

2021 FINANCIAL REPORT

**Stichting Practica
Papendrecht**

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Practica Foundation - Management report

Structure of board and executive management

Our foundation was established on February 21st 2001 and is registered under the name 'Stichting PRACTICA' at the Chamber of Commerce Arnhem, registration number 09119363. As by the statutes, PRACTICA is a non-profit organization. The foundation is governed by a board, consisting of a minimum of three members. At the start of 2021, the board was formed by Mr. H. Aalderink (Chair), Mrs. A. Kuiken (Secretary) and Mr. F.M. Baas (Treasurer). As per January 28th 2022, Mrs. J.H.M. Barendse formally joined the board and Mr. H. Aalderink resigned. Currently, the board has one vacancy for which a candidate is actively being recruited.

At the start of 2021, the executive management was formed by a management team consisting of M. Heurter, W.H.B van den Pol, and M.T. Westra. On April 1st, M.T. Westra left the operational MT as he resigned as an employee from Practica, yet M.T. Westra continues to support the MT as a consultant. Next to the head office in Papendrecht, the Netherlands, we have a field office in Antananarivo, Madagascar which was managed by Mr. X. Gras in 2021. As per January 2022 the Madagascar office is managed by Mr. M. Ramboaniaina.

Aims and strategy

The mission of Practica Foundation is to improve the living standard of people in developing countries by introducing practical, affordable and innovative small-scale technologies within our key themes: pro-poor water supply, groundwater development, smallholder farmer irrigation and faecal sludge management. To establish sustainable supply chains, we strengthen the skills and tools of local enterprises to manufacture, import, operate or sell innovative technologies. In addition, PRACTICA acts as a clearing house, advocate and source of practical knowledge on promising new affordable technologies in the water and sanitation sector. By developing and disseminating technologies and concepts including successful business models, we trigger socio-economic change and sustainable services. The current goals of the foundation still fit closely to the statutory goals.

On the operational level, PRACTICA acts as a non-profit consultancy organization: we partner with international and local organizations that share our goals, and support those organizations to implement technical innovations within their programs through time-limited projects. We charge a consultancy fee for those services based on an organizational cost-recovery basis. In case the activities result in surplus revenues, these are invested in in-house applied research and product development to ensure continued innovation in the sector.

Results

In 2021 Practica has managed to considerably expand its activities and impact despite the ongoing COVID-19 pandemic. The disruptions in international travel have instigated new working methods featured by an increased engagement of national experts in the project countries, and the development of remote monitoring solutions and online (training) tools. The changes are expected to remain as it has strengthened and complemented the established practices of our foundation.

The team has worked in 21 countries in Africa and South Asia on 42 contracted projects in line with our mission. The projects were implemented with a team of 8 in the Netherlands, 10 in Madagascar and 7 experts based in West Africa. The realized turnover has increased from 972k Euro in 2020 to 1.7M Euro in 2021. This has led to a positive financial result of 25k Euro from which 27k will be added to our continuity reserve and 2k withdrawn from the allocated reserves. The year 2021 is marked by an important increase of our irrigation and sanitation portfolio. There is growing scope to use the lessons learnt by our Madagascar team to develop safe fecal sludge management services in other African countries too.

The year 2021 has also been used to move two of our innovations from prototype to pilot stage. The PuPu pump is an innovative and highly mobile fecal sludge pump for areas that are hard to access with traditional vacuum trucks. The pump has been improved after initial tests in Madagascar and is now being used by private operators in Burkina Faso for further monitoring and validation. Next to this the TokenTap, our mechanical water payment system, has been installed in pilot projects in Mali, Ghana, Uganda and Mozambique.

Practica has also developed new innovations including a mechanized Zai maker, enabling farmers to make potholes in their field and thereby overcome the increasingly long dry spells without losing their harvest. Furthermore, the pump test app was finalized and a dashboard is being developed to support drilling companies and NGOs in the management and use of valuable groundwater data. Next to this a number of learning tools and trainings have been developed to capitalize and share knowledge on asset management for drinking water systems and solar-powered irrigation. All focal areas for innovation were in line with our four key themes.

With the current reserves of the foundation and the project portfolio, the solvency and liquidity position of the organisation at the balance sheet date is good enough to continue operations in the foreseeable future. With the contracted projects and evaluation of the prospects, we do not expect that we will require loans to continue the viable operation of the organization.

