



ANNUAL REPORT 2018

Adopted in the meeting
of the Supervisory Board
dated 25th April 2019

MANAGEMENT REPORT

Wemos advocates access to health for everyone, worldwide

OBJECTIVES, MISSION AND VISION

Vision

Health is a universal human right. Governments are required to safeguard the health conditions of all citizens: access to health care and protection against health threats.

Mission

- * Wemos is an independent civil society organization that aims to improve public health worldwide.
- * We call governments, and by extension, multilateral organizations to account on their responsibility to provide the right to health.
- * We analyze Dutch, European and global policy concerning health, and denounce practices that undermine health or health systems.

Strategic principles

- * We advocate a comprehensive approach to health: all policy sectors are involved.
- * Public health prevails over political and economic interests. We are critical, yet constructive.
- * Our advocacy is evidence-based.

RISKS AND UNCERTAINTIES

Our risk analysis is mentioned in our strategy plan 2016-2020, which (at the time of writing) is being revised. Continuity in financial and human resources and reputation management remains the most important focal point. The revised strategic plan for 2019-2023 was published on our website in the spring of 2019.

Continuity in financial resources

In 2018, 75% of Wemos' income was financed by the Ministry of Foreign Affairs. This grant framework will continue until the end of 2020. Wemos aims to diversify its income streams by 2021 to such an extent that that no more than 50% - 60% of the Wemos income may come from one donor.

A Partnership Officer was hired at the beginning of 2019. In addition there was a redistribution of tasks concerning fundraising, in combination with the recruitment of a new Communications Manager and a new Planning, Monitoring and Evaluation Officer (PME Officer). Agreements were also made with all programme officers in relation to their contribution to fundraising.

In 2018, all these measures led to a reduction in the percentage ratio of financing by the Ministry of Foreign Affairs to other income streams; from 83% in 2017 to 75% in 2018.

Continuity in human resources

The Wemos team is driven and engaged. The individual motivation of all our staff is closely aligned with the Wemos mission. In 2018, there were two team days, during which strategy and reassessment were on the agenda. In the two personnel meetings, specifically an update of the terms of employment was discussed. Again, this year there was a staff outing.

In 2018, several new employees were recruited. Partly to fill existing (vacancy) positions, but there were also some expansions; a PME Officer, two extra Junior Global Health Advocates and an extra Medior Global Health Advocate. Also, a Medior Global Health Advocate has risen to senior level.

Wemos now consists of team members who have lengthier experience with Wemos and relative newcomers who bring relevant experience from elsewhere in the organization.

Reputation

Wemos is internationally appreciated for its 'evidence-based-advocacy'. When publishing reports, articles press releases and other communications, we meticulously check for accuracy and completeness. Inaccurate or unverifiable communications can result in reputation damage.

Staff members are aware that the Wemos message is not always well-received by everyone and that there should be room for dialogue.

In 2018, there were no situations that put the Wemos reputation in danger.

REALISATION OF GOALS

Within the Health System Advocacy Partnership, in 2018, Wemos worked on the themes sustainable healthcare personnel and funding for improved sexual and reproductive health and rights. The other themes included medicines and harmful substances.

In the objectives category, Wemos recognizes the funds that were spent on the objective in the year concerned.

Wemos monitors its progress in realizing its goals every quarter using the 'outcome mapping' method for Planning, Monitoring and Evaluation. It also reports each quarter according to the International Aid Transparency Initiative standard (IATI) for the Health System Advocacy Partnership funded by the Ministry of Foreign Affairs.

Some significant results of Wemos' work in 2018 were:

The year began with a well-attended meeting in the European Parliament in Brussels: '*How long is the arm of Big Pharma?*'. Among those present were representatives of the European Parliament, the European Commission and the European Medicines Agency (EMA).

In addition to a lot of media attention, the meeting also led to recommendations that the European Parliament incorporated into the EMA budget approval.

In 2018, we also established the Health Workers For All Coalition to reinforce the voice of civic social organizations, dedicated to empowering healthcare workers worldwide. In September, on the invitation of the World Health Organization (WHO), we chaired a session at the WHO International Platform on Health Worker Mobility in Geneva.

Other highlights were our country report on funding healthcare workers in Malawi (mentioned in an article in The Lancet!), the start of the 'Aid-for-Trade' project, our petition to government for a national plan for endocrine-disrupting chemicals, three stimulating Global Health Cafés, and the launch of our knowledge platform (www.wemosresources.org).

A summary of our most important results can be found on our website: www.wemos.nl, which includes our highlights of 2018 in more detail.

