

# **AUDITOR'S REPORT**

**for the Fiscal Year 2021**  
**(Reporting Period 01.01. – 31.12.2021)**

**European AIDS Treatment Group e.V.**

**KLAUS MALENKE UND PARTNER**  
**WIRTSCHAFTSPRÜFER / STEUERBERATER**

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**INDEX**

	<b>Page</b>
 <b>GENERAL PART</b>	
1. Assignment	1
2. Execution of Assignment	1 - 2
3. Lawful Standards	2 - 3
4. Economical Basic	4
5. Bookkeeping and Records System	4
6. Explanations to positions of the inventory of property and the account for 2020	4 - 5
7. Result of Audit	5

**ANNEXES**

Statement 2021	annex 1
Transition Statement 2021	annex 2
State and Utilisation of Funds 2021	annex 3
Register of Assets and Depreciation 2021	annex 4
Inventory of Properties 2021	annex 5
Reserves/Budget 2022	annex 6
General Terms of Engagement for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (January, 1 <sup>st</sup> 2017)	annex 7

## **GENERAL PART**

### **1. Assignment**

The assignment for preparation of the statement 2021 and for auditing the bookkeeping was given by the chairman of the association „European AIDS Treatment Group e.V. (EATG), Mr. Ricardo Fernandes. The assignment is based on the "General Terms of Engagement" of the „Wirtschaftsprüferinstitut“ in the version from January, 1st 2017. The amount of our liability is provided by § 323 Abs. 2 HGB. In relation to third parties Nr. 1 Abs. 2 and Nr. 9 of the "General Terms of Engagement" are authoritative.

My order for the preparation of the statement 2021 covers after this all activities which are required to prepare the engaged statement 2021 due to the books presented to me and stock proofs as well as the information sought to the accounting methods to be used under making of the closing entries. The bookkeeping is the responsibility of the company's management.

Furthermore I also had to judge the bookkeeping underlying the statement 2021 and the inventory by suitable measures on her order moderation.

Object of my order was neither the uncovering and clearing up of criminal facts of the matter, order adversities done such as acts of perfidy or embezzlements and offences made outside the accounting, nor the judgement of the effectiveness and efficiency of the organisation's leadership. I have laid out planning and execution, however, so that those irregularities which are essential for the accounting are uncovered with an adequate safety. The responsibility for the avoidance and the uncovering of irregularities lies with the legal representatives of the organization.

The professional general representation letter was handed over to me without any limitation or supplement and was taken to the records.

The leadership of the organisation confirms that the bookkeeping and the statement 2021 contains each assets, liabilities and delimitation such as all expenditure and profits and necessary informations have been given.

### **2. Execution of Assignment**

The finance accounting, led by the organization by means of personal computer with the help of the program "Kanzlei-Rechnungswesen" of the DATEV e.G., was starting point of the work. For the construction the organization presented the bookkeeping 2021 with pieces of evidence and supplementary documents from which I have derived the annual invoice (according to annex 1).

The preparation of the annual invoice was carried out considering the accounting regulations applying to it including the supplementary principles of order-like bookkeeping.

All information, asked for clearings up and proofs have been furnished by the organisation leadership and the employees named for the information willingly. As informers the organisation leadership named Mrs Marie McLeod.

Type, size and result of the construction actions carried out and are held tight in our working papers as far as not documented in this construction report.

The local auditing works have been done with interruptions in march and april 2022 by Mr Hans-Joachim Wuttke, Dipl.-Bw., and Mr Carsten Köhring, lawyer, Specialist of Tax Law, at the office of the association at Mettmanner Str. 26, 40233 Düsseldorf.

All effort and revenue accounts got a critical examination, subjected to piece of evidence-like samples connectedly.

The transfers posting required by the preparations works were included in a list and submitted to the organization for the own booking.

### 3. Lawful Standards

#### – Generals

<b>Association:</b>	European AIDS Treatment Group e.V.
<b>Legal Form:</b>	Registered association
<b>Association Register:</b>	The association is registered in the association register at the official court Düsseldorf under the no. 8542. The first entry was August, 9 <sup>th</sup> 1993.
<b>Association Constitution:</b>	The constitution was adopted February, 23 <sup>rd</sup> 1992, changed on June 13 <sup>th</sup> , 14 <sup>th</sup> 1998 and last changed on September, 18 <sup>th</sup> 2020.
<b>Office:</b>	Düsseldorf
<b>Chair:</b>	Ricardo Regalado Fernandes, Lisbon/Portugal
<b>Tax Office:</b>	Düsseldorf-Mitte Tax. no. 133/5906/3920  In April 2020 the fiscal authorities started a taxexamination for the years 2016 until 2018. It was concluded in February 2021 with no statement nor modifications. The last tax-free assessment of 15.10.2019 is thereby final.