Intentions Board 2022

In 2021, Practica has started to assess multiple strategies to commercialize and upscale its innovations. In 2022, the Board will continue to focus on this research with the aim to maximize the valorization and impact of the developed products. A second focal point is the consolidation of the established growth in 2021 through acquisition and assuring internal knowledge sharing within the team.

At the start of 2022, an increase in staff of 0.8 FTE will be made to contribute to the growing project portfolio and invest in acquisition. For the budget of 2022 we expect a turnover of 2M Euro and a positive result of 81k Euro. This is needed to complement the continuity reserve of Practica. The current project portfolio, together with the leads, give sufficient confidence in reaching this result. No major changes are projected in the housing and office costs, when compared to last year. The salary costs will increase as a result of the additional 0.8 FTE, and the other operational expenses will increase because of planned investments in R&D, communication and internal collaboration. The Board believes there is sufficient room for future growth within the current themes, as they are well aligned with outside forces such as government policies on international development, and global efforts towards reaching the Sustainable Development Goals.

Risk and risk mitigation

There are two major risks we see for our work in 2022: a continuation of the disruption caused by COVID-19, and the safety issues in unstable states. Regarding the pandemic, even though flights have resumed in a limited capacity, changing travel restrictions continue to complicate our missions. Considering the lesson learnt during the past two years we are now better equipped to execute projects remotely. Yet due to the practical nature of our interventions, traveling remains essential for activities like field tests or hands-on trainings.

As regards safety, we continue to monitor the risks in Burkina Faso and Mali, where significant safety issues exist mainly in areas away from the capital. Two staff members and one consultant are based in these countries and various experts travel there for short-term missions. Mitigation measures include a restriction to travel to red zones, and further restrictions on night-time travel. If the situation deteriorates, we may need to relocate, postpone or cancel project activities, which will result in increased costs and/or a reduction of the turnover. In that event, we will use the human resources for additional acquisition for projects in safer areas, and explore the possibility to implement projects on a remote basis.

Changing donor policies is seen as a minor risk for the short term and a medium risk for the long term; our project portfolio relies on a wide range of different clients and donors and the immediate effects can be offset by other projects. In addition, the themes of Practica are well aligned with current donor priorities. For the long term, we are looking at diversification of income sources to reduce donor dependency, exploring closer cooperation with Dutch SME's on basis of their Corporate Social Responsibility policies and philanthropic institutions.

Policy on financial reserves

Financial reserves of the foundation are deposited at savings accounts of Dutch banks with an aim for a maximum of €100.000 per bank account. Financial reserves are never invested in stock exchange funds or similar high-risk products. A continuity reserve of 50% of annual operational cost is targeted. Surplus funds are invested in Research and Development activities.

Papendrecht, ~~JUNE~~ , 2022



25 May 2022

J.H.M. Barendse
Chair

ANNUAL FINANCIAL STATEMENTS

Balance as of December 31, 2021

Assets	<i>ref</i>	31/12/2021		31/12/2020	
		EUR	EUR	EUR	EUR
<i>Fixed Assets</i>					
Intangible Fixed Assets	2.1				
Digital Toolbox		14.460		21.690	
TokenTap		5.080		7.620	
			19.540		29.310
Tangible Fixed Assets	2.2				
Other non current assets		4.102		6.545	
			4.102		6.545
Financial Fixed Assets					
Rent deposit		0		0	
			0		0
<i>Current Assets</i>					
Inventories		5.602		11.923	
Accounts Receivable	2.3	168.900		61.603	
Other receivables, prepayments and accrued income	2.4	8.950		21.091	
			183.452		94.617
Cash and cash equivalents	2.5		556.908		373.214
			764.002		503.686
Equity and liabilities					
Equity					
Continuity reserve	2.6	208.039		180.905	
Allocated reserves	2.6	5.080		7.620	
			213.119		188.525
Short-term debts					
Accounts payable		36.808		26.744	
Taxes and social insurance premiums	2.7	10.976		7.077	
Current Projects	2.8	416.358		246.964	
Other debts, accruals and deferred income	2.9	86.741		34.376	
			550.883		315.161
			764.002		503.686