FINANCIAL POLICY AND RESULTS

The balance of incomes and expenditures shows a positive result of € 13,632. This amount will be added to the Continuity Reserve.

The organization aims to maintain a continuity reserve of between 50% and 75% of the average annual operational costs of the organization. The operational costs of 2018 were € 1,114,678 (2017: € 982,683,) which means the amount of the continuity reserve per December 31 2018 (€ 544,160) was 49%. This means that we essentially achieved our objective (50-75%) at the close of the 2018 financial year.

Income

The income from funds and private individuals is higher than budgeted. Given the trend in The Netherlands that private individuals donate less, this post was budgeted prudentially lower than the proceeds received in 2017.

More monies were received from the funds than budgeted. Partly because of only being able to fill vacancies later in the year, funds received from the IDA Charity Foundation were not spent in full in 2018 and therefore carried over to 2019.

Expenditures

At the beginning of 2018, the Supervisory Board approved a budget with a deficit of € 107,773 with the restriction that everything possible would be done to prevent this shortage actually being realized. By bringing in more income than budgeted (€ 15,000) and where possible to reduce costs, is the year closed with a positive balance.

Key Figures

	objective	fundraising	management & admin
ratio compared to total expenditures	88,5%	6,8%	4,7%
Wemos target (minimum / maximum)	80,0%	12,0%	8,0%

As the table above illustrates, 88.5% of total expenditure was spent on the objectives. We achieved our target of > 80%.

The section 'Statement of Incomes and Expenditures' includes a comparison of the budget and actual figures for 2018.

Income Stream

In 2018, 75% (2017: 84%) of the funding came from the Ministry of Foreign Affairs, 24% (2017: 15%) from other not-for-profit organizations and 1% (2017: 1%) from individual donations.

The Health System Advocacy Partnership, funded by the Ministry, runs till the end of 2020. The committed funding for 2019 and 2020 amounts to a total of € 2 million.

In 2018, the IDA Charity Foundation transferred € 145,000; to be spent in 2018 and 2019. Open Society Foundations contributed \$ 248,800 for the period November 1 2017 to May 1 2019 to Wemos and Dioraphte granted € 78,000 for the period January 1 to May 1 2019. In 2015, Adessium had already granted funding for the period 2016-2018 amounting to € 300,000. This funding may also still be partly used in January 2019 for conclusion of the EDC programme.

Wemos has a loyal group of donors.

STAFF

In 2018, 7 new employees were recruited and 3 employees left on their own initiative. In addition, the AMID trainee completed her traineeship in January 2018.

As of December 31, the number of employees was 16 (2017: 13). The number of FTEs rose in relation to 2017, from 10.45 FTE to 14.67 FTE.

Due to the small number of staff, absenteeism, in particular, long term sick leave, poses a major risk for the organization. Prevention and sick leave supervision are a priority for the director. Since 2018, every employee has an ergonomically approved office chair, and there is a sit/stand desk available for everyone.

The average sick leave percentage in 2018 was 2%. In 2017 this was 5.5% (in the first six months of 2017, two team members were on long term sick leave) and in 2016 the percentage was 3.

As of January 1 2019, there was a switch to a different Health and Safety Service that is better suited to the wishes and needs of the team members. Staff were involved in this decision. This new Health and Safety Services gives staff the possibility of consulting a doctor without the employer being informed.

Wemos involves all staff in keeping the terms of employment up to date. Two personnel meetings are held each year; in 2018, in addition to the terms of employment, specifically the privacy legislation and integrity policy were discussed. In 2018, these meetings took place in May and October.

CORPORATE SOCIAL RESPONSIBILITY

Sustainability is an important aspect of our everyday management; we prefer to use environmentally friendly, sustainable products. Our sustainability policy includes the following:

- * Wemos has bank accounts registered at Triodos and ASN Bank;
- * Staff is registered at the pension fund PFZW ('Pensioenfonds voor Zorg en Welzijn'), which the Association of Investors for Sustainable Development (VBDO) proclaimed for the eleventh time to be the most sustainable pension scheme and for the first time in 2018 received a maximum score of 5 stars in the VBDO survey.
- * Preferred method of travelling abroad is by train. We compensate for CO2 emission from air travel at Trees for All;
- * To minimize travel distance and costs, conference calls are preferred, e.g. via Skype;

- * Staff commutes and visits relations using public transportation or bicycle;

- * Efficient energy use. When we leave the office, we switch off lights and computers;
- * Conduct paperless meetings;
- * Our cleaning company uses ecological products;
- * We use organic and fair trade products (coffee/milk/tea) as much as possible;
- * Double-sided copying.

