

ASSOCIATION MOTIVATION FROM MOLDOVA
FINANCIAL STATEMENTS PREPARED IN
ACCORDANCE WITH NATIONAL ACCOUNTING
STANDARDS

FOR THE YEAR ENDED 31 DECEMBER 2024

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Independent Auditor's Report

To: Management and Council of the Association MOTIVATION from Moldova

Report on the audit of the financial statements

An opinion

1. We have audited the financial statements of the NGO Association MOTIVATION from Moldova ("the Association"), located in mun. Chisinau, 11/A 2 Nicolae Milescu Spataru str., which include the balance sheet as of December 31, 2024, the income and expenses statement and the statement of changes in funding sources for the financial year ended on that date, the summary of significant accounting policies and other explanatory notes.

Audited Financial Statements includes the following figures:

- | | |
|--|---------------|
| • Balance of special purpose financing | 1,332,719 lei |
| • Total assets | 7,645,222 lei |
| • Total expenses | 8,370,591 lei |

2. In our opinion, the accompanying financial statements which include the financial position of the Association as at 31 December 2024 and its financial performance for the financial year ended are prepared in all material respects in accordance with the National Accounting Standards (hereinafter "NAS") and with the Methodical Indications regarding the particularities of accounting in non-commercial organizations approved by the Ministry of Finance by Order no. 188 dated 12/30/2014 (hereinafter "Methodical Indications").

Basis for opinion

3. We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under these standards are described in detail in the "Auditor's Responsibilities in an Audit of Financial Statements" section of our report. We are independent of the Association, according to the Code of Ethics for Professional Accountants issued by the Council for International Standards of Ethics for Accountants (IESBA code), according to ethical requirements that are relevant for auditing financial statements in Moldova, and we have fulfilled our ethical responsibilities according to these requirements and according to the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting and Restriction on Distribution

4. We draw attention that the financial statements are prepared in accordance with NAS and Methodical Indications applicable in Republic of Moldova. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for Management and Council of Association, and other users who know SNC and Methodical Indications. Our opinion is not modified in respect of this matter.

Responsibilities of management and employees responsible for governance of the financial statements

5. The management of the Association is responsible for the preparation of financial statements that provide a true and fair view in accordance with the SNC and the Methodological Guidelines on the particularities of accounting in non-commercial organizations approved by the Ministry of Finance by Order no. 188 of 30.12.2014 and for that internal control that the management considers necessary to allow the preparation of financial statements without significant misstatement, caused either by fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Association's ability to continue to operate, for presenting, where appropriate, business continuity issues, and for using accounting based on business continuity, unless management intends to liquidate the Association or stop operations or have no other realistic alternative besides them.
7. Those responsible for governance are responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities on the audit of financial statements

8. Our objectives relate to obtaining reasonable assurance about the extent to which the financial statements 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 there is no guarantee that an audit conducted in accordance with the ISA will always detect a significant misstatement, if any. Distortions may be caused by either fraud or error and are considered significant if they can reasonably be expected to have an individual or cumulative effect on the economic decisions of users, based on these financial statements.
9. As part of an ISA-compliant audit, we exercise professional judgment and maintain professional scepticism throughout the audit. Also:
 - We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a significant misstatement caused by fraud is higher than the risk of not detecting a significant misstatement caused by error, as fraud may involve secret agreements, forgery, intentional omissions, misrepresentation, and circumvention of internal control.
 - We understand the relevant internal control for the audit, to design audit procedures appropriate to the circumstances, but without the purpose of expressing an opinion on the effectiveness of the Association's internal control.
 - We assess the adequacy of the accounting policies used and the reasonableness of the accounting estimates and disclosures made by management.
 - We formulate a conclusion on the adequacy of management's use of accounting based on business continuity and determine, based on the audit evidence obtained, whether there is significant uncertainty about events or conditions that could raise significant doubts about capacity of the Association to continue its work. If we conclude that there is significant uncertainty, we should draw attention in the auditor's report to the related disclosures in the financial statements or, if those disclosures are inadequate, change our opinion. Our findings are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Association to cease its activities on a going concern basis.

- We evaluate the presentation, structure, and content of financial statements, including disclosures, and the extent to which financial statements reflect the underlying transactions and events in a manner that results in a fair presentation.
10. We communicate to those responsible for governance, among other things, the planned area and timing of the audit, as well as the main findings of the audit, including any significant deficiencies in internal control, which we identify during the audit.