Statement of revenues and expenses for the year 2021

		realization 2021	budget 2021	realization 2020
	<i>ref</i>	EUR	EUR	EUR
Revenues		1.716.004	1.730.000	972.097
Government wage cost subsidy		-5.531	0	31.395
Project costs	3.1	-1.113.817	-1.060.000	-537.546
		596.656	670.000	465.946
Personnel costs	3.2	448.420	422.590	342.001
Depreciation	3.3	14.253	8.000	7.272
Other operational expenses	3.4	107.387	108.450	108.971
Total expenses		570.060	539.040	458.244
Operating result		26.596	130.960	7.702
Finance result		-2.002	-6.500	-11.832
Result for the year		24.594	124.460	-4.130

The result for the year 2021 is added to the following reserves:

	2021	2020
	EUR	EUR
- Continuity reserve	27.134	-4.130
- Allocated reserves	-2.540	
	24.594	-4.130

Cash flow statement for the year ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Cash flow from operating activities		
Operating result	26.596	7.702
<i>Adjustments for:</i>		
Depreciation	14.253	7.272
<i>Changes in working capital</i>		
Changes in receivables	-95.156	124.702
Changes in inventories	6.321	7.265
Changes in liabilities	235.722	-35.038
	<u>146.887</u>	<u>96.929</u>
Cash flow from operating activities	187.736	111.903
Finance result	<u>-2.001</u>	<u>-11.832</u>
Cash flow from operating activities	185.735	100.071
Cash flow from investment activities		
Investments in tangible fixed assets	-2.041	-939
Investments in intangible fixed assets	0	
Desinvestments in tangible fixed assets	<u>650</u>	<u>650</u>
	<u>-2.041</u>	<u>-289</u>
Cash flow from investment activities	-2.041	-289
Net increase/(decrease) in cash and cash equivalents	183.694	99.782
Cash and cash equivalents as per January 1	373.214	273.432
Changes in cash and cash equivalents	<u>183.694</u>	<u>99.782</u>
Cash and cash equivalents as per December 31	<u><u>556.908</u></u>	<u><u>373.214</u></u>

Notes to the balance sheet and the statement of revenues and expenses

1 General notes

1.1 Accounting policies for the balance sheet

General

The financial statements have been prepared in accordance with the Dutch Accounting Standard C1 “Kleine-organisaties-zonder-winststreven” as issued by the Dutch Accounting Standards Board. The financial statements are expressed in euros. In general, assets and liabilities are stated at the amounts at which they were acquired or incurred. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet and statement of revenues and expenses include references to the notes.

(In)Tangible Fixed Assets

Other non-current assets are valued at historical cost or manufacturing price including directly attributable expenditure, less straight-line depreciation over their estimated useful lives and impairment losses.

Inventories

Inventories are valued at cost price based on the FIFO method (first in, first out) or lower realisable value.

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances. Cash and cash equivalents are carried at nominal value.

Reserves

The reserves are at the disposal of the board.

Short-term debts

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

1.2 Prior-year comparison

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

1.3 Estimates

The preparation of the financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies of the foundation. If necessary for the purpose of providing the essential view, the nature of these estimates and judgements, including the related assumptions, is disclosed in the notes to the financial statement items in question.

1.4 *Accounting policies for the statement of revenues and expenses*

General

Results are determined as the difference between the realisable value of the services rendered, and the costs and other charges for the year. Revenues are recognised in the year in which they are realized; losses are taken as soon as they are foreseeable.

Revenues

The subsidies and gifts are accounted for in the year to which they relate. Revenues are recognized based on the services performed to the balance sheet date as a percentage of the total services to be performed and in accordance with the subsidy conditions.

Depreciation

(In)Tangible fixed assets are depreciated over their estimated useful lives as from the inception of their use. Future depreciation is adjusted if there is a change in estimated future useful life.

Projectcosts

Costs of projects represents direct expenses attributable to the services performed.

Employee benefits

Salaries, wages and social security contributions are taken to the statement of revenues and expenses based on the terms of employment, where they are due to employees.

The foundation has a pension plan. All annual premiums are accounted for as expenses. Premium adjustments as a result of salary changes only have effect on future pension premiums and not on past premiums.

Other operational expenses

Other operating expenses comprise costs chargeable to the year that are not directly attributable to the costs of projects.