CBF recognition

Since 2010, Wemos is in possession of a quality label from Central Bureau for Fundraising (CBF).

GOVERNANCE

Wemos is a Foundation with a Managing Director and a Supervisory Board. The distinction between their roles is stated in the organization's statutes. The Managing Director's role is to govern the foundation, which entails drafting, adopting and executing an up to date policy plan, which gives insight into:

- * the tasks to be performed by the foundation to achieve its objectives;
- * the method of generating income;
- * how the foundation manages and spends its capital.

The role of the Supervisory Board is to oversee the Managing Director's policy and the organization's general state of affairs, as well as to provide guidance to the Managing Director.

The Supervisory Board's specific tasks are:

- * appointment, suspension, dismissal of the Managing Director;
- * annual performance review of the Managing Director;
- * appointment and dismissal of the Auditor.

Among other things, Supervisory Board approval is required for:

- * long-term policy plan and multiannual framework
- * annual plan and annual budget;
- * annual financial statements and annual report;
- * sustainable strategic partnerships.

The accounting firm Dubois & Co. performs interim and annual audits on our financial statements. Dubois & Co.

On the advice of the remuneration committee, the Supervisory Board has established the remuneration policy, including the amount of the Director's remuneration. The policy is periodically updated. The last evaluation was in 2018.

When establishing the remuneration policy, and the amount of the remuneration, Wemos complies with the Remuneration of Directors Regulations for charitable organizations. (see www.goededoelennederland.nl).

The regulations set a maximum standard for an annual salary using gravity criteria.

Weighing up the situation was carried out at Wemos by the remuneration committee.

This resulted in a so-called BSD - score of 430 points with a maximum annual salary of EUR 114,247 (1 FTE/12 months).

Prior to the assessment, the applicable maximum, relevant annual income of the directors (2018 in EUR) for Mariëlle Bemelmans (1 FTE/12 months) was: 96,014.

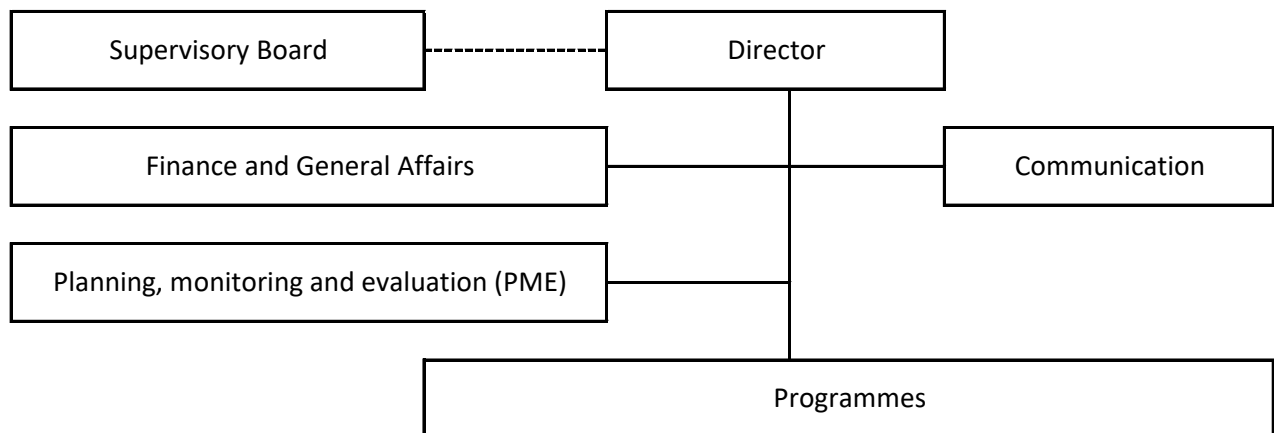
This remuneration remained within the applicable maximum.

At an amount of EUR 106,061, the annual income, the taxed allowances/additions, the employer's pension contribution, the pension compensation and miscellaneous remuneration, remain for Mariëlle Bemelmans within the maximum amount established in the regulations, of EUR 174,000 per year.

In addition, the taxed allowances/additions, the employer's pension contribution and the other long-term remuneration were also in reasonable proportion to the annual income.

The amount and composition of the remuneration are explained in the notes to the statement of income and expenditure in the annual financial statements.

Organogram



Mariëlle Bemelmans has served as Managing Director since April 1 2017.