Chisinau, 02 April.2025

Vera Baci

Auditor, License AG 000296 from 06 July 2012 Registered in CSPA with number 1207068

In name: ATA Consult S.R.L.

Registered in CSPA with number 903050

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ASSOCIATION MOTIVATION FROM MOLDOVA
BALANCE SHEET AS AT 31 DECEMBER 2024
(all amounts are expressed in MDL, unless otherwise specified)

	Notes	31 December 2024	31 December 2023
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	4	18,979	41,980
Tangible assets under construction	3	-	21,899
Fixed assets	3	5,721,169	693,160
TOTAL LONG-TERM ASSETS		5,740,148	757,039
CURRENT ASSETS			
Stocks		995	845
Trade receivables and advances paid	5	38,171	141,996
Budget receivables		3,067	2,704
Other receivables	6	96,134	331,673
Cash	7	1,757,095	3,329,686
Other current assets		9,612	9,944
TOTAL CURRENT ASSETS		1,905,074	3,816,848
TOTAL ASSETS		7,645,222	4,573,887
EQUITY			
	8		
Net surplus (net deficit) of the period		17,640	132,242
Fixed asset fund		5,740,148	757,039
Self-financing fund		451,047	2,326,912
TOTAL EQUITY		6,208,835	3,216,193
CURRENT LIABILITIES			
Current special purpose financing	9	1,332,719	1,163,424
Commercial debts and advances received		11,070	2,020
Budget liabilities		10	92
Anticipated revenue		92,588	192,158
TOTAL CURRENT LIABILITIES		1,436,387	1,357,694
TOTAL EQUITY AND LIABILITIES		7,645,222	4,573,887

These financial statements were approved on 02 April 2025 and signed by:

Iachim Ludmila
Executive director

Burlacu Ivan
Chief - Accountant

ASSOCIATION MOTIVATION FROM MOLDOVA
STATEMENT OF INCOME AND EXPENSES AS AT 31 DECEMBER 2024
(all amounts are expressed in MDL, unless otherwise specified)

	Notes	2024	2023
Income from special purpose financing	10	8,285,541	11,657,213
Expenses from special purpose financing	11	(8,285,541)	(11,657,213)
Profit/(loss) from special purpose financing		-	-
Other income (excluding economic activity income)		13	-
Other expenditures (excluding economic activity expenditures)		(160)	-
Profit (loss) related to other activities		(147)	-
Income from economic activity		102,677	278,463
Expenses from economic activity		(84,890)	(146,221)
Profit/(loss) from economic activity		17,787	132,242
Income tax expense		-	-
Net profit (loss) for the year		17,640	132,242

These financial statements were approved on 02 April 2025 and signed by:

Iachim Ludmila
Executive director

Burlacu Ivan
Chief - Accountant

ASSOCIATION MOTIVATION FROM MOLDOVA
STATEMENT OF CHANGES IN FUNDING SOURCES
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are expressed in MDL, unless otherwise specified)

Indicator	As at 1 January 2024	Received	Consumed	As at 31 December 2024
1. Special purpose funds				
Grants	1,163,424	9,308,260	9,138,965	1,332,719
Financial and technical assistance	-	8,900	8,900	-
Other Funding with special purpose	-	2,974,251	2,974,251	-
Total special purpose funds	1,163,424	12,291,411	12,122,116	1,332,719
2. Contributions of founders and members				
Membership fees and dues	-	4,900	4,900	-
Total contributions of founders and members	-	4,900	4,900	-
3. Funds				
Fixed Asset Fund	757,039	5,330,992	347,883	5,740,148
Self-financing fund	2,459,154	17,640	2,008,107	468,687
Total funds	3,216,193	5,348,632	2,355,990	6,208,835
Total funding sources	4,379,617	17,644,943	14,483,006	7,541,554

These financial statements were approved on 02 April 2025 and signed by:

Iachim Ludmila
Executive director

Burlacu Ivan
Chief - Accountant

**ASSOCIATION MOTIVATION FROM MOLDOVA
NOTE EXPLICATIVE LA SITUAȚIILE FINANCIARE
PENTRU ANUL ÎNCHEIAT LA 31 DECEMBRIE 2024
(Toate sumele sunt exprimate în MDL, dacă nu este specificat altfel)**

1 GENERAL INFORMATION

The Public Association "ASSOCIATION MOTIVATION FROM MOLDOVA", (hereinafter – the Association) was founded on January 4, 2002, and registered with the Ministry of Justice of the Republic of Moldova under number 2079, address: Chisinau municipality, 11/A 2 Nicolae Milescu Spataru str..