1.5 *Notes to the cash flow statement*

The cash flow statement has been prepared using the indirect method. The cash and cash equivalents disclosed in the cash flow statement comprised of cash and cash equivalents. Cash flows denominated in foreign currencies have been translated at average exchange rates. Interest received is included in net cash from operating activities.

2 Explanatory notes regarding the balance

2.1 Intangible Fixed Assets

	Digital Toolbox	Token App
	<u>EUR</u>	<u>EUR</u>
January 1, 2021		
Acquisition price	21.690	7.620
Accumulated depreciation	<u>0</u>	<u>0</u>
Book value	21.690	7.620
Changes in 2021		
Investments	0	0
Depreciation	<u>-7.230</u>	<u>-2.540</u>
	-7.230	-2.540
December 31, 2021		
Acquisition price	21.690	7.620
Accumulated depreciation	<u>-7.230</u>	<u>-2.540</u>
Book value	14.460	5.080

2.2 Tangible Fixed Assets

	Other non current assets
	<u>EUR</u>
January 1, 2021	
Acquisition price	46.637
Accumulated depreciation	<u>-40.092</u>
Book value	6.545
Changes in 2021	
Investments	2.042
Divestments	0
Divestment depreciation	0
Bookresults on divestments	0
Depreciation	<u>-4.483</u>
	-2.441
December 31, 2021	
Acquisition price	48.679
Accumulated depreciation	<u>-44.577</u>
Book value	4.102
Depreciation percentages	20- 33,3%

2.3 Accounts Receivable

	<u>31/12/2021</u>	<u>31/12/2020</u>
	EUR	EUR
Accounts Receivable	168.900	61.603
Provision for doubtful debts	<u>0</u>	<u>0</u>
	168.900	61.603

2.4 Other receivables, prepayments and accrued income

	<u>31/12/2021</u>	<u>31/12/2020</u>
	EUR	EUR
Pre-paid costs and other receivables	1.765	21.091
Credit notes in accounts payable	<u>7.185</u>	<u>0</u>
	8.950	21.091

2.5 Cash and cash equivalents

	<u>31/12/2021</u>	<u>31/12/2020</u>
	EUR	EUR
ASN Bank	143.626	153.706
Triodos Bank	391.522	202.509
Societe Generale Madagascar	20.758	15.075
Cash USD	<u>1.002</u>	<u>1.924</u>
	556.908	373.214

The cash and cash equivalents are freely disposable

2.6 Equity

	<u>2021</u>	<u>2020</u>
	EUR	EUR
Continuity reserve		
At 1 January	180.905	185.035
Result appropriation	<u>27.134</u>	<u>-4.130</u>
At 31 December	208.039	180.905

The continuity reserve serves as a buffer in the event certain calamities occur in the future. The Board agreed that Practica will work towards a continuity reserve in 2022 of € 321,877 (based on 50% of the annual operational costs prognosis for 2022 of € 643,755), increasing linearly every year if the surplus allows.

<u>2021</u>	<u>2020</u>
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	EUR	EUR
Allocated reserves		
At 1 January	7.620	7.620
Result appropriation	<u>-2.540</u>	<u>0</u>
At 31 December	5.080	7.620

The Allocated reserve was created by the activation of the Token Tap application, that is developed in-house, on the balance

Short-term debts

2.7 Taxes and social insurance premiums

	<u>31/12/2021</u>	<u>31/12/2020</u>
	EUR	EUR
Payroll taxes	<u>10.976</u>	<u>7.077</u>
	10.976	7.077

2.8 Current projects

	<u>31/12/2021</u>	<u>31/12/2020</u>
	EUR	EUR
- Invoiced in advance	541.010	322.700
- To be invoiced	<u>-124.652</u>	<u>-75.736</u>
	416.358	246.964

2.9 Other debts, accruals and deferred income

	<u>31/12/2021</u>	<u>31/12/2020</u>
	EUR	EUR
Other debts	11.457	171
Holiday allowances	16.304	10.242
Vacation days	22.441	14.549
Restricted performance based bonuses employees (maximum 8% of annual salary)	27.125	
Auditor's fees	<u>9.414</u>	<u>9.414</u>
	86.741	34.376

2.10 Rights and obligations not included in the balance sheet

The foundation has entered into a rental obligation for housing for an amount of € 38,712 per year. This obligation expires with a notice period of 1 year.