Wemos has a Supervisory Board consisting of five members. These members are:

- * A.T.C. Bosveld (Bart), Director Bart Bosveld B.V. and Executive Director SETAC Europe;
- * L.J. (Lejo) van der Heiden, member of the management team, Director Nature and Biodiversity, Ministry of Economic Affairs;
- * J.A. (Jannie) Riteco (Secretary/Vice-chairperson), Chairperson Board De Waerden, member Supervisory Board Liliane Fonds, member Supervisory Board SWZ and member Supervisory Board Responz;
- * E.J. (Ed) Rütters (Chairperson), Chairperson Board a.i. Klimendaal Revalidatie Specialisten, Chairman Supervisory Board Lumens Welzijn;
- * J.H.P.M. (Joep) Verboeket, Director Kinderfonds MAMAS, Board Member Theater Draad.

In 2018, the Supervisory Board and the audit committee held three meetings.

The Supervisory Board agenda included the GDPR and the integrity policy, the annual report and the financial statements 2017, the financial report up to and including September 2018, fundraising strategy, operational plan 2018, HSAP governance, strategic (multiannual) policy plan and budget 2019.

In January, the evaluation with the Managing Director took place.

Following this evaluation, it was decided to change the Managing Director's contract from temporary to permanent as of January 1 2018.

Wemos has a code of conduct and also endorses the code of conduct of the sector association Partos. Both have been included in our terms of employment regulations that are part of the employment contracts of all Wemos employees.

COMMUNICATION WITH STAKEHOLDERS

Wemos operates in the Netherlands, in Europe and globally in partnership with other organizations and networks. Wemos fulfills the role of 'global health advocate'.

Global health advocates are responsible for communicating with relations and organizations by e-mail, Skype or telephone meetings and by face-to-face visits.

Wemos has a complaints procedure, published on its website. It explains, among things, how and within what time frame complaints from stakeholders should be handled. In 2018 one complaint was received. This complaint was discussed in the MT; it was a misconception, which was clarified for the external party concerned.

THE FUTURE

In 2019, it will be 40 years since Wemos was founded. Since then Wemos has been working on global access to health. We see health as a universal human right. From that conviction, as an independent, social organization we focus on the improvement of health worldwide. In line with Sustainable Development Goals (SDGs) and the ambition of Universal Health Coverage (UHC) we investigate questions such as: How can we reach a fair and sustainable deployment of enough healthcare personnel worldwide? How do we provide sufficient financial resources to offer everyone access to good health? And what is needed to ensure that medicines are available and affordable? Using our knowledge and experience in the field we influence governments and international institutions and support local organizations to do the same.

In the coming years, we will focus our programmes on three goals:

1. People all over the world have access to properly educated, motivated and good supportive healthcare workers;
2. Governments have sufficient financial resources to invest in a resilient, gender-sensitive, quality and accessible healthcare system;
3. Everyone has access to quality and affordable medicines.

BUDGET 2019

The budget below was approved by the Supervisory Board in its meeting of January 17 2019.

INCOME	budget 2019
Ministry of Foreign Affairs - HSAP	1.114.901
Adessium - EDC	6.184
Dioraphte - Medicines that Matter	13.275
IDA Charity Foundation - Health Finance	103.640
OSF - Medicines that Matter	13.128
OSF - Aid for Trade	40.907
Pending with 80% chance of approval	111.500
Funds to be raised	100.000
Donors	6.500
Total Income	1.510.035
EXPENDITURES	
Project costs	271.742
Personnel costs	1.116.609
Accommodation	66.700
Office & general expenses	62.800
Communication & fundraising costs	35.000
Depreciation	4.200
Total expenditures	1.557.051
Balance of financial profit and losses	
BALANCE OF INCOME AND EXPENDITURES	-47.016
chargeable to:	
Continuity reserve	2.984
Designated reserve innovation	
Designated reserve fundraising	-50.000
BALANCE OF INCOME AND EXPENDITURES	-47.016

In the budget above, no costs are included in relation to organizing activities related to Wemos' 40 year anniversary. The Supervisory Board determined in said meeting that such costs, to a maximum of € 35,000, could be funded from the designated reserve accommodation costs.

This means partly a different appropriation of this reserve than was initially determined.

In April 2019, € 75,000 was pledged by Dioraphte foundation for the year 2019. In addition, OSF has pledged USD 125,000 for the Health Financing programme and USD 150,000 for the Medicines programme for the period 15.03.2019 - 15.09.2020 (18 months).

