

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

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2.1 BALANCE SHEET AS AT 31 DECEMBER 2021

(Before appropriation of result)

		<u>31 December 2021</u>		<u>31 December 2020</u>	
		ANG	ANG	ANG	ANG
ASSETS					
Fixed assets					
Intangible assets					
Software	1		16,628		8,818
Tangible Fixed assets					
Land and buildings	2	4,318,989		1,565,518	
Computers		30,729		61,626	
Furniture and fixtures		85,368		110,346	
Vehicles		<u>113,053</u>		<u>139,624</u>	
			4,548,139		1,877,114
Current assets					
Receivables					
Accounts receivable	3	284,724		281,434	
Other receivables	4	17,582		15,713	
Prepayments		<u>21,589</u>		<u>21,541</u>	
			323,895		318,688
Cash and cash equivalents	5		694,892		826,079
Total assets			<u><u>5,583,554</u></u>		<u><u>3,030,699</u></u>

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		<u>31 December 2021</u>		<u>31 December 2020</u>	
		ANG	ANG	ANG	ANG
EQUITY AND LIABILITIES					
Foundation's equity					
	6				
Foundation's capital		100		100	
Other reserves		328,130		558,163	
Result for the year		<u>-57,146</u>		<u>-230,033</u>	
			271,084		328,230
Equalization reserve					
	7		74,873		92,016
Non-current liabilities					
	8				
Long-term loans	9	3,540,454		417,971	
Advance receipts		<u>113,246</u>		<u>113,246</u>	
			3,653,700		531,217
Current liabilities					
Amounts owed to credit institutions	10	325,278		508,088	
Accounts payable	11	143,080		289,531	
AVBZ contribution liability	12	252,751		280,428	
USZV Settlement liability	13	467,627		646,127	
Payables relating to taxes and social security contributions	14	110,827		88,814	
Other payables and accrued expenses	15	<u>284,334</u>		<u>266,248</u>	
			1,583,897		2,079,236
Total equity and liabilities			<u><u>5,583,554</u></u>		<u><u>3,030,699</u></u>

Mental Health Foundation, St. Maarten

2.2 INCOME STATEMENT FOR THE YEAR 2021

		<u>2021</u>	<u>2020</u>
		ANG	ANG
Income from contributions and consultations	16	5,787,166	5,169,937
Other income	17	<u>206,453</u>	<u>202,841</u>
Gross margin		5,993,619	5,372,778
Wages and salaries	18	3,421,151	3,494,991
Social security contribution	19	384,536	373,742
Pension contribution	20	126,112	134,723
Other personnel expenses	21	299,358	148,787
Amortization and Depreciation	22	199,621	206,585
Housing expenses	23	460,608	402,833
Office expenses	24	176,607	150,474
Client direct expenses	25	151,445	156,965
Professional expenses	26	288,876	315,341
General expenses	27	<u>433,180</u>	<u>166,414</u>
Total operating expenses		<u>5,941,494</u>	<u>5,550,855</u>
Operating result		52,125	-178,077
Financial expenses	28	<u>-109,271</u>	<u>-51,956</u>
Net result before tax		-57,146	-230,033
Income tax expense		<u>-</u>	<u>-</u>
Net result		<u><u>-57,146</u></u>	<u><u>-230,033</u></u>

2.3 NOTES TO THE FINANCIAL STATEMENTS

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.

These financial statements have been approved for issue by the Foundation's Supervisory Board on December 12, 2022.

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, 2021 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 12/13 - recognition and measurement of provision and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

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

The accounting policies have been consistently applied to all the years presented. Where necessary,

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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

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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.

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2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2021

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 2021	8,818
Additions	14,607
Amortization	<u>-6,797</u>
Net Book value as at 31 December 2021	<u><u>16,628</u></u>

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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 2021					
Costs	2,686,410	185,062	523,317	263,774	3,658,563
Accumulated release of equalization reserve	-	-	-3,276	-42,926	-46,202
Accumulated depreciation	-1,120,892	-123,436	-409,695	-81,224	-1,735,247
Net Book value as at 1 January 2021	1,565,518	61,626	110,346	139,624	1,877,114
Movements					
Additions	2,876,553	-	19,824	16,200	2,912,577
Release equalization reserve	-	-	-3,840	-44,888	-48,728
Depreciation	-123,082	-30,897	-40,962	2,117	-192,824
Balance movements	2,753,471	-30,897	-24,978	-26,571	2,671,025
Balance as at 31 December 2021					
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 31 December 2021	4,318,989	30,729	85,368	113,053	4,548,139

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>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
3 Accounts receivable		
Accounts receivable	632,985	513,926
Provision for doubtful debts	-348,261	-232,492
	<u>284,724</u>	<u>281,434</u>

In 2021, the provision has increased by 115,769 resulting mainly from aged balances from 2019 and older.