The main activity carried out by the Association is: supporting the process of social integration of children and young people with disabilities by changing the mentality of rejection manifested by society.

The Association's goals are:

- Promoting the rights of persons with disabilities and raising public awareness regarding the problems and potential of persons with disabilities;
- Raising public awareness regarding the social inclusion of persons with disabilities;
- Raising public awareness regarding the access of persons with disabilities to public services;
- Promoting a positive attitude towards the social inclusion of persons with disabilities;
- Developing civil society with the participation of persons with disabilities by empowering, providing informational and financial support to initiative groups of these persons, facilitating the creation of partnerships with central and local public authorities;
- Increasing the level of access to infrastructure, public transport and services for persons with disabilities, through the permanent assessment and monitoring of accessibility conditions, reporting irregularities and advocacy for the elimination of barriers, developing solutions, analyzing standards and regulations in construction and adjusting them;
- Economic empowerment of people with disabilities by providing support in employment, training and preparation for the open labor market, providing financial support for start-ups, informing, training and preparing employers, promoting a legal framework that will facilitate the creation of jobs for people with disabilities;
- Empowering people with locomotor disabilities for independent living through their information, training and empowerment;
- Promoting new assistive technologies in the Republic of Moldova;
- Organizational development of the "MOTIVAȚIE" Association in Moldova;
- Increasing the sustainability of services for people with disabilities by developing specialized paid social services;
- Increasing the diversity of professional integration programs for people with disabilities by developing insertion enterprises and social entrepreneurship;
- Increasing the sustainability of the Association by developing economic and Social Entrepreneurship activities that do not contradict the legislation in force..

To achieve the goals of the AO, it carries out the following statutory activities:

- organizing information campaigns, advocacy actions, involving the media, organizing round tables, conferences, establishing partnerships with other NGOs and Public Authorities;
- informing different target groups, key groups (journalists, educators, social workers, etc.) regarding the social inclusion of people with disabilities and empowering them as promoters of the rights of people with disabilities;
- providing specialized social services for the inclusion of people with disabilities;
- providing training services for social workers, support workers, etc., to prevent abandonment and institutionalization;
- providing active recovery services, independent living for people with disabilities;
- providing training programs / grants / support for the inclusion of people with disabilities in community life, in the decision-making process and promoting citizen activism;
- promoting and providing services in the field of assistive technologies for people with disabilities;
- development of volunteer programs;
- organization of seminars, trainings, courses, conferences on the topic of social integration, active recovery, rights of persons with disabilities, tolerance, acceptance, supported employment, etc.;

1 GENERAL INFORMATION (CONTINUED)

- organization of active recovery internships, schools/summer camps, courses, seminars for both children and young people with disabilities and their families;
- organization of seminars, courses, internships, trainings for specialists of the Association;
- holding certain seminars, courses, trainings, trainings for specialists in the field of integration, for volunteers and trainers;
- creation of partnerships with mass media, radio and television programs regarding the promotion of the abilities of persons with disabilities and the observance of their rights;
- implementation of projects in partnership with state institutions, non-governmental organizations and other social actors;
- publishing of printed matter, including posters, leaflets, brochures, methodical literature in the fields of inclusive education, employment, accessibility, independent living, respect for rights, social integration;
- development and implementation of scientific, educational, cognitive, social, cultural-artistic, sports, tourist, and welfare programs for children and youth;
- appeal to state bodies with proposals regarding the functioning of the legislative and regulatory framework in the issues of persons with disabilities;
- defense of the rights of persons with disabilities in state and public bodies;
- founding enterprises and organizations with the right of legal entity in order to achieve statutory objectives;
- carrying out other activities that do not contradict the legislation in force;
- carrying out economic activities: adapted transport, training, consulting, technical and informational assistance, job creation for persons from vulnerable categories, to support social services and beneficiaries of the Association;
- supporting beneficiaries by offering start-ups to increase the level of financial independence;
- supporting people with disabilities in accumulating funds for surgical interventions and rehabilitation, as well as purchasing assistive equipment;
- providing assisted employment services to people with disabilities;
- providing design and evaluation services for public objects/institutions from the perspective of accessibility and developing technical and graphic solutions.
- carrying out other activities that do not contravene the legislation in force.