BALANCE

All amounts are in Euro

	31-12-2018	31-12-2017		31-12-2018	31-12-2017
ASSETS			LIABILITIES		
Fixed assets			Reserves		
Tangible fixed assets	15.673	3.201	Continuity reserve	544.160	529.538
			Designated funds	127.004	127.994
Current assets			Total reserves	671.164	657.532
Receivables and accruals	10.844	49.950			
Liquidities	1.271.911	1.474.165	Short-term liabilities	627.264	869.784
TOTAL ASSETS	1.298.429	1.527.317	TOTAL LIABILITIES	1.298.429	1.527.317

STATEMENT OF INCOME AND EXPENDITURES

All amounts are in Euro

	Actual 2018	Budget 2018	Actual 2017
INCOME			
Income individual donors	8.520	6.500	7.440
Income from grants and governments	1.117.622	1.117.622	1.075.853
Income from other not-for-profit organizations	356.066	343.100	201.309
Total income raised	1.482.208	1.467.222	1.284.602
Other income	208	0	0
Total income	1.482.416	1.467.222	1.284.602
EXPENDITURES			
Expenditure on objectives			
<i>To strengthen national health systems that contribute to the structural improvement of health through advocacy</i>	1.300.178	1.365.388	1.029.980
Total expenditure on objective	1.300.178	1.365.388	1.029.980
Income acquisition costs	99.905	132.964	137.719
Management and administration costs	69.182	76.943	67.020
Total expenditures	1.469.265	1.575.295	1.234.719
Result before financial profit and losses	13.151	-108.073	49.883
Balance financial profit and losses	481	300	1.512
BALANCE OF INCOME AND EXPENDITURES	13.632	-107.773	51.395
Result allocation			
Addition/withdrawal			
Continuity reserve	14.622	-90.233	1.395
Allocated reserves	-990	-17.540	50.000
Total	13.632	-107.773	51.395
Key figures	2018	budget	2017
Expenditure on objective / Total income	87,7%	93,1%	80,2%
Expenditure on objective / Total expenditures	88,5%	86,7%	83,4%
Income acquisition costs / Total income	6,7%	9,1%	10,7%
Management and administration / Total expenditures	4,7%	4,9%	5,4%

VALUATION STANDARDS

The annual report has been drawn up in accordance with Directive 650 for Fundraising Institutions.

Accounting principles

Tangible fixed assets

The tangible fixed assets are valued at purchasing prize, after deduction of depreciations, based on estimated economic lifetime.

The depreciation period of office equipment is 5 years (20%). Computers and other hard- and software are depreciated within 3 years (33.3%).

Receivables and accruals

Receivables and accruals are valued at nominal worth after deduction of depreciations.

Prepaid grants/grants to be received

Some grant terms exceed the term of one fiscal year.

The difference between the advance payment of a grant-giver in a fiscal year and the costs incurred in that same fiscal year on the execution of a project shall be included on the balance sheet as 'prepaid grant'.

Reserves and funds

Reserves and funds are allocated in the context of the foundation's objectives.

Short-term liabilities

Short-term liabilities are valued at nominal value.

Principles for determining the balance income and expenditure

Grant income

Grant incomes are allocated on the basis of the actual execution costs of a project, within the frameworks set in the grant decision.

Donations and gifts

Donations and gifts are recognized as income in the financial year of receipt.

Cost distribution

Costs for management and administration, fundraising and the various objectives are calculated on the basis of a distribution key in accordance with the Directive 650 for Fundraising Institutions.

Balance of income and expenditures

The balance of income and expenditures is calculated based on the difference between the income attributable to the financial year and the expenditures required to realize it.

EXPLANATORY NOTES TO THE BALANCE SHEET

All amounts are in Euro

ASSETS

Tangible fixed assets	31.12.2018	31.12.2017
Acquisition value opening balance	101.010	108.648
Investments financial year	16.855	0
Divestments financial year	-32.772	-7.638
	85.093	101.010
Depreciation until end previous financial year	97.808	100.573
Depreciation on divestment	-32.772	-7.639
Depreciation financial year	4.384	4.875
	69.420	97.809
Balance as of 31st December	15.673	3.201

All tangible fixed assets are designated to the organization. This includes office equipment € 575 furniture € 7,882 and computers € 7,216.

In 2018, investments were made in sit/stand desks in particular.