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	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
4 Other receivables		
Other receivables	<u>17,582</u>	<u>15,713</u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
Other receivables		
Security deposit	15,713	15,713
Other receivables	1,517	-
Donation Samenwerkende Fondsen	<u>352</u>	<u>-</u>
	<u>17,582</u>	<u>15,713</u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
5 Cash and cash equivalents		
The Windward Island Bank Ltd, savings account (ANG)	479,113	611,563
Restricted cash (WIB Loan)	216,000	216,000
The Windward Island Bank Ltd, current account (USD)	-	7,262
Cash on hand	<u>-221</u>	<u>-8,746</u>
	<u>694,892</u>	<u>826,079</u>

Cash and cash equivalents consist of:

- cash on hand;
- Restricted cash in connection with WIB loan, see note 9.

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EQUITY AND LIABILITIES

6 Foundation's equity

Movements in the Foundation's equity were as follows:

	<i>Foundation's capital</i>	<i>Other reserves</i>	<i>Result for the year</i>	<i>Total</i>
	<i>ANG</i>	<i>ANG</i>	<i>ANG</i>	<i>ANG</i>
Balance as at 1 January 2021	100	558,163	-230,033	328,230
Change from net income	-	-	230,033	230,033
Result for the year	-	-	-57,146	-57,146
Appropriation of result	-	-230,033	-	-230,033
Balance as at 31 December 2021	100	328,130	-57,146	271,084

	<u>2021</u>	<u>2020</u>
	<i>ANG</i>	<i>ANG</i>
Undistributed profit		
Balance as at 1 January	-230,033	194,691
Change from net income	230,033	-194,691
Result for the year	<u>-57,146</u>	<u>-230,033</u>
Balance as at 31 December	<u>-57,146</u>	<u>-230,033</u>

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<i>ANG</i>	<i>ANG</i>

7 Equalization reserve		
Equalization reserve	<u>74,873</u>	<u>92,016</u>

	<u>2021</u>	<u>2020</u>
	<i>ANG</i>	<i>ANG</i>

Equalization reserve		
Balance as at 1 January	92,016	138,218
Addition	17,292	-
Release	<u>-34,435</u>	<u>-46,202</u>
Balance as at 31 December	<u>74,873</u>	<u>92,016</u>

Non-current liabilities

	<u>31-12-2021</u>	<u>31-12-2020</u>
	<i>ANG</i>	<i>ANG</i>

9 Long-term loans		
Long-term loans	<u>3,540,454</u>	<u>417,971</u>

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The Windward Islands Bank Ltd	3,774,419	855,856
Less: Short - term portion	<u>-233,965</u>	<u>-437,885</u>
Total	<u>3,540,454</u>	<u>417,971</u>

The Windward Island Bank Ltd		
Outstanding principal amount as at January 1	855,856	1,019,419
Interest to date	<u>19,556</u>	<u>52,437</u>
	875,412	1,071,856
Repayment 2021/2020	<u>-875,412</u>	<u>-216,000</u>
Outstanding principal amount as per December 31	<u>-</u>	<u>855,856</u>

The Windward Island Bank Ltd		
Outstanding principal amount as at Aug 1	3,860,000	-
Interest to date	<u>87,919</u>	<u>-</u>
	3,947,919	-
Repayment 2021	<u>-173,500</u>	<u>-</u>
Outstanding principal amount as per December 31	<u>3,774,419</u>	<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, commencing August 31, 2021.

Current liabilities

	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
10 Amounts owed to credit institutions		
Short-term portion of long-term loan	233,965	437,885
Compliance result cash restrictions	<u>91,313</u>	<u>70,203</u>
	<u>325,278</u>	<u>508,088</u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
11 Accounts payable		
Accounts payable	<u>143,080</u>	<u>289,531</u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
12 AVBZ contribution liability		
AVBZ contribution liability	<u>252,751</u>	<u>280,428</u>

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	<u>2021</u>	<u>2020</u>
	ANG	ANG
AVBZ contribution liability		
Balance as at 1 January		
AVBZ contribution liability	<u>280,428</u>	<u>-</u>
Balance as at 1 January	<u>280,428</u>	<u>-</u>
Movements		
Increase of liability	<u>-27,677</u>	<u>280,428</u>
Balance as at 31 December		
AVBZ contribution liability	<u>252,751</u>	<u>280,428</u>
Balance as at 31 December	<u>252,751</u>	<u>280,428</u>