**Association Bodies:**

Association bodies are according to § 3 of the association constitution the assembly of members and the directors.

**a) Assembly of Members:**

The last ordinary General Assembly was held virtually (no presence) in September, 24<sup>th</sup> – 25<sup>th</sup> 2021.

The assembly's protocol was inspected. The size of the association membership increased to 155 members.

**b) Board of Directors:**

Referring to § 7 association constitution, the directors have to be association members.

Chair:

Ricardo Regalado Fernandes  
Lisbon / Portugal

Directors:

Marine Gogia, Vice Chair  
Tiflis / Georgia  
Benjamin Collins, Treasurer  
London / UK  
Nyambe Mukelabai, Director  
Leeds / UK  
Ian James Hodgson, Secretary  
Bingley / UK

**Internal-Auditor:**

For the position of internal auditors in 2021 were elected at the general assembly September 2021

Harriet Langanke, Cologne  
as of 26.10.2019 – 24.09.2021

Fatih Egelioglu, Istanbul, as of 26.10.2019 – 24.09.2021

Brian West, Edinburgh/UK – from 25.09.2021

Tomislav Vurusic, Pula/Kroatien – from 25.09.2021

#### 4. Economical Basics

The European AIDS Treatment Group is a network of nationally-based volunteer activists from different countries in Europe. This non-profit association is only carrying out charity work, regarding the prevention and combatting of the communicable disease aids.

There is confirmation given to the association by the tax office Düsseldorf-Mitte, dated October 15th 2019, to be free of corporate tax and trade tax and to take donations for charity work and to certify it to the donors. The “reservation of later review” for the years 2016 – 2018 concerning § 164 (1) Tax Code was cancelled with notification of Dec 3<sup>th</sup> 2020. The next Tax declaration for the years 2019 – 2021 will start in 2022.

#### 5. Bookkeeping and Records System

The bookkeeping system is the „Kanzlei-Rechnungswesen“ by the DATEV e.G. The records system was controlled by samples for their formal and material regularity. Bookkeeping and records system are in the right business form.

#### 6. Explanations to positions of the inventory of property and the account for 2021

The schemes are sufficiently jointed so that further-reaching explanations can be renounced. Only the positions with whom it is in combination with different positions or an explanation is required are explained in the following.

The **member stock** of the organization reduced from 179 to 155. The contribution was € 4.515,00.

The **demands** are expelled to nominal values concerning membership subscriptions as well as advances on travelling expenses, salary payments and designed costs on projects.

The **bank-deposits at credit institutions** proved by bank statements are judged to the nominal value.

Costs for event rooms as well as travelling expenses invoices from the year 2021 are essentially the **liabilities** of the organization in the amount of € 494.768,93 (PY: € 711.281,45). Furthermore there are tied donations as received deposit in the amount of € 415.750,98 (PY: € 674.772,03) expelled here.

Running time of the projects is up to 5 years.

The capital contribution amounts to € 218.044,63 (PY: € 213.369,54).

The cash of the surplus over the expenses is € + 4.675,09 (Previous Year: The balance of the expenses over the cash € – 357,87).

The sum of all donations received in 2021 amounted to € 1.080.910,18 (PY 875.385,29).

The **accounting** is made by the organization itself since the year 2006. The costs being allocated to it of one's own are contained in the areas of personnel expenses and office costs.

The Profit 2021 increases the reserve. At the Annual General Meeting, the accounts for the past fiscal year are approved and, on a proposal from the Board of Directors, the earmarked use of the funds in accordance with the Tax Code for the current and subsequent year is submitted and approved.

## 7. Result of Audit

Referring to the preparation works I am of the conviction that the statement 2021 includes all cash receipts and expenditures.