3 Explanatory notes to the statement of revenues and expenses

3.1 <i>Project costs</i>	realization	budget	realization
	2021	2021	2020
	EUR	EUR	EUR
Consultants / personel costs projects	633.261	530.500	380.917
Material / other costs projects	480.556	529.500	156.629
	1.113.817	1.060.000	537.546

Personnel costs in Madagascar for projects are recognized directly under project costs

3.2 <i>Personnel costs</i>	realization	budget	realization
	2021	2021	2020
	EUR	EUR	EUR
Wages and salaries	340.991	315.230	255.424
Social security contributions	57.516	62.860	53.702
Pension Costs	8.280	0	
Other personnel costs	14.911	15.500	16.618
Coverage wage costs (activation own prod dev)	0	0	0
Salaries Madagascar	26.722	29.000	16.257

448.420 422.590 342.001

Average number of FTEs in service Netherlands	5,3	5,3	5,3
Average number of FTEs in service Madagascar	1,8	3,1	3,1

3.3 <i>Depreciation</i>	realization	budget	realization
	2021	2021	2020
	EUR	EUR	EUR
Depreciation	14.253	8.000	7.272
Book result desinvestments	0		-60
	14.253	8.000	7.212

3.4 <i>Other operational expenses</i>	realization	budget	realization
	2021	2021	2020
	EUR	EUR	EUR
Housing costs	48.545	46.000	43.497
Sales costs	0	0	36
Office expenses	27.749	42.250	23.153
General costs	31.093	20.200	27.069
Internal projects	0	0	15.216
	107.387	108.450	108.971

BUDGET of revenues and expenses for the year 2022

	budget 2022 EUR
Revenues	2.010.086
Project costs	<u>1.270.575</u>
	739.511
Personnel costs	503.252
Depreciation	14.770
Other operational expenses	<u>136.003</u>
Total expenses	654.025
Operating result	85.486
Finance result	<u>-4.500</u>
Result for the year	80.986

Papendrecht, 2022

On behalf of the General Management

J.H.M. Barendse
Chair

F.M. Baas
Treasurer

A. Kuiken
Secretary

Stichting Practica
Geulweg 16-18
3356 LB PAPENDRECHT

Auditor's report

Stichting Practica
Geulweg 16
3356 LB PAPENDRECHT

INDEPENDENT AUDITOR'S REPORT

To: the board and management of Stichting Practica

Report on the audit of the financial statements 2021 included in the 2021 annual report

Our opinion

We have audited the financial statements 2021 (page 5-13) of Stichting Practica based in Papendrecht.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting Practica as at 31 December 2021 and of its result for 2021 in accordance with the RJ-Richtlijn C1 'Kleine organisaties-zonder-winststreven' (RJ-Richtlijn C1, guideline for annual reporting for small non-profit organisations) of the Dutch Accounting Standards Board.

The financial statements comprise:

1. the balance sheet as at 31 December 2021 (with a balance sheet total of € 764.002);
2. the statement of income & expenditure (with a total positive result of € 24.594); and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of Stichting Practica in accordance with the 'Verordering inzake de Onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening Gedrags- en Beroepsregels Accountants (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the 2021 annual report

In addition to the financial statements and our auditor's report thereon, the 2021 annual report contains other information.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements, does not contain material misstatements and that all information is included which is requested by the RJ-Richtlijn C1.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board and management are responsible for the preparation of the director's report and other information in accordance with the RJ-Richtlijn C1.

Description of responsibilities regarding the financial statements

Responsibilities of the board and management for the financial statements

The board and management are responsible for the preparation and fair presentation of the financial statements in accordance with the RJ-Richtlijn C1. Furthermore, the board and management are 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 fraud or error.

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

Furthermore, the board is responsible for overseeing the company'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 detect all material errors and fraud during our audit. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

For a more detailed description of our responsibilities, we refer to the enclosure of this auditor's report.

Was signed Sliedrecht, 10 June 2022.

WITH accountants B.V.
P. Alblas RA

Enclosure

Enclosure to our auditor's report by the accompanying financial statements 2021 of Stichting Practica, based in Papendrecht

We have exercised professional judgement 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 company financial statements, whether due to fraud or error, 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 error, 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 company'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 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 company'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 company 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 a company to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the company financial statements, including the disclosures; and
- evaluating whether the company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board and management 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.