The association's funding sources include:

- special purpose means in the form of:
 - ✓ grants
 - ✓ conditional donations,
 - ✓ financial assistance,
 - ✓ other financing and receipts for special purposes;
- non-predestined means in the form of:
 - ✓ unconditional donations,
 - ✓ financial aid;
- dues and other contributions of the members of the association;
- sources from statutory economic activity;
- other means (credits, loans).

The association's accounting is kept on the basis of:

- The Law on Accounting and Financial Reporting no. 287 of 15 December 2017;
- Methodical Indications on the Particularities of Accounting in Non-Commercial Organizations (hereinafter – Methodical Indications) approved by the Order of the Minister of Finance No. 188 of 30.12.2014;
- National Accounting Standards (hereinafter – NAS), approved by the Order of the Minister of Finance no. 118 of 06.08.2013;
- The General Plan of Accounting Accounts, approved by the Order of the Minister of Finance no. 119 of 06.08.2013;
- other normative acts (item 6 of the Methodical Indications).

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting is kept by a specialized company on a contractual basis (in accordance with art.18 of the Accounting Law). The responsibility for keeping the accounts and preparing the financial statements lies with the executive director of the association (art. 18 para. (2) of the Law on Accounting and Financial Reporting).

The Association applies the double-entry accounting system, with the presentation of the financial statements according to the Methodical Indications (art. 5 para. (5) of the Accounting Law, item 7 of the Methodical Indications).

The Association records the accounting elements based on accrual accounting (art. 6 para. (b) of the Accounting Law, item 9 sub-item. 1) of the Methodical Indications). The Association applies standard forms of primary documents, as well as forms developed independently (art. 11 para. (4) of the Accounting Law).

The primary documents are drawn up in electronic form, and as the case may be – on paper (art. 11 para. (5) of the Accounting Law). The responsibility for drawing up and signing the primary documents and accounting records is borne by the persons provided in Annex 2 (art. 18 para. (2) of the Accounting Law). The cash, banking and settlement documents are signed by the executive director and the chief accountant of the 3rd of the association (art. 11 para. (13) of the Accounting Law).

The Association accounts for the economic facts based on the work chart of accounts (art. 14 para. (2) of the Accounting Law and item 12 of the Methodical Indications). The Association uses the forms of the accounting books provided in the accounting program 1С:Предприятие 8.3.

The accounting records are drawn up in electronic form, with printing on paper at the request of the authorized bodies (art. 15 para. (1) of the Accounting Law).

The nomenclature of the accounting books and their structure are established by each independent entity, starting from its own informational needs, in compliance with the provisions of para. (3) art. 15 of the Accounting Law. The management period coincides with the calendar year (art. 24 para. (1) of the Accounting Law).

The financial statements are signed by the head of the association (art. 31 of the Accounting Law). The financial statements are submitted on paper or in electronic form (to associates, shareholders, founders, members) and to the National Bureau of Statistics (art. 33 para. (1) of the Accounting Law).

The inventory of accounting elements is carried out once a year in accordance with the Regulation on the inventory Order of the Ministry of Finance No. 60 of 29.05.2012, or in the mandatory cases of inventory provided for in art. 16 of the Accounting Law

Accounting errors are corrected by reversal, reverse and supplementary accounting entries (item 33 of the NAS "Accounting policies, changes in accounting estimates, errors and subsequent events"). The accounting documents are kept by the entity on paper or in electronic form (art.17 of the Accounting Law).

Accounting procedures for which the normative acts provide for different variants

Special purpose funds

Special purpose funds are recognised on the basis of accrual accounting. The special purpose funds used to cover the expenses shall be settled to the current income as the expenses are incurred.

The special purpose funds used for the purchase/manufacture of stocks and other current assets, as well as for the granting of advances are recorded as a decrease in financing and receipts for special purpose and an increase in income.

Financing and receipts for special purposes related to stocks and advances shall be granted to anticipated revenues in total amount, and as stocks are used and advances are settled, the anticipated revenues shall be settled to current revenues.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special purpose assets received in the form of fixed assets or used for the purchase/creation of such assets shall be settled to the fixed assets fund upon their transfer into operation.

The favorable and unfavorable exchange rate differences related to the special purpose funds in foreign currency are recorded as an increase or decrease in the financing and receipts for special purpose.

Unused special purpose funds that arise in case of incomplete use of the funds received, due to the cessation of the programs/projects or after their completion, or when the amount of the means received exceeds the amount of the funds used, with the agreement of the funder the unused funds may be reimbursed, redirected to the co-financing of other programs/projects or left at the disposal of the non-commercial organization.

