Repayment would take place within fifteen (15) years in monthly installments of ANG 36,000, commencing December 31, 2010. As security, MHF reserved an amount of 216,000 which consists of six (6) monthly payments. In August 2015, there was a revision of interest from 6.25% to 6%. In September 2017, WIB granted a grace period of 3 months (September - November 30, 2017), due to the passing of Hurricane Irma. In March 2020, WIB granted MHF a further grace period of 6 months (March - August 2020) due to the effects of the COVID-19 pandemic. In July 2021, MHF entered into another agreement with WIB bank, with the principal amount of ANG 3,860,000 and interest rate of 5.50% for the purchase of 5 parcels of land in St. Johns Estate and consolidation of the existing loans. Repayment will take place within fourteen (14) years in monthly installments of ANG 34,700, which commenced on August 31, 2021.

10 Amounts owed to credit institutions

Short-term portion of long-term loan	244,546	233,965
Compliance result cash restrictions	81,120	91,313
	<u>325,666</u>	<u>325,278</u>

11 Accounts payable

Accounts payable	<u>260,823</u>	<u>143,080</u>
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12 AVBZ contribution liability

AVBZ contribution liability	<u>328,194</u>	<u>252,751</u>
	<u>2022</u>	<u>2021</u>
	ANG	ANG

AVBZ contribution liability

Balance as at 1 January		
AVBZ contribution liability	<u>252,751</u>	<u>280,428</u>
Balance as at 1 January	<u>252,751</u>	<u>280,428</u>
Movements		
Increase/decrease of liability	<u>75,443</u>	<u>-27,677</u>
Balance as at 31 December		
AVBZ contribution liability	<u>328,194</u>	<u>252,751</u>
Balance as at 31 December	<u>328,194</u>	<u>252,751</u>

Mental Health Foundation, St. Maarten

According to the 2023 settlement agreement, the increase in AVBZ contribution liability amounted to ANG 75,443 totalling to a total liability of ANG 328,194 as at December 31, 2022. In year 2021 the settlement agreements resulted in an increased liability amounting to ANG 608,725. Further agreements reached before the release of the 2021 financial statements resulted in the total 2021 liability being waived. The release in 2021 represents a 75% waiver of the 2020 AVBZ liability by SZV.

13 USZV Settlement liability

Balance as at 1 January		
USZV Settlement liability	<u>467,627</u>	<u>646,127</u>
Balance as at 1 January	<u>467,627</u>	<u>646,127</u>
Movements		
Release per Settlement Agreement	<u>256,284</u>	<u>-178,500</u>
Balance as at 31 December		
USZV Settlement liability	<u>723,911</u>	<u>467,627</u>
Balance as at 31 December	<u>723,911</u>	<u>467,627</u>

The USZV Settlement liability presented are based on the settlement agreement between MHF and SZV. In 2022, according to the settlement agreement, MHF's liability to SZV has increased by 260,831. In addition the settlements for the years 2020 and 2021 were revisited and the amounts owed to SZV were adjusted to a final amount of ANG 224,895 for year ended 2020 and ANG 486,974 for year ended 2021. The corresponding amounts were restated to other reserves 2021. The waivers granted, nonetheless, on the 2020 and 2021 balances are still valid following the restated amounts. Prior to the corections made in 2022 on the 2020 and 2021 balances, the settlement agreement between MHF and SZV resulted in a USZV settlement receivable of 440,819 from SZV to MHF. Similarly, MHF also settled with SZV on an amount of ANG 608,725 representing the amount of the AVBZ funds owing and payable to SZV as at December 31, 2021. The net amount owing to SZV by MHF as at December 31, 2021 from these two funds was ANG 167,906. SZV agreed to waive this amount fully as per the November 2022 settlement agreements. Thus, the release in 2021 represents a 75% waiver of the 2020 liability to SZV.

