



ANNUAL FINANCIAL REPORT 2019

Adopted in the Supervisory Board meeting on 23-04-2020

MANAGEMENT REPORT

Wemos advocates access to health for everyone, worldwide

VISION, MISSION AND STRATEGY

VISION

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

MISSION

Wemos is an independent civil society organisation that aims to improve public health worldwide.

- We analyse Dutch, European and global policy that impacts health, and propose relevant changes.
- We call governments, the EU and multilateral organisations to account on their responsibility to respect, protect and implement the right to health.

STRATEGIC PRINCIPLES

Our work is based on the following principles, which are applied in all our programmes:

- a human rights approach to health;
- gender equality;
- systemic change;
- mutual learning from knowledge exchange;
- creating and expanding space for citizens.

STRATEGY DEVELOPMENT

In 2019 Wemos tightened its strategy for the coming years. There was organisation-wide input and external consultants were used. The strategy is set out in 'Wemos' Strategy for 2019-2023' which can be found on our website under [whats-new/publications/](#). We focus on a variety of actors and stakeholders, from (inter)national policy makers and politicians to multilateral organisations, and also want to reach the general public. That is why we value maintaining our independent position. This strategic choice is set out in our renewed strategy. We use the Theory of Change (ToC) method as guideline for our strategic planning and performance monitoring. An organisation-wide ToC has been developed for the general

strategic approach that we apply to our advocacy. This is explained on pages 9 and 10 of our strategy document.

RISKS AND UNCERTAINTIES

Our risk analysis is outlined in the internal strategy plan for 2019-2023. The most important focal points are the continuity in financial and human resources and reputation management. Risk mitigation measures are indicated for each defined risk. These are regularly updated, at least at each meeting between the Management Board and Supervisory Board.

CONTINUITY IN FINANCIAL RESOURCES

In 2019, 72% of Wemos' income was financed by the Dutch Ministry of Foreign Affairs. This funding framework runs until the end of 2020.

Wemos aims to have diversified its funding streams to such an extent that from 2021 onwards between €600,000 and €700,000 of its income comes from donors other than the Ministry of Foreign Affairs.

In 2019, a lot of attention was given to fundraising and the distribution of tasks in this has been tightened. The coordination lies with the Communications Manager and the Planning, Monitoring and Evaluation Officer (PME). In addition, a greater responsibility has been put on the 'Global Health Advocates' for fundraising for their own programmes. A Resource Mobilisation meeting is held every three weeks.

The diversification of the income stream got off to a good start in 2019. Over the past three years, funding from the Ministry of Foreign Affairs has declined relative to other sources of income: from 84% in 2017 to 75% in 2018 and to 72% in 2019. The budget for 2020 shows a continuation of this trend.

CONTINUITY IN HUMAN RESOURCES

The Wemos staff is driven and involved. Our staff's individual motivation is closely aligned with the Wemos mission. In 2019 there were two team-days, with strategy, PME and fundraising on the agenda. In the staff meetings, a lot of attention was given to integrity and our renewed integrity system. And again this year we had a staff outing.

In 2019, a number of new employees joined the company, both in existing and new (vacancy) positions. Our team now consists of a good mix of employees with longer experience at Wemos and relative newcomers who bring relevant experience from elsewhere in the organisation.

REPUTATION

Wemos is internationally appreciated for its 'evidence-based advocacy'. We meticulously check all reports, articles, press releases and other communications before publication for accuracy and completeness. Inaccurate or unverifiable communications may result in reputation damage. Staff members are aware of this. They also know that the 'Wemos message' is not always well-received by everyone and that there should always be room for dialogue.

In 2019, there were no situations that compromised Wemos' reputation.

INTEGRITY

There is a growing awareness among public, private and social organisations that the success of their mission and strategy, and their results, depends on the relationship with their stakeholders and on the integrity of the organisation itself. As an organisation, we attach great importance to integrity, which means that we always act fairly and treat the people and organisations with whom we work with integrity.

We have a zero tolerance policy for any form of (sexual) harassment, aggression or discrimination in the workplace. If an incident is reported, we always take it seriously and investigate the reported allegation immediately.

As a member of the trade association Partos, Wemos subscribes to the 'Partos Code of Conduct'. In addition, we have our own Wemos Code of Conduct that was updated in 2019, to include among other things a more comprehensive chapter on integrity. Both codes of conduct, together with the employment conditions regulations, form part of the employment contract of Wemos employees. The Code of Conduct is also the foundation of our integrity system; this was implemented in 2019 and consists of an internal integrity body and three reporting channels, one of which is an external whistleblower point. In addition, two employees were chosen as confidential advisers. Integrity is also regularly discussed in our staff meetings.

In 2019 there were no reports of (possible) integrity violations.

ACHIEVEMENT OF OBJECTIVES

In 2019, Wemos worked on the themes 'Access to Medicines', 'Human Resources for Health' and 'Finance for Health'.