The reimbursement of unused funds is recorded as a concomitant decrease in long-term or current financing and receipts and assets (cash, etc.). The redirection of funds is recorded as internal correspondence between the sub-accounts of the synthetic accounts for the record of financing and receipts with a special purpose. The settlement of the unused means remaining at the disposal of the non-commercial organization is recorded as a decrease in long-term or current financing and receipts with a special purpose and an increase in the self-financing fund.

Non-predestined means and contributions of the founders and members of the association

Non-predestined funds received in the form of fixed assets are settled upon their transfer in operation to the fixed assets fund.

Non-predestined funds received in the form of current assets are settled according to their use to current income. The non-predestined funds not used until the reporting date are settled to the self-financing fund.

The contributions and other contributions of the founders and members of the association intended for the performance of special missions are accounted for in the same way as the means with special destination.

Membership fees and other contributions of the members of the association whose use is not conditional on the performance of special missions shall be settled in the same way as non-predestined means.

Income and expenses

The revenues related to the special purpose funds include the amounts of the special purpose funds used, except for the means used for the purchase/creation of fixed assets. These revenues are recognized according to the use of the means with special purpose and are evaluated in the amount of the current expenses actually incurred on account of these means, the cost of stocks consumed, the amounts of advances settled and other costs covered on account of the means with special purpose.

The expenses related to the special purpose funds include the expenses incurred on behalf of the special purpose funds which include: the book value of the stocks purchased/manufactured and consumed (used, transmitted free of charge), the current expenses (program/project, administrative), including personnel expenses, for the execution of contractual obligations.

Other income and expenses of the association include:

- ✓ income from the surplus of fixed assets and current assets recorded in inventory;
- ✓ income from the recovery of material damage;
- ✓ income from the settlement of debts with the expired limitation period;
- ✓ expenses related to shortages and losses from the deterioration of fixed and current assets;
- ✓ expenses from the settlement of compromised receivables;
- ✓ other expenses.

Income from economic activity includes:

- ✓ income from production activity, sale of goods, execution of works and provision of services;
- ✓ financial income (income from exchange rate and amount differences, interest, except for those related to special purpose funds, investments, other financial income);
- ✓

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ✓ income from rewards received to compensate for expenses or losses due to natural disasters or other exceptional events;
- ✓ other income related to economic activity

Expenditures from economic activity include:

- ✓ the book value of goods sold;
- ✓ the cost of services rendered/works performed;
- ✓ unfavourable exchange rate and amount differences, interest and other financial expenses, except for those related to special purpose funds;
- ✓ losses from natural disasters or other exceptional events;
- ✓ other expenses related to obtaining income from economic activity.

The result from the economic activity profit (loss) is determined at the end of the management period and is settled when the Association's self-financing fund is increased or decreased.

Intangible and tangible assets

Intangible and tangible assets are initially recognized on record objects whose nomenclature is established by the executive director of the association (item 5 of the NAS "Intangible and tangible assets", item 52 of the Methodical Indications). The asset received as a donation or purchased on account of the donated funds is recognized as fixed or current assets depending on the purpose of the subsequent destination. In the case of purchasing the asset for continuous use in the organization's activity, it will be recognized as fixed assets. If the asset is intended to be transferred to other beneficiaries (except for the lease), it will be recognised and presented on the balance sheet as a current asset and/or transferable asset.

The initial valuation of each object of evidence of intangible and tangible assets shall be carried out at the input cost which shall be determined according to the input source.

The subsequent valuation of intangible and tangible assets is carried out at book value (item 17 of the NAS "Intangible and tangible assets").

The periods of use of intangible and tangible assets are established according to the model of their use and are presented in the receipt-delivery (transfer into service) minutes (item 20 of the NAS "Intangible and tangible assets").

Intangible and tangible assets (continued)

Fixed assets include tangible fixed assets transferred into operation, the unit value of which exceeds the value ceiling provided by the tax legislation (item 4 of the NAS "Intangible and tangible assets").

The residual value of fixed assets is insignificant and is considered to be nil (item 20 of the NAS "Intangible and tangible assets").

The depreciation of intangible assets and fixed assets is calculated using the straight-line method (item 22 of the NAS "Intangible and tangible assets").

The depreciation of intangible assets and fixed assets is calculated, starting with the first day of the month following the month of their transfer into service (item 28 of the NAS "Intangible and tangible assets").