In the settlement agreement of November 2022, the 2021 increase in liability amounted 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. In Q1 2022, before the approval of the 2020 financial statements, the agreement reached between MHF and SZV resulted in settlement of the outstanding AVBZ balance amounting to ANG 280,428, representing the net effect of the outstanding balances for the years ended 2018 (ANG -104,173), 2019 (ANG 346,737) and 2020 (ANG 37,864). The corresponding amounts recorded for the years ended 2018 and 2019 were recorded as restatements to other reserves 2019.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
13 USZV Settlement liability		
USZV Settlement liability	<u>467,627</u>	<u>646,127</u>
	<u>2021</u>	<u>2020</u>
	ANG	ANG
USZV Settlement liability		
Balance as at 1 January		
USZV Settlement liability	<u>646,127</u>	<u>707,535</u>
Balance as at 1 January	<u>646,127</u>	<u>707,535</u>
Movements		
Release per Settlement Agreement	<u>-178,500</u>	<u>-61,408</u>
Balance as at 31 December		
USZV Settlement liability	<u>467,627</u>	<u>646,127</u>
Balance as at 31 December	<u>467,627</u>	<u>646,127</u>

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The USZV Settlement liability presented are based on the settlement agreement between MHF and SZV. The 2021 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 is ANG 167,906. SZV has agreed to waive this amount fully as per the November 2022 settlement agreements. The release in 2021 represents a 75% waiver of the 2020 liability by SZV. In Q1 2022, before the approval of the 2020 financial statements, the agreement reached between MHF and SZV resulted in settlement of the outstanding balances for the years ended 2018 (ANG 3,418), 2019 (ANG 403,598) and 2020 (ANG 239,110). The corresponding amounts recorded for the years ended 2018 and 2019 were recorded as restatements to other reserves in 2019.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
14 Payables relating to taxes and social security contributions		
Social security premiums	57,295	38,631
Wage tax	<u>53,532</u>	<u>50,183</u>
	<u>110,827</u>	<u>88,814</u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	ANG	ANG
15 Other payables and accrued expenses		
Pension payable	143,360	98,773
Vacation allowance payable	103,245	115,303
Professional fees payable	31,707	32,120
Credit card payable	3,006	1,602
Congress donations to be spent	2,357	2,357
Samenwerkende fondsen to be spent	<u>659</u>	<u>16,093</u>
	<u>284,334</u>	<u>266,248</u>

The pension premium payable refers to the net balance payable consisting of (i) an amount of ANG 150,697 thousand payable to Guardian Group and, (ii) a prepayment made to Ennia in amount of ANG 7,337 thousand.

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2.5 NOTES TO THE INCOME STATEMENT FOR THE YEAR 2021

	<u>2021</u>	<u>2020</u>
	ANG	ANG
16 Income from contributions and consultations		
USZV Contribution	3,251,710	2,772,811
AVBZ Contribution	2,230,347	2,161,922
Consultations	193,506	136,748
WYC Psychiatrist fees/MHC Saba/ Statia visit	<u>111,603</u>	<u>98,456</u>
	<u>5,787,166</u>	<u>5,169,937</u>

The income recognized is based on the contractual agreement between MHF and USZV for the years 2021 and 2020 which is subject to settlement agreements between the parties for the respective periods.

	<u>2021</u>	<u>2020</u>
	ANG	ANG
17 Other income		
AVBZ Mortgage subsidy	185,760	185,760
Donations	15,239	15,490
Reimbursements (icw loss of wages)	<u>5,454</u>	<u>1,591</u>
	<u>206,453</u>	<u>202,841</u>
	<u>2021</u>	<u>2020</u>
	ANG	ANG

18 Wages and salaries

Salaries and wages	<u>3,421,151</u>	<u>3,494,991</u>
--------------------	------------------	------------------

Average number of employees (FTE) 2021:69 (2020:65)

	<u>2021</u>	<u>2020</u>
	ANG	ANG
19 Social security contribution		
AOV/AWW contribution	214,728	209,271
USZV contribution	141,852	147,544
AVBZ contribution	<u>27,956</u>	<u>16,927</u>
	<u>384,536</u>	<u>373,742</u>

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	<u>2021</u>	<u>2020</u>
	ANG	ANG
20 Pension contribution		
Pension contribution	134,723	134,723
Adjustment pension contribution previous years	<u>-8,611</u>	<u>-</u>
	<u>126,112</u>	<u>134,723</u>

	<u>2021</u>	<u>2020</u>
	ANG	ANG
21 Other personnel expenses		
Training expense	91,603	46,516
Medical insurance	66,953	66,405
Recruitment expenses	42,761	-
Other personnel expenses	34,337	23,214
Travel expenses personnel	27,617	722
Housing personnel	20,574	-
Volunteer/intern compensations	7,661	9,045
Medical expense	6,012	1,085
Cessantia	<u>1,840</u>	<u>1,800</u>
	<u>299,358</u>	<u>148,787</u>

The increase in personnel expenses resulted from an increase in employee development and training programs as well as recruitment and housing expenses for management staff.