Therefore I have certified the account 2021 of the association with the following statement:

**"The account (cash based accounting) for 2021 was set up  
by obeying to the law and the statute referring to the  
principles of accounting."**

Düsseldorf, April, 13<sup>th</sup> 2022

Günter Nendza  
vereid. Buchprüfer / Steuerberater



**Account**  
**for the Fiscal Year 2021**

		<b>2021</b>	<b>2020</b>
<b>Income</b>			
1. Donations, different	€	1.080.910,18	€ 875.385,29
2. Membership fees	€	4.515,00	€ 4.950,00
3. Interest	€	732,75	€ 142,58
4. Recoverable costs	€	1.974,41	€ 391,49
5. Other income	€	9.185,78	€ 16.411,82
	€	<u>1.097.318,12</u>	<u>€ 897.281,18</u>
<b>Expenses</b>			
1. Depreciation and amortisation of tangible and intangible assets	– €	5.988,33	€ 5.103,11
2. Outside services	– €	239.693,78	€ 209.304,66
3. Rent and associated costs	– €	29.633,98	€ 27.145,56
4. Personnel expenses	– €	495.649,55	€ 440.998,46
5. Event expenses	– €	120.569,86	€ 53.421,13
6. Insurances	– €	6.412,96	€ 6.201,63
7. Postage / courier service	– €	1.590,92	€ 936,78
8. Telephone / Internet / IT	– €	49.818,69	€ 34.818,53
9. Legal and professional fees	– €	92.726,44	€ 82.556,62
10. Audit fee	– €	10.720,73	€ 13.147,31
11. Additional costs for money transactions	– €	4.714,47	€ 3.482,70
12. Office expenses	– €	2.259,30	€ 2.005,15
13. Travelling expenses	– €	20.534,43	€ 7.864,15
14. Contributions	– €	6.581,00	€ 4.405,00
15. Other expenses	– €	5.344,88	€ 5.306,17
16. Difference in the exchange rates	– €	403,71	€ 128,09
17. Retirement of fixed assets	– €	0,00	€ 814,00
	€	<u>1.092.643,03</u>	<u>€ 897.639,05</u>
<b>Surplus of the cash over the expenses</b>	<b>+ €</b>	<b><u>4.675,09</u></b>	<b><u>€ – 357,87</u></b>

(previous year: Surplus of the expenses)



**Transition Statement 2021**  
**from the profit and loss statement to the receipts and expenditures statement**  
**referring § 4 (3) EStG**

	€	€
profit by fiscal for the account year 2021		+ 4.675,09
+ receivable debts correction 2020		+ 17.851,91
		+ 22.527,00
		-----
– receivable debts correction 2021		
- by trade accounts	50,00	
- by advance payments and other receivables	3.600,00	
- by other income	36.002,06	
	-----	– 39.652,06
		– 17.125,06
		-----
– liabilities correction 2020		– 711.281,45
+ liabilities correction 2021		
- by payable trade accounts	38.442,96	
- by member expenses	492,77	
- by other liabilities	40.082,22	
- by received advance payment	415.750,98	
	-----	+ 494.768,93
Surplus in the legal sense of § 4 Abs. 3 EStG		– 233.637,58
		=====

**State and Utilisation of Funds 2021**

	<u>€</u>	<u>€</u>
<b>State January, 1<sup>st</sup> 2021</b>		+ 898.252,08
+ Cash Receipts	+ 1.097.318,12	
– Expenses	– <u>1.092.643,03</u>	+ 4.675,09
+ depreciation 2021		+ 5.988,33
– retirement of asset additions		– 1.851,27
+ debts as per January 1 <sup>st</sup> 2021	+ 17.851,91	
– debts as per December 31 <sup>st</sup> 2021	– <u>39.652,06</u>	– 21.800,15
– liabilities as per January 1 <sup>st</sup> 2021	– 711.281,45	
+ liabilities as per December 31 <sup>st</sup> 2021	+ <u>494.768,93</u>	– <u>216.512,52</u>
<b>Utilisation of Funds December, 31<sup>st</sup> 2021</b>		<u><b>668.751,56</b></u>
 Balance other deposit, <b>December, 31<sup>st</sup> 2021</b>		
ING Bank deposit		+ 664.426,71
APO Bank e.G. deposit		+ 1.769,12
petty cash		+ <u>2.555,73</u>
		<u><b>668.751,56</b></u>