Assets received free of charge or purchased from the account of various sources of financing for transmission to other beneficiaries are recorded as assets – in balance sheet accounts in case of compliance with the recognition criteria established by the National Accounting Standards. In other cases, the respective assets are recorded in off-balance sheet accounts.

Assets received free of charge, regardless of their destination, are valued at the entry cost determined on the basis of donation deeds, receipt-delivery minutes, invoices, invoices and other documents (item 49 of the Methodical Indications).

The cost of entry of the assets received for temporary use or for the purpose of their subsequent transfer to other beneficiaries is determined, according to the accompanying documents, by an independent commission appointed by the executive director of the association. If the accompanying documents are missing or do not indicate the value of the assets, it shall be determined on the basis of:

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- ✓ fair value – in case of receiving assets from residents of the Republic of Moldova;
- ✓ customs value – in case of receipt of assets from abroad of the Republic of Moldova;
- ✓ value determined on another reasonable basis (paragraph 50 of the Methodical Guidance).

The costs of acquisition and preparation of assets for the implementation of special missions are included in the cost of entry only if they have been covered by the same source of financing (grant, project, technical assistance, etc.). Otherwise, these costs are recorded as current expenses (item 51 of the Methodical Indications).

The subsequent costs covered from different sources of funding are distributed proportionally to the sizes of the respective sources of funding (Section 59 of the Methodological Guidance).

Current assets

Inventory accounting is kept in quantitative and value terms (item 10 of the "Inventories" NAS).

Stocks are settled directly at current costs and/or expenses at the time of their purchase (item 9 of the "Stocks" NAS).

The outgoing stocks (consumed, sold, etc.) are valued by FIFO, and the donated stocks – by the specific identification method (items 35–37 of the "Stocks" NAS).

The amount of the material damage is recorded in the composition of other income (item 32 of the NAS "Receivables and financial investments").

Anticipated expenses and income are settled to current expenses and income using the straight-line method, during the management periods to which they are attributed (item 8 of the NAS "Expenses" and item 64 of the NAS "Equity and debts").

Other accounting and economic facts

The association's funds include: the fixed assets fund, the self-financing fund, other funds (item 75 of the Methodical Indications).

Receivables, cash and liabilities in foreign currency are recalculated in national currency on the reporting date (item 13 of the NAS "Exchange rate and amount differences").

Other accounting and economic facts (continued)

The accounting of production costs is kept as a whole by association, without the application of management accounts.

In case of the occurrence of the statutory economic activity, this activity will be accounted for in accordance with the National Accounting Standards and the income tax will be determined according to the provisions of the Fiscal Code.

Accounting procedures developed independently (art. 18 para. (3) p. c) of the Accounting Law)

Liabilities related to non-predestined assets are accounted for in the component of other current liabilities.

The receivables related to the contributions of the founders and members of the association are accounted for in the component of other current receivables.

At the Association, the means with special purpose are kept by types of financing (grants, financial and technical assistance, unconditional donations, other financing and receipts with special purpose, etc.) and by sources of financing, applying an acronym of the implemented project.

Depending on the particularities of the activity and the requirements for presenting information, at the Association the accounting accounts of the second degree are grouped into accounts related to the statutory economic activity and accounts related to the means with special purpose (related to funds) with the mandatory observance of the accounts of the first degree according to the General Plan of Accounting Accounts.

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At the Association, the special purpose funds used for the procurement/creation of tangible and intangible assets are recorded as a decrease in the special purpose financing and an increase in the real estate fund at the time of settlements with the suppliers of these assets, provided that the purchase/creation of these assets and the settlements with the suppliers take place in the same fiscal year, otherwise the provisions of the Methodical Indications are observed.

At the Association, the means with special purpose used to cover the expenses are settled at anticipated revenues in total amount, at the time of settlements for these expenses, and as the current expenses are recorded, the anticipated revenues will be settled at current revenues, provided that the current expenses and settlements take place in the same fiscal year, otherwise the provisions of the Methodical Indications are observed.

The project exchange rate for special purpose financial means received in foreign currency is the commercial exchange rate at which the currency is exchanged. For projects denominated in foreign currency, according to the signed contracts, however, the entries of special purpose funds are in national currency, the project exchange rate is the official exchange rate on the date of entry or the exchange rate agreed by the financier.

The favourable and unfavourable exchange rate differences related to the cash flow fund expressed in foreign currency are recorded as an increase or decrease in the cash flow fund and as an increase or decrease in the cash in current accounts in foreign currency related to the cash flow fund.