Current assets	31.12.2018	31.12.2017
<u>Grants to be received</u>		
Private funds	0	27.500
	<u>0</u>	<u>27.500</u>
<u>Prepayments</u>		
Other prepaid costs	10.218	20.888
	<u>10.218</u>	<u>20.888</u>
<u>Other receivables</u>		
Interest	481	1.512
Paid deposits	146	50
	<u>627</u>	<u>1.562</u>
<u>Total receivables and accruals</u>	<u>10.844</u>	<u>49.950</u>

	31.12.2018	31.12.2017
<u>Liquidities</u>		
ASN savings account	784.600	1.033.104
Triodos savings account	117.474	317.474
ING savings account	231.022	16.006
Current accounts (ING and Triodos)	138.228	107.401
Cash Euro	256	130
Cash foreign currencies	333	51
	<u>1.271.911</u>	<u>1.474.165</u>

LIABILITIES

Reserves

	<u>Continuity</u>	<u>Designated reserves</u>		
	<u>reserve</u>	<u>relocation</u>	<u>innovation</u>	<u>fundraising</u>
Balance as of January 1	529.538	45.000	32.994	50.000
Mutatie	14.622		-990	
Balance as of December 31	544.160	45.000	32.004	50.000

The organization aims to have a continuity reserve of between 50 and 75% of the average operational costs of its own organization. The operational costs for 2018 amount to € 1,114,678, therefore the continuity reserve as of December 31 almost meets the criterion (49%).

In 2016, it was decided to relocate. For this, a relocation reserve to (partially) cover the cost of this relocation was retained. In 2017, it was decided to postpone this relocation and to give priority to the development of the strategic policy plan instead. In addition, more security and diversification of incomes should also be realised before the relocation can be planned. Therefore, the designated relocation reserve was not used in 2018. In the Supervisory Board meeting on January 17 2019, the Supervisory Board decided to make this reserve largely available for activities that will be organised in relation to the 40-year anniversary of Wemos in 2019.

The innovation reserve was created in 2013 for the purpose of making it possible to develop innovative concepts. In 2018, the costs incurred for the employee who worked for a collaboration process with universities, was charged to this reserve.

In 2017, almost 84% of our total income was funded by one source (Dutch Ministry of Foreign Affairs, programme Dialogue and Dissent, within the consortium Health Systems Advocacy Partnership). In 2018, this percentage dropped to 75%. Wemos strives to have an income portfolio of approx. € 1.5 million (at least € 1.2 m) by the year 2021 (2020 will be the last year we will receive funding for the partnership), at least 40% of which comes from multiple donors. For that reason, in order to achieve that, a reserve of € 50,000 was made in 2018, to (occasionally) hire extra manpower to tighten up and implement our policy. By the end of 2018, a fundraiser was hired. Specifically, his costs will be paid out of this provision.

Short-term liabilities	31.12.2018	31.12.2017
<u>Tax and premiums</u>		
Wage tax and social insurance premiums	25.439	40.300
	<u>25.439</u>	<u>40.300</u>
<u>Grants and other income still to be spent</u>		
Ministry of Foreign Affairs HSAP	315.449	414.120
Private funds	164.133	283.444
	<u>479.583</u>	<u>697.565</u>
<u>Other short-term liabilities</u>		
To be paid to co-contractors	22.456	22.456
Creditors	32.387	54.234
Other amounts still to be paid	8.171	793
Salaries and holiday pay	31.513	26.314
Audit costs	8.950	7.744
Leave day entitlements	18.765	20.378
	<u>122.242</u>	<u>131.919</u>
<u>Total short-term liabilities</u>	<u>627.264</u>	<u>869.784</u>

Obligations not included in the balance

Projects / Programmes

Wemos is an alliance partner in the project ' Health Systems Advocacy Partnership'. Amref is the secretary, for this grant, provided by the Ministry of Foreign Affairs for the period 2016-2020. The Wemos budget for the entire period of the partnership is € 5,346.500. However, in 2017, on the initiative of the secretary, a redistribution of funds between the alliance partners took place. This resulted in a budget cut of € 330,000 for Wemos. Because Wemos had carried over the undercut amount (as compared to the 2016 budget) to 2017, and because it became clear over the course of the year that (yet again) we would not be able to spend the budget, Wemos decided to apply a discount of € 130,000 to the 2017 budget. The remaining €200,000 has been evenly deducted from the budgets for 2019 and 2020.

The Open Society Foundation awarded a grant to two programmes for the period November 1 2017- April 2019: for 'Medicines that matter' (US\$ 75,000) and for 'Aid-for-Trade: assessing the contribution to a healthy state' (US\$ 110,000).

Also, in November 2018, the Open Society Foundation awarded an extra grant of \$ 63,808 for the programme 'Aid-for Trade: assessing the contribution to a healthy state, for the period November 2018 up to and including April 2019.