**Inventory of Property 2021**

	<b>End of year 31.12.2021</b>	<b>End of year 31.12.2020</b>
	€	€
<b>A. Property</b>		
1. Intangible assets	81,00	167,00
2. Fixed assets	4.328,94	8.380,00
3. Demand of contribution, offsettings, other deposit	50,00	50,00
4. Security deposit for office rooms	3.600,00	3.600,00
5. Liquidity	668.751,56	898.252,08
6. Other Claim	36.002,06	14.201,91
<b>December 31<sup>st</sup> 2021</b>	<b>712.813,56</b>	<b>924.650,99</b>
<b>B. Liabilities</b>		
1. Amounts due to suppliers	38.442,96	25.350,47
2. Liabilities of expense accounts	492,77	1.658,62
3. Other liabilities	40.082,22	9.500,33
4. Prepaid donations	415.750,98	674.772,03
<b>December 31<sup>st</sup> 2021</b>	<b>494.768,93</b>	<b>711.281,45</b>
<b>C. One's own funds (A – B)</b>		
1. Association's assets	18.766,10	18.766,10
2. Reserves before use	194.603,44	194.961,31
3. Surplus (previous year: Deficit)	4.675,09	– 357,87
	<b>218.044,63</b>	<b>213.369,54</b>
<b>Total amount of capital assets</b>	<b>712.813,56</b>	<b>924.650,99</b>
<b>Development of Reserves</b>		
Surplus (previous year: Loss)	+ 4.675,09	– 357,87
Initial reserves	+ 194.603,44	+ 194.961,31
Remaining reserves	+ 199.278,53	+ 194.603,44

**BASIC - Budget 2022**

The profit of the year 2019 increases the reserve. Ensuing the budget 2022 created and submitted by the Association GA is presented.

<b>Income</b>	<b>€</b>
- core funding by expected donations (estimated)	1.124.754,00
<b>Total:</b>	<b>1.124.754,00</b>

**SCIENTIFIC RESEARCH**

ECAB (HIV & Hepatitis) & consultations	102.330,00	
Tuberculosis	6.300,00	
		108.630,00

**POLICY AND ADVOCACY**

Transversal Policy work	27.958,00	
		27.958,00

**PROJECTS**

EmERGE	4.654,00	
RBDCOV-Project	243.680,00	
EHVA	2.714,00	
Patient Academy on Therapeutic Innovation "EUPATI"	4.680,00	
HIVACAR	32.833,00	
e-MPOWER Project	24.884,00	
EU-Pearl	15.896,00	
EATRIS Plus	15.126,00	
		344.467,00

**Participation & Representation**

Members' External Representation	6.850,00	
Staff External Representation	6.850,00	
		<b>13.700,00</b>

**INSTITUTIONAL MEMBERSHIPS**

Partner Organisation Membership fees		<b>6.165,00</b>
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**MEMBERSHIP**

Membership Development		<b>1.000,00</b>
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**COMMUNICATIONS**

Website content management (external news)	6.741,00	
Content production	8.220,00	
Website – social media – hosting	8.440,00	
IT support	2.740,00	
		<b>26.141,00</b>

**ORGANISATIONAL DEVELOPMENT**

Quality of Life Programme – General Budget	51.023,00	
Combination – Prevention Programme – General Budget	27.859,00	
Partners in Science Programme – General Budget	30.925,00	
Staff Training	6.850,00	
		<b>116.657,00</b>

**AUDITS**

Internal	5.480,00	
External	16.440,00	
		<b>21.920,00</b>

**SUPPORT & ADVICE**

Legal Advice and support	685,00	
Development and Membership Advisory Group	685,00	
ECRC Ethics & Conflict Resolution Committee	685,00	
		<b>2.055,00</b>

**DATA PROTECTION**

General		685,00
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**EVENTS**

Green Events		685,00
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**GOVERNANCE**

General Assembly	20.550,00	
Board of Directors	6.850,00	
		<b>27.400,00</b>

**FUNDRAISING**

Fundraising and Finance Committee		<b>31.674,00</b>
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**ADMINISTRATION**

Office team and overheads	394.247,00	
Recruitment and HR	1.370,00	
		<b>395.617,00</b>

<b>TOTAL</b>		<b>1.124.754,00</b>
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<b>Result 2022 (provisionally)</b>	<u><u>0,00</u></u>
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