For the record of long-term assets received in lease, values of goods and materials received in temporary use and the record of forms with special regime and OSVSD in operation Associates use the 7 off-balance sheet accounts according to the work chart of accounts.

Tires and battery evidence

The value of tires and batteries included in the cost of entry of the means of transport purchased and sent into service, is settled at costs/expenses by calculating the depreciation, as the means of transport are operated. The value of tires and batteries purchased separately from the means of transport, at the time of transmission into service (use), can be settled in the total amount to current costs/expenses, fixed assets in progress, etc.;

The book value of tires and batteries purchased separately from the means of transport recognized until the entry into force of the amendments and additions to the "Stocks" NAS will be accounted for according to the accounting method of the value of tires and batteries purchased separately from the means of transport that was in force until December 31, 2019.

OSVSD evidence (Objects of Small Value and Short Duration)

According to the new wording of item 53 of the "Stocks" NAS, OSVSD wear is calculated in the amount of 100% of the value of the objects minus the residual value when they are transferred into service. This method of calculating OSVSD wear and tear can be applied only for objects submitted for use starting with 01.01.2021, regardless of the period in which they were purchased (up to and/or after 01.01.2021) and the source of entry (special and non-predestined vehicles, own resources obtained from economic activity, etc.).

The OSVSD wear and tear in the amount of 50% of the value of the objects in use on the date of entry into force of the changes made in the Methodical and NAS Indications is to be calculated when they are taken out of service (scrapped).

The method of calculating and accounting for OSVSD wear and tear submitted to service after 01.01.2021 is examined below.

According to the accounting policies, the financing and receipts with a special purpose used for the purchase of stocks, including OMVSD, are recorded as anticipated revenues that are settled at the current revenues as the transfer into operation/calculation of wear and tear, respectively, for objects with a unit value not higher/higher than 1000-00 lei

ASSOCIATION MOTIVATION FROM MOLDOVA
NOTE EXPLICATIVE LA SITUAȚIILE FINANCIARE
PENTRU ANUL ÎNCHEIAT LA 31 DECEMBERIE 2024
(Toate sumele sunt exprimate în MDL, dacă nu este specificat altfel)

3 FIXED ASSETS

	Property, plant and equipment	Buildings	Special construction s related to the funds	Machinery, equipment and transmission installations related to the funds	Vehicles related to the funds	Inventory and furniture related to the funds	Other fixed assets related to funds	Total
Cost								
Balance at 1 January	21,899	-	13,000	396,370	1,170,647	32,433	25,732	1,660,081
Additions	5,330,992	-	-	-	-	-	-	5,330,992
Disposals	-	-	13,000	69,964	-	31,274	-	114,238
Transfers	(5,352,891)	5,145,442	144,000	35,209	-	28,240	-	-
Balance at 31 December	-	5,145,442	144,000	361,615	1,170,647	29,399	25,732	6,876,835
Accumulated depreciation								
Balance at 1 January	-	-	4,073	287,125	613,771	32,245	7,808	945,022
Annual expenditure	-	83,382	2,617	63,762	159,107	3,216	3,975	316,059
Disposals	-	-	4,290	69,851	-	31,274	-	105,415
Balance at 31 December	-	83,382	2,400	281,036	772,878	4,187	11,783	1,155,666
Net balance sheet value								
As at 31.12.2023	21,899	-	8,927	109,245	556,876	188	17,924	715,059
As at 31.12.2024	-	5,062,060	141,600	80,579	397,769	25,212	13,949	5,721,169

ASSOCIATION MOTIVATION FROM MOLDOVA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are expressed in MDL, unless otherwise specified)

4 INTANGIBLE ASSETS

	Computer programs	Other intangible assets	Total
Cost			
Balance at 1 January	147,018	23,905	170,923
Additions	-	-	-
Balance at 31 December	147,018	23,905	170,923
Accumulated depreciation			
Balance at 1 January	105,038	23,905	128,943
Annual expenditure	23,001	-	23,001
Balance at 31 December	128,039	23,905	151,944
Net balance sheet value			
As at 31.12.2023	41,980	-	41,980
As at 31.12.2024	18,979	-	18,979

5 TRADE RECEIVABLES AND ADVANCES PAID

	31 December 2024	31 December 2023
Lukoil-Moldova SRL	21,461	20,174
ATA CONSULT S.R.L.	14,000	-
MAZILO OLEG I.I.	-	46,380
U.N.D.P Moldova	-	43,810
MOLDAUDITING S.R.L.	-	22,000
Bujor Maria	-	7,224
Other	2,710	2,408
Total trade receivables and advances paid	38,171	141,996

