

S.C. NF TRUTH AND TRUST S.R.L.

Str. Topografilor, nr. 35, Loc. Sacalaz, Jud. Timis

J 35/1868/2017, CUI 37593691

Nr. Reg. ASPAAS FA 73.1/18

Tel: +40.722.645.964

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RAPORTUL AUDITORULUI INDEPENDENT
INDEPENDENT AUDITOR'S REPORT

Catre membrii Asociatiei Timisoara 2021 – Capitala Europeana a Culturii
To the members of Association Timisoara 2021 – European Capital of Culture

RAPORT ASUPRA AUDITULUI SITUATIILOR FINANCIARE
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinia

Opinion

Am auditat situatiile financiare anexate ale asociatiei Timisoara 2021 – Capitala Europeana a Culturii („Asociatia”) cu sediul social in Timisoara, strada Popa Sapca, nr. 4, judetul Timis, identificata prin codul unic de inregistrare fiscala 29217769, care cuprind bilantul la data de 31 decembrie 2020, contul de profit si pierdere pentru exercitiul financiar incheiat la aceasta data si un sumar al politicilor contabile semnificative si alte informatii explicative.

We have audited the accompanying financial statements of Timisoara 2021 – European Capital of Culture (the Association), with official head office: Timisoara, Popa Sapca street, no. 4, Timis County, identified by sole fiscal registration number 29217769, which comprise the balance sheet as at December 31, 2020, and the income statement and a summary of significant accounting policies and other explanatory information.

In opinia noastra, situatiile financiare anexate ofera o imagine fidela si justa a pozitiei financiare a Asociatiei la data de 31 decembrie 2020, cat si a performantei financiare si a fluxurilor de trezorerie ale acesteia pentru exercitiul financiar incheiat la aceasta data, in conformitate cu Ordinul Ministrului Finantelor Publice nr. 3103/2017, cu modificarile si clarificarile ulterioare si cu politicile contabile descrise in notele la situatiile financiare.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Association as at December 31, 2020, and of its financial performance for the year then ended in accordance with the Order of the Minister of Public Finance no. 3103/2017 with all subsequent modifications and clarifications and the accounting policies described in the notes to the financial statements.

Situatiile financiare individuale la 31 decembrie 2020 se identifica astfel:

- Activ net/Total capitaluri proprii: 1.433.737 lei
- Excedent al activitatii fara scop patrimonial al exercitiului financiar: 1.425.999 lei

The individual financial statements as of December 31, 2020 are identified as follows:

- *Net assets / Total equity: 1.433.737 lei*
- *Surplus of the activity without patrimonial purpose of the financial year: 1.425.999 lei*

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Bazele opiniei

Basis for opinion

Noi am efectuat auditul conform Standardelor Internationale de Audit (ISA). Responsabilitatile noastre conform acestor standarde sunt descrise mai detaliat in sectiunea „Responsabilitatile auditorului pentru auditul situatiilor financiare” din raportul nostru. Suntem independenti fata de Asociatie conform Codului International de etica al profesionistilor contabili (inclusiv standardele internationale de independenta) emis de Consiliul pentru Standarde Internationale de Etica pentru Contabili (codul IESBA) si conform cerintelor etice care sunt relevante pentru auditul situatiilor financiare in Romania si ne-am indeplinit responsabilitatile etice conform acestor cerinte si conform Codului IESBA. Consideram ca probele de audit pe care le-am obtinut sunt suficiente si adecvate pentru a constitui baza pentru opinia noastra.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Association in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) as issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Evidentierea unor aspecte

Emphasis of matter

Atragem atentia asupra notei 7 b) la aceste situatii financiare, care specifica faptul ca, la data de 31 decembrie 2020, Asociatia a inregistrat prin rezultatul report o serie de corectii cu privire la perioadele anterioare.

Opinia noastra nu contine rezerve in legatura cu acest aspect.

We draw attention to Note 7 b) to these financial statements which presents that as of 31 December 2020, the Association recorded through retained earnings account certain corrections of errors referring to prior periods. Our report is not qualified in respect of this matter.

Atragem atentia asupra notei 7 f) la aceste situatii financiare, care specifica faptul ca in 2020, in contextul pandemiei Covid 19, Comisia Europeana a purtat discutii cu reprezentantii Capitalelor Culturale, anul capitalei culturale amanandu-se pentru anul 2023. Opinia noastra nu contine rezerve in legatura cu acest aspect.

We draw attention to Note 7 f) to these financial statements which presents that in 2020 it was decided that in the context of the Covid 19 pandemic, the year of the Cultural Capital from 2021 will be postponed. Our report is not qualified in respect of this matter.