	<u>2021</u>	<u>2020</u>
	ANG	ANG
22 Amortization and Depreciation		
Amortization of intangible fixed assets	6,797	5,541
Depreciation of property, plant and equipment	<u>192,824</u>	<u>201,044</u>
	<u>199,621</u>	<u>206,585</u>

	<u>2021</u>	<u>2020</u>
	ANG	ANG
Amortization of intangible fixed assets		
Amortization costs - intangible fixed assets	<u>6,797</u>	<u>5,541</u>

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	<u>2021</u>	<u>2020</u>
	ANG	ANG
Depreciation of property, plant and equipment		
Land and Buildings	123,082	119,593
Furniture and Fixtures	40,962	41,482
Computers	30,897	30,894
Vehicles	<u>-2,117</u>	<u>9,075</u>
	<u>192,824</u>	<u>201,044</u>
	<u>2021</u>	<u>2020</u>
	ANG	ANG
23 Housing expenses		
Security expenses	233,070	206,735
Repair and maintenance	107,744	105,284
Utilities	87,178	59,995
Insurance	28,071	26,274
Other housing expenses	<u>4,545</u>	<u>4,545</u>
	<u>460,608</u>	<u>402,833</u>
	<u>2021</u>	<u>2020</u>
	ANG	ANG
24 Office expenses		
Other office expenses	88,110	62,007
Telephone, fax and internet	73,256	80,246
Office supplies	<u>15,241</u>	<u>8,221</u>
	<u>176,607</u>	<u>150,474</u>
	<u>2021</u>	<u>2020</u>
	ANG	ANG
25 Client direct expenses		
Daycare expenses	91,713	94,124
Medication expenses	39,990	45,039
Transportation expenses	15,967	13,096
Laundry & cooking gas	2,117	2,837
Other client direct expenses	<u>1,658</u>	<u>1,869</u>
	<u>151,445</u>	<u>156,965</u>

Mental Health Foundation, St. Maarten

	<u>2021</u>	<u>2020</u>
	ANG	ANG
26 Professional expenses		
Professional fees	198,578	269,466
Legal fees	58,149	13,755
Audit fees	<u>32,149</u>	<u>32,120</u>
	<u><u>288,876</u></u>	<u><u>315,341</u></u>

	<u>2021</u>	<u>2020</u>
	ANG	ANG
27 General expenses		
Bank charges	221,476	7,742
Provision for doubtful debts	115,769	64,164
Board expenses	30,000	36,000
Transportation expenses	29,887	18,261
Vehicle insurance	13,447	15,449
Promotion expenses	12,052	23,135
Representations	8,389	16,889
Other general expenses	8,157	6,116
Insurance	5,927	5,441
Advertising expenses	2,793	7,461
Prior year adjustments	<u>-14,717</u>	<u>-34,244</u>
	<u><u>433,180</u></u>	<u><u>166,414</u></u>

General expenses has increased due to the significant bank charges incurred resulting from the purchase of the St. Johns property in July 2021.

	<u>2021</u>	<u>2020</u>
	ANG	ANG
28 Financial expenses		
Interest income	597	481
Interest expenses	<u>-109,868</u>	<u>-52,437</u>
	<u><u>-109,271</u></u>	<u><u>-51,956</u></u>

29 Commitments

Improving Access and Quality of Mental Health Services Project

Through the assistance and collaboration of the National Recovery Program Bureau (NRPB), the World Bank and the Government of St. Maarten, the foundation is in the process of creating a project to improve the access and quality of Mental Health Services on St. Maarten. As at July 14, 2021, the NRPB's Steering Committee has allocated USD 8 million toward the funding of this project as the project is provisionally estimated to be USD 8 million over the period of four years and will envisage three components as follows:

- Component 1: Improving capacity of the MHF to provide quality health care by expanding its building and strengthening its staffing and continuous education;
- Component 2: Supporting structured prevention of alcohol and psychoactive substance (PAS) abuse;
- Component 3: Project Management, Monitoring and Evaluation.

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 2021 financial statements

Our opinion

We have audited the 2021 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 2021 and of its result for 2021 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 2021;
2. the income statement for the year 2021; 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.:

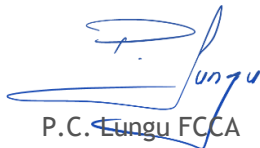
- ▶ Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk 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, December 13, 2022
For and on behalf of BDO St. Maarten B.V.,



P.C. Lungu FCCA

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