6 OTHER CURRENT RECEIVABLES

	31 December 2024	31 December 2023
PEOPLE IN NEED SUCURSALA CHISINAU	38,024	-
JUDY INITIATIVE EURASIA FOUNDATION	32,290	-
IZBAS VICTOR ERGHEI	20,475	-
OIM MISIUNEA IN RM	-	185,700
MERCY CORPS MOLDOVA	-	99,261
ALIE PARUSA ASOCIATIA PARINTILOR COPIILOR INVALIZI A.O.	-	24,628
PSINCLUSION INSTITUTUL DE SANATATE MINTALA A.O.	-	18,647
Other current receivables	5,345	3,437
Total other current receivables	96,134	331,673

ASSOCIATION MOTIVATION FROM MOLDOVA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are expressed in MDL, unless otherwise specified)

7 CASH

	31 December 2024	31 December 2023
Cash on unbound accounts	1,639,491	1,419,389
Cash to accounts in the country	25,261	1,874,389
Other cash elements	92,343	35,908
Total cash	1,757,095	3,329,686

8 SELF-FINANCING FUND

	31 December 2024	31 December 2023
Net surplus (net deficit) of the period	17,640	-
Fixed asset fund	5,740,148	757,039
Self-financing fund	451,047	2,459,154
Total funds	6,208,835	3,216,193

9 CURRENT SPECIAL PURPOSE FINANCING

	31 December 2024	31 December 2023
FOUNDATION DE FRANCE	732,617	593,078
INTERNATIONAL ORGANIZATION FOR MIGRATION	583,340	-
JUDY INITIATIVE EURASIA FOUNDATION	9,574	-
UNDP_Moldova	7,188	83,447
EDF	-	257,560
UNFPA	-	183,312
FUNDATIA EST-EUROPEANA	-	46,027
Total current special purpose financing	1,332,719	1,163,424

10 INCOME FROM SPECIAL PURPOSE FINANCING

	2024	2023
Income related to special purpose funds	8,285,541	11,657,213
Total income from special purpose financing	8,285,541	11,657,213

ASSOCIATION MOTIVATION FROM MOLDOVA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
(all amounts are expressed in MDL, unless otherwise specified)

11 EXPENSES FROM SPECIAL PURPOSE FINANCING

	2024	2023
Wage expenses	3,557,386	5,056,873
Material expenses	1,745,269	3,187,882
Expenses related to various services	1,176,851	1,378,752
Wage taxes paid by the employer	853,773	1,213,650
Administrative costs	345,788	337,103
Supplies	299,341	268,875
Audit, notary and legal expenses	139,600	34,000
Travel expenses	123,059	144,251
Taxes and fees	30,599	5,225
Bank services	7,163	6,975
Other expenses	6,712	23,627
Total expenses from special purpose financing	8,285,541	11,657,213

12 CONTINGENT COMMITMENTS AND LIABILITIES

Litigations

The Association was not involved in any litigation in 2024 as a defendant. There is a litigation filed by the Association against the company from which they purchased the building on the subject of furnishing it with furniture and equipment..

Taxes and relations with State Authorities

The tax system is in a stage of continuous development in Moldova and may be subject to various interpretations and constant changes, which are sometimes retroactive.

The Association's management has assessed and recorded the tax implications of the transactions carried out to the extent that they are likely to generate future tax liabilities and that these liabilities can be reasonably quantified. The state has a number of agencies that are authorized to conduct company audits. These controls are similar to tax inspections by tax authorities in many countries, but may extend to non-tax matters, such as legal or regulatory matters. In addition, corporate tax returns are generally reviewed and corrected by the tax authorities for a period of four (4) years after filing. Moldovan tax legislation and its implementation in practice change frequently, which may influence the fiscal situation of the Company. The management of the Association considers that the tax obligations included in these financial statements are adequate.

13 SUBSEQUENT EVENTS

There were no subsequent events at the balance sheet date that required adjustments or disclosures in the financial statements for the financial year ended December 31, 2024.

14 GOING CONCERN

The financial statements are prepared in accordance with the business continuity principle, and the Association plans to continue operations in the future.

These financial statements were approved on 02 April 2025 and signed by:

Iachim Ludmila
Executive director

Burlacu Ivan
Chief - Accountant