In 2017, IDA Charity Foundation granted € 100,000 to the project 'Skilled Health Workers Needed: scaling up investments'. Originally, the project ran from January 1 2018 to December 31 2018, however, in the meantime permission has been granted to shift the remaining funding to 2019. Also, at the end of 2018, another amount of € 45,000 was transferred by IDA Charity Foundation, also to be spent on this project in 2019.

ACCOMMODATION

Wemos has a rental contract with a tacit extension every two months. The notice period is also two months. The rental price is indexed each year in June. As of December 31 2018 the rental price is € 38,443 annually; this is not subject to VAT. The ING Bank has provided a bank guarantee of € 15,160 for the rental contract. This amount is included in the liquid assets.

Copy machine/printer

Wemos has signed a service agreement for consumables and maintenance costs for the printer/ copier. This agreement is valid until December 31 2019; the annual costs are €1,433 (VAT included).

EXPANATORY NOTES TO THE STATEMENT OF INCOME AND EXPENDITURES

All amounts are in Euro

INCOME	actual 2018	budget 2018	actual 2017
Individual donors			
Donations and gifts	8.520	6.500	7.440
Government grants			
Ministry of foreign affairs, alliance HSAP	1.117.622	1.117.622	1.075.853
Not-for-profit organizations			
Dioraphte	64.725	58.500	58.022
Adessium	88.982	81.000	95.488
OSF - Medicines that Matter	44.651	42.000	8.011
OSF-Aid for Trade	106.348	61.600	
ASN	10.000		9.300
IDA Charity Foundation	41.360	100.000	30.488
Subtotal not-for-profit organizations	356.066	343.100	201.309
Other incomes			
Income from services rendered	208		
General total	1.482.416	1.467.222	1.284.602
LIABILITIES			
actual			
budget			
actual			
2018			
2018			
2017			
2017			
Expenditure on objectives:			
Health System Advocacy the Netherlands	75.170	94.207	85.318
Health System Advocacy International	186.543	124.435	150.311
Medicines	4.579	8.890	9.160
Endocrine-disrupting chemicals	13.829	7.800	2.517
Aid-for-Trade	66.333	11.333	
Health Finance		21.000	
Other			1.051
	346.454	267.665	248.357
Allocated costs own organization	953.724	1.097.723	781.623
Total objectives	1.300.178	1.365.388	1.029.980
Expenditure on income acquisition			
Expenditure on income acquisition	8.133	9.000	3.678
Allocated costs own organization	91.772	123.964	134.041
Total income acquisition	99.905	132.964	137.719
Expenditure on management and administration			
Allocated costs management and administration	69.182	76.943	67.020
Total management and administration	69.182	76.943	67.020
General total	1.469.265	1.575.295	1.234.719

FINANCIAL PROFIT AND LOSSES	actual 2018	budget 2018	actual 2017
Result for financial profit and losses	481	300	1.512
BALANCE OF INCOME AND EXPENDITURES	13.632	-107.773	51.395
Addition/withdrawal:			
Continuity reserve	14.622	-90.233	1.395
Designated reserve fundraising			50.000
Designated reserve innovation	-990	-17.540	
BALANCE INCOME AND EXPENDITURES	13.632	-107.773	51.395

Remuneration of senior officials WNT

All amounts are in Euro

Managing senior official with employment contract

Name	Mariëlle Bemelmans	
Function	Managing Director	
Employment terms		
Nature (term)	permanent	
hours	36	
part-time percentage	100	
period	1/1-31/12	
Former senior official	no	
(Implied) contract of employment	yes	
Remuneration		
Annual income		
Gross wage/salary	88.902	
holiday pay	7.112	
fixed year-end bonus	0	
payment for holidays not taken	0	
Total	96.014	
Allowances/additions subject to tax	0	
Pension contribution (employers share)	10.047	
Pension compensation	0	
Other remuneration payable long-term	0	
Termination of employment payment: n/a		
Total 2018	106.061	
Individual applicable remuneration maximum (WNT)	174.000	
-/- Amount unduly paid	n/a	
<i>Total 2017</i>	<i>72.550</i>	<i>(9 months)</i>

The annual income of the Managing Director (in employment) remains within the maximum of € 114,247 (BSD score 430; BSD punten H 411-450) in the context of the Standardization of Remuneration Act (WNT), for Senior Officials of charities. Also the annual income, taxable allowances/additions, the pension costs and other remuneration payable long-term, remain within the maximum in the Act of € 174,000 per year. On September 20 2018, the Supervisory Board had a BSD score of 430 determined on the basis of the Remuneration Act (WNT), for Senior Officials of charities.