Alte aspecte

Traducerea in limba engleza are doar scop informativ. Traducerea raportului trebuie citita impreuna cu situatiile financiare, luate in ansamblu. In situatiile in care informatiile, punctele de vedere si opiniile sunt susceptibile de interpretare, versiunea originala in limba romana a raportului nostru prevaleaza acestei traducerii.
English translation only for information purposes. The translation of the report should be read with the financial statements, as a whole. In all matters of interpretations of information, views or opinions, the original Romanian language version of our report takes precedence over this translation.

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Other Matters

Soldurile de deschidere prezentate in situatiile financiare anexate ale Asociatiei nu au fost auditate de catre noi. Mentionam ca Asociatia a fost supusa auditului in exercitiul financiar precedent.

The opening balances presented in the annexed financial statements of the Association were not audited by us. We mention that the Association was subject to audit in the previous financial year.

Alte informatii

Other information

Alte informatii includ Raportul directorului executiv, dar nu includ situatiile financiare si raportul nostru de audit cu privire la acestea. Conducerea este responsabila pentru alte informatii.

The other information comprises the Executive directors's Report but does not include the financial statements and our auditors' report thereon. Management is responsible for the other information.

Opinia noastra de audit asupra situatiilor financiare nu acopera alte informatii si nu exprimam nicio forma de concluzie de asigurare asupra acestora.

Our audit opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In legatura cu auditul efectuat de noi asupra situatiilor financiare, responsabilitatea noastra este de a citi celelalte informatii si, facand acest lucru, de a analiza daca acestea nu sunt in concordanta, in mod semnificativ, cu situatiile financiare sau cunostintele pe care le-am obtinut in urma auditului sau daca acestea par sa includa erori semnificative. Daca, in baza activitatii desfasurate, ajungem la concluzia ca exista erori semnificative cu privire la aceste alte informatii, noi trebuie sa raportam acest lucru.

Nu avem nimic de raportat in acest sens.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsabilitatile conducerii si ale persoanelor responsabile cu guvernanta pentru situatiile financiare

Responsibilities of Management and those charged with governance for the Financial Statements

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Conducerea Asociatiei are responsabilitatea intocmirii si prezentarii fidele a situatiilor financiare in conformitate cu Ordinul Ministrului Finantelor Publice nr. 3103/2017, cu modificarile si clarificarile ulterioare, si pentru acel control intern pe care conducerea il considera necesar pentru a permite intocmirea de situatii financiare care sunt lipsite de denaturari semnificative, cauzate fie de fraudă, fie de eroare.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Order of the Minister of Public Finance no. 3103/2017 with all subsequent modifications and clarifications, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

La intocmirea situatiilor financiare, conducerea este responsabila sa evalueze abilitatea Asociatiei de a-si desfasura activitatea conform principiului continuitatii activitatii si sa prezinte, daca este cazul, aspectele referitoare la continuitatea activitatii si folosirea principiului continuitatii activitatii, mai putin in cazul in care conducerea intentioneaza sa lichideze Asociatia sau sa ii inceteze activitatea sau nu are nicio alternativa reala decat sa procedeze astfel.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Persoanele responsabile cu guvernanta au responsabilitatea supravegherii procesului deraportare financiara a Asociatiei.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Responsabilitatile auditorului pentru auditul situatiilor financiare

Auditor's Responsibilities for the Audit of the Financial Statements

Obiectivele noastre constau in obtinerea unei asigurari rezonabile privind masura in care situatiile financiare, luate in ansamblu, nu contin denaturari semnificative cauzate de eroare sau fraudă si de a emite un raport de audit care sa includa opinia noastra. Asigurarea rezonabila reprezinta un nivel ridicat de asigurare, inasa nu este o garantie ca un audit desfasurat in conformitate cu standardele ISA va detecta intotdeauna o denaturare semnificativa, daca aceasta exista. Denaturarile pot fi cauzate fie de fraudă fie de eroare si sunt considerate semnificative daca se poate preconiza, in mod rezonabil, ca acestea, atat la nivel individual sau luate in ansamblu, vor influenta deciziile economice ale utilizatorilor, luate in baza acestor situatii financiare.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

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in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Ca parte a unui audit in conformitate cu standardele ISA, ne exercitam rationamentul profesional si ne mentinem scepticismul profesional pe intreg parcursul auditului.

De asemenea:

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- **Identificam si evaluam riscurile de denaturare semnificativa a situatiilor financiare, cauzate fie de frauda fie de eroare, stabilim si efectuam proceduri de audit care sa raspunda acestor riscuri si obtinem probe de audit suficiente si adecvate pentru a constitui o baza pentru opinia noastra. Riscul de nedetectare a unei denaturari semnificative cauzate de frauda este mai ridicat decat cel de nedetectare a unei denaturari semnificative cauzate de eroare, deoarece frauda poate include complicitate, falsuri, omisiuni intentionate, declaratii false sau evitarea controlului intern.**
- *Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.*
- **Intelegem controlul intern relevant pentru audit pentru a stabili procedurile de audit adecvate in circumstantele date, dar nu si in scopul exprimarii unei opinii asupra eficacitatii controlului intern al Asociatiei.**
- *Obtain 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 Association's internal control.*
- **Evaluam gradul de adecvare a politicilor contabile utilizate si rezonabilitatea estimarilor contabile si a prezentarilor aferente de informatii realizate de catre conducere.**
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- **Concluzionam asupra caracterului adecvat al utilizarii de catre conducere a principiului continuitatii activitatii si determinam, pe baza probelor de audit obtinute, daca exista o incertitudine semnificativa cu privire la evenimente sau conditii care ar putea genera indoieli semnificative privind capacitatea Asociatiei de a-si continua activitatea. In cazul in care concluzionam ca exista o incertitudine semnificativa, trebuie sa atragem atentia, in raportul de audit, asupra prezentarilor aferente din situatiile financiare sau, in cazul in care aceste prezentari sunt neadecvate, trebuie sa ne modificam opinia.**

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- Concluziile noastre se bazeaza pe probele de audit obtinute pana la data raportului nostru de audit. Cu toate acestea, evenimente sau conditii viitoare pot determina ca Asociatia sa nu isi mai desfasoare activitatea in baza principiului continuitatii activitatii.
- *Conclude 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association to cease to continue as a going concern.*
- Evaluam prezentarea, structura si continutul general al situatiilor financiare, inclusiv al prezentarilor de informatii, si masura in care situatiile financiare reflecta tranzactiile si evenimentele de baza intr-o maniera care realizeaza prezentarea fidela.
- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

Comunicam persoanelor responsabile cu guvernanta, printre alte aspecte, obiectivele planificate si programarea in timp a auditului, precum si constatările semnificative ale auditului, inclusiv orice deficiente semnificative ale controlului intern, pe care le identificam pe parcursul auditului nostru.

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 deficiencies in internal control that we identify during our audit.

Raport asupra altor cerinte legale si de reglementare

Report on Other Legal and Regulatory Requirements

Raportare asupra unor informatii, altele decat situatiile financiare si raportul nostru de audit asupra acestora

Reporting on Information Other than the Financial Statements and Our Auditors' Report Thereon

Pe langa responsabilitatile noastre de raportare conform standardelor ISA si descrise in sectiunea „Alte informatii”, referitor la Raportul directorului executiv, noi am citit Raportul directorului executiv si raportam urmatoarele:

- a) in Raportul directorului executiv nu am identificat informatii care sa nu fie consecvente, sub toate aspectele semnificative, cu informatiile prezentate in situatiile financiare la

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data de 31 decembrie 2020, atasate;

- b) Raportul directorului executiv, identificat mai sus, include, sub toate aspectele semnificative, informatiile cerute de Ordinul Ministrului Finantelor Publice nr. 3103/2017, cu modificarile ulterioare, punctele 338-339;
- c) pe baza cunostintelor noastre si a intelegerii dobandite in cursul auditului situatiilor financiare intocmite la data de 31 decembrie 2020 cu privire la Asociatie si la mediul acesteia, nu am identificat informatii eronate semnificative prezentate in Raportul directorului executiv.

In addition to our reporting responsibilities according to ISAs described in section "Other information", with respect to the Executive directors' Report, we have read the Executivedirectors' Report and report that:

- a) *in the Executive directors' Report we have not identified information which is not consistent, in all material respects, with the information presented in the accompanying financial statements as at December 31, 2020;*
- b) *the Executive directors' Report identified above includes, in all material respects, the required information according to the provisions of the Ministry of Public Finance Order no. 3103/2017 and subsequent amendments, points 338-339;*
- c) *based on our knowledge and understanding concerning the entity and its environment gained during our audit of the financial statements as at December 31, 2020, we have not identified information included in the Executive directors' Report that contains a material misstatement of fact.*

In numele,

On behalf of,

S.C. NF TRUTH AND TRUST S.R.L. SRL

Str. Topografilor , nr. 35, jud. Timis, cod 307370

Str. Topografilor , nr. 35, jud. Timis, cod 307370 Romania

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Firma de Audit:
NF TRUTH AND TRUST S.R.L.
Registrul Public Electronic: F.A.73.1/18

Inregistrata in Registrul Public electronic cu nr. FA73.1/18

Registered in the electronic Public Register under FA73.1/18

Nume Auditor / Partener: Farcane Nicoleta

Name of the Auditor/ Partner: Farcane Nicoleta

Inregistrat in Registrul Public electronic cu nr. AF 1844

Registered in the electronic Public Register under AF 1844

Autoritatea pentru Supravegherea Publică a
Activității de Audit Statutar (ASPAAS)
Auditor financiar:
FARCANE NICOLETA
Registrul Public Electronic: A.F. 1844

Timisoara, Romania

Timisoara, Romania

[26] aprilie 2021

[dd] April 2021