14 Payables relating to taxes and social security contributions

Social security premiums	70,787	57,295
Wage tax	<u>53,861</u>	<u>53,532</u>
	<u>124,648</u>	<u>110,827</u>

Mental Health Foundation, St. Maarten

15 Other payables and accrued expenses

Pension payable	104,746	143,360
Vacation allowance payable	117,064	103,245
Professional fees payable	37,625	31,707
Samenwerkende fondsen to be spent	22,111	659
Credit card payable	2,122	3,006
Congress donations to be spent	-	2,357
	<u>283,668</u>	<u>284,334</u>

The pension premium payable refers to the net balance payable consisting of (i) an amount of ANG 112,065 thousand payable to Guardian Group and, (ii) a prepayment made to Ennia in amount of ANG 7,319 thousand.

Mental Health Foundation, St. Maarten

2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2022

	<u>2022</u>	<u>2021</u>
	ANG	ANG
16 Income from contributions and consultations		
USZV Contribution	3,304,369	3,251,710
AVBZ Contribution	2,398,357	2,416,108
Consultations	163,719	193,506
WYC Psychiatrist fees/MHC Saba/ Statia visit	<u>70,587</u>	<u>111,603</u>
	<u>5,937,032</u>	<u>5,972,927</u>

The income recognized is based on the contractual agreement between MHF and USZV for the years 2022 and 2021 which is subject to settlement agreements between the parties for the respective periods.

17 Other income

Donations	-	15,239
Reimbursements (icw loss of wages)	<u>-</u>	<u>5,453</u>
	<u>-</u>	<u>20,692</u>

18 Wages and salaries

Salaries and wages	<u>3,458,467</u>	<u>3,421,151</u>
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Average number of employees (FTE) 2022:68 (2021:69)

19 Social security contribution

AOV/AWW contribution	212,687	214,728
USZV contribution	171,820	141,852
AVBZ contribution	<u>19,962</u>	<u>27,956</u>
	<u>404,469</u>	<u>384,536</u>

20 Pension contribution

Pension contribution	122,320	134,723
Adjustment pension contribution previous years	<u>-</u>	<u>-8,611</u>
	<u>122,320</u>	<u>126,112</u>

Mental Health Foundation, St. Maarten

	<u>2022</u>	<u>2021</u>
	ANG	ANG
21 Other personnel expenses		
Expat regulation expense	63,698	-
Training expense	63,285	91,603
Medical insurance	63,095	66,953
Other personnel expenses	52,233	34,337
Travel expenses personnel	30,348	27,617
Volunteer/intern compensations	11,281	7,661
Recruitment expenses	4,316	42,761
Medical expense	3,550	6,012
Housing personnel	3,240	20,574
Cessantia	1,760	1,840
	<u>296,806</u>	<u>299,358</u>

The expat regulation expense pertains to the costs covered by MHF for expat employees.

22 Amortization and Depreciation

Amortization of intangible fixed assets	11,685	6,797
Depreciation of property, plant and equipment	<u>173,722</u>	<u>192,824</u>
	<u>185,407</u>	<u>199,621</u>

Amortization of intangible fixed assets

Amortisation costs - intangible fixed assets	<u>11,685</u>	<u>6,797</u>
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Depreciation of property, plant and equipment

Land and Buildings	119,475	123,082
Furniture and Fixtures	28,201	40,962
Computers	25,055	30,897
Vehicles	991	-2,117
	<u>173,722</u>	<u>192,824</u>

23 Housing expenses

Security expenses	236,813	233,070
Repair and maintenance	130,129	107,744
Utilities	83,903	87,178
Insurance	27,274	28,071
Other housing expenses	4,500	4,545
	<u>482,619</u>	<u>460,608</u>