Senior officials with a remuneration of € 1,700 or less

The Supervisory Board consists of the following members:

- Chairperson: E.J. (Ed) Rütters
- Secretary/Vice-chairperson: J.A. (Jannie) Riteco
- Chairperson audit committee: A.T.C. (Bart) Bosveld
- General members: L.J. (Lejo) van der Heiden / J.H.M. (Joep) Verboeket.

The members of the Supervisory Board perform their duties unpaid; all members are entitled to a reimbursement of € 75 for each attended meeting for incurred expenses.

Staff members with employment contract shall not receive higher remuneration than the Wemos director.

EXPANATORY NOTES EXPENDITURES

All amounts are in Euro

Allocation	Objectives						Acquisition of incomes	Management & Administration	Total 2018	Budget 2018	Total 2017
	Health Systems Advocacy the Netherlands	Health Systems Advocacy International	Medicines	Endocrine disruptive chemicals	Aid-for-Trade & Health Finance	Total					
International lobby and advocacy	75.170	186.543	4.579	13.829	66.333	346.454			346.454	267.665	248.357
Other activity costs						0	8.133		8.133	9.000	3.678
Personnel costs	155.077	501.776	75.372	56.925	48.704	837.854	80.623	60.777	979.254	1.143.680	836.047
Premises costs	9.888	31.993	4.806	3.630	3.105	53.422	5.140	3.875	62.437	63.850	61.869
Office and general costs	10.864	35.153	5.281	3.988	3.412	58.698	5.648	4.258	68.604	87.600	79.893
Depreciation	694	2.246	337	255	218	3.750	361	272	4.383	3.500	4.875
Total	251.693	757.711	90.375	78.627	121.772	1.300.178	99.905	69.182	1.469.265	1.575.295	1.234.719

In accordance with Directive 650, costs are allocated to the objectives, acquisition of income, and management & administration.

Allocation is based on the following principles:

- Directly attributable costs are allocated as such;
- Not directly attributable costs are allocated on the basis of a distribution key, based on the number of FTEs per category:

Objectives 13,51 FTE

Acquisition of incomes 1,30 FTE

Management & administration 0,98 FTE

15,79 FTE including 0.56 FTE interim manager F&O and 0.56 FTE Global Health Advocate, who lives in Africa.

Specification of personnel costs:

	actual 2018	budget 2018	actual 2017
Gross salaries	715.007	785.898	597.752
Social security costs	110.952	136.982	94.129
Pension contribution	68.206	90.016	53.517
Other personnel costs	85.088	130.784	90.648
	<u>979.253</u>	<u>1.143.680</u>	<u>836.046</u>

The number of FTE with a temporary or permanent contract of employment per 31-12-2018 is:

14,67 FTE (16 persons)

INDEPENDENT AUDITOR'S REPORT

To: the Supervisory Board and the Board of Stichting Wemos based in Amsterdam, The Netherlands.

A. Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the financial statements 2018 of Stichting Wemos based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Wemos as at 31 December 2018 and of its result for 2018 in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board, and the Policy rules implementation of the Standards for Remuneration Act (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. statement of income and expenditures for 2018; 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 as well as the Policy rules implementation WNT, including the Audit Protocol WNT. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Wemos in accordance with the Verordening 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.

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Compliance with rule against overlapping pursuant to the WNT not audited

In accordance with the Audit Protocol under the Standards for Remuneration Act ('WNT'), we have not audited the rule against overlapping as referred to in Section 1.6a of the WNT and Section 5(1)(j) of the WNT Implementing Regulations. This means that we have not audited whether an executive senior official exceeds the norm as a result of any positions as executive senior official at other institutions subject to the WNT, and whether the explanation required in this context is correct and complete.

B. Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of the Board's report. Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

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. Management is responsible for the preparation of the other information, including the Board's report, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board.

C. Description of responsibilities regarding the financial statements

Responsibilities of the Board and the Supervisory Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements, in accordance with the Guidelines for annual reporting 650 "Fundraising Organisations" of the Dutch Accounting Standards Board, and the Policy rules implementation of the Standards for Remuneration Act (WNT). Furthermore, the Board is responsible for such internal control as the Board 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 is responsible for assessing the organisation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the organisation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the organisation's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for monitoring the financial reporting process of the organisation.

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.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, as well as the Policy rules implementation WNT, including the Audit Protocol WNT, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to 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 organisation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board;
- 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 organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an organisation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 30 April 2019

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser RA