Mental Health Foundation, St. Maarten

	<u>2022</u>	<u>2021</u>
	ANG	ANG
24 Office expenses		
Telephone, fax and internet	76,085	73,256
Other office expenses	77,390	88,110
Office supplies	9,391	15,241
	<u>162,866</u>	<u>176,607</u>
25 Client direct expenses		
Daycare expenses	154,184	91,713
Medication expenses	22,412	39,990
Transportation expenses	21,796	15,967
Laundry & cooking gas	5,430	2,117
Other client direct expenses	702	1,658
	<u>204,524</u>	<u>151,445</u>
26 Professional expenses		
Professional fees	225,817	198,578
Legal fees	63,128	58,149
Audit fees	34,254	32,149
	<u>323,199</u>	<u>288,876</u>
27 General expenses		
Prior year adjustments	40,619	-14,717
Transportation expenses	33,009	29,887
Board expenses	30,000	30,000
Promotion expenses	17,397	12,052
Vehicle insurance	13,862	13,447
Bank charges	10,463	221,476
Other general expenses	6,271	8,157
Representations	5,007	8,389
Insurance	5,418	5,927
Advertising expenses	765	2,793
Provision for doubtful debts	30,744	115,769
	<u>193,555</u>	<u>433,180</u>
<p>General expenses increased in 2021 due to the significant bank charges incurred resulting from the purchase of the St. Johns property in July 2021. There was no such expenditure in 2022.</p>		
28 Financial expenses		
Interest income	522	597
Interest expenses	-205,721	-109,868
	<u>-205,199</u>	<u>-109,271</u>

29 Commitments

Collaboration Protocol

In 2022, Ministry of VSA together with the Mental Health Foundation and SZV (“parties”) concluded a collaboration protocol in in which all parties committed to work in close partnership to achieve a sustainable solution for the delivery of affordable and quality mental health care on Sint Maarten, while addressing the current financial and operational needs of MHF. Parties have agreed specific actions in connection with the following objectives:

1. Define and prepare a detailed plan of action by February 1, 2023, in order to re-vitalize MHF based on the attached Guiding Principles and this Collaboration Protocol. The plan of action will take a phased approach and will specify which activities will be implemented as part of the Project, and which activities will be implemented by the Parties in close coordination with the Project.
2. Develop and implement a new revenue budget system for MHF for the short and longer term. The Parties confirm that the revenue budget system for MHF should be in line with the services that MHF needs to provide to the Community. Approximately 95 % of all services of MHF are financed via SZV (ZV/OV, OZR, FZOG and AVBZ). The revenue budget system should be developed by Parties in such a way that MHF is able to cover its operational expenses under normal circumstances including the approved investment program.
3. Establish a Monitoring Committee for the preparation and implementation of the plan of action and the new revenue budget system and the guidance thereof.
4. The Collaboration Protocol memorializes the intent of the parties to pursue in good faith, close partnership and to spend the necessary resources and time to reach the goals and actions mentioned herein. This Collaboration Protocol does not bind the parties in any way, and no rights can be derived from this Protocol.

Independent auditor's report

To: the Supervisory Board of the Stichting van de Promotie en Begeleiding van de Geestelijke Gezondheid op St. Maarten / Mental Health Foundation

A. Report on the audit of the 2022 financial statements

Our opinion

We have audited the 2022 financial statements of Stichting van de Promotie en Begeleiding van de Geestelijke Gezondheid op St. Maarten (hereafter: "Mental Health Foundation", "the foundation"), based in St. Maarten.

In our opinion, the enclosed financial statements give a true and fair view of the financial position of Mental Health Foundation as at 31 December 2022 and of its result for 2022 in accordance with Book 2 of the Civil Code applicable in St. Maarten and the Dutch Accounting Principles.

The financial statements comprise:

1. the balance sheet as at 31 December 2022;
2. the income statement for the year 2022; and
3. the notes comprising a summary of the applicable accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Mental Health Foundation in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

B. Description of responsibilities for the financial statements

Responsibilities of Management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Book 2 of the Civil Code applicable in St. Maarten. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management and the board are responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to wind up the foundation or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the entity's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from errors or fraud 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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

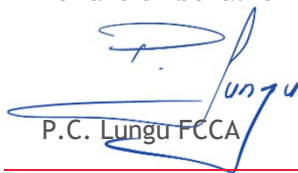
- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtaining 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 foundation's internal control;
- ▶ Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ Concluding on the appropriateness of the 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 foundation'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 foundation ceasing to continue as a going concern;

- ▶ Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- ▶ Evaluating 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 findings in internal control that we identify during our audit

St. Maarten, November 1, 2023
For and on behalf of BDO St. Maarten B.V.,



P.C. Lungu FCCA

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