We achieve a large part of the last two themes within the Health Systems Advocacy (HSA) Partnership. With this partnership, we advocate for strengthening health systems to improve Sexual and Reproductive Health and Rights (SRHR). Our cooperation with national civil society organisations on this issue promotes mutual learning and knowledge exchange; they help us to gain a deep understanding of the national context, and we strengthen their capacity to

develop and implement evidence-based policy development strategies with knowledge of international policies, technical skills and tools.

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

Each quarter, we monitor our progress in achieving our objectives using the 'outcome harvesting' method for Planning, Monitoring and Evaluation (PME). Each quarter, we also file reports according to the International Aid Transparency Initiative (IATI) standard for the Health Systems Advocacy Partnership, which is funded by the Ministry of Foreign Affairs.

2019 was an eventful year for Wemos. We reflected on our 40th anniversary, for example with a substantive conference and achieved many good results with our programmes:

- Our Access to Medicines programme attracted a lot of media attention, both at home and abroad. In the Netherlands, the Volkskrant, Trouw and other media wrote about the findings of the report 'Overpriced, drugs developed with Dutch public funding', which we published jointly with partner SOMO. We also organised the well-attended debate 'Farma's Other Futures', together with Commons Network and the Rode Hoed. Moreover, thanks to our expertise in the field of drug policy, we appeared on TV programmes EenVandaag and Kassa, and were mentioned in De Telegraaf and Follow The Money.
- We also achieved good results with our Human Resources for Health programme. Together with southern partners, we provided input for the online consultation for the Global Action Plan for Healthy Lives and Well-being (GAP). In addition, together with our Ugandan partner ACHEST, we published a report on the financing of health workers in Uganda, which was discussed with the Ugandan Ministry of Health in October and which was also addressed in the Ugandan Parliament.
- Within our Finance for Health programme, we held constructive discussions with various stakeholders and organisations. We organised two sessions during the spring meetings of the World Bank and the IMF. As a result, civil society was better involved in the Global Financing Facility (GFF), a financing mechanism for, among other things, sexual and reproductive health and rights in low and middle income countries. In an open conversation, together with other social organisations, including those from Uganda, we expressed our ideas and concerns about current policy. We also published a discussion paper on the effects of private sector investments in health on access to healthcare.

For a more detailed overview of our main results and highlights of 2019, please refer to our Year Overview. This can be found on our website: www.wemos.nl and www.wemos.nl/yearoverview2019

FINANCIAL POLICY AND FINANCIAL RESULTS

The balance of income and expenditures shows a positive result of € 352. The Supervisory Board gave permission to draw on the fundraising reserve for the costs of the fundraiser and to draw on part of the relocation reserve for the costs of the Wemos 40th anniversary conference on 6 September 2019. This resulted in an additional € 38,635 being added to the continuity reserve. The amount of the continuity reserve as of 31 December 2019 is therefore € 582,796.

The organisation aims for a continuity reserve of between 50% and 75% of the average annual operating costs of its own organisation.

The operating costs for 2019 amount to € 1,186,054 (2018: € 1,114,678), as a result, the continuity reserve as of 31 December 2019 amounts to 49% and almost meets our target.

INCOME

The incomes from private individuals are higher than budgeted. Given the trend in the Netherlands for individuals to donate less, this item was budgeted prudentially lower than the revenue received in 2018.

More monies were received from the funds than budgeted. Partly due to only being able to fill vacancies later in the year and a long-term leave, the 2019 budget was not fully spent. The funds obtained and not spent are therefore carried over to 2020.

The Health Systems Advocacy Partnership programme is advancing smoothly, but due to the temporary staff shortage, not all planned activities could be carried out, despite additional efforts from other employees. The underspent budget from the Ministry is expected to be spent in 2020.

EXPENDITURES

At the start of 2019, the Supervisory Board approved a budget with a deficit of € 47,016 with the restriction that everything possible would be done to prevent this deficit actually being realised. By bringing in more income than budgeted (€ 16,000) and reducing costs where possible and temporarily hiring fewer people, the year was closed with a small positive balance. As a result, despite extra effort from other employees, some of the planned activities for 2019 were not carried out. This largely explains why the expenditure on objectives is lower than budgeted. The activities are carried over to 2020.

Costs and fundraising are lower than budgeted as the new fundraiser left earlier in the year and increased responsibility was placed with the Global Health Advocates to raise funds for their own programmes.

Management and administration are higher than budgeted compared to 2018 as an F&O Manager was appointed in 2019; this position was previously (partially) filled on an interim basis.

Key figures	objectives	fundraising	management & administration
Ratio in relation to total expenditure	84.3%	8.0%	7.7%
Wemos target (minimum/maximum)	80.0%	12.0%	8.0%

As presented in the table above, we spent more than 84% of the total expenses on the objectives, which means we achieved our target of >80%.

The section 'Statement of Income and Expenditure' contains the comparative figures with the budget and actual for 2019.

INCOME STREAM

In 2019, 72% (2018: 75%) of income received came from the Ministry of Foreign Affairs, 27% (2018: 24%) from other not-for-profit organisations and 1% (2018: 1%) from individual donations.

The Health System Advocacy Partnership (HSAP), funded by the Ministry, runs till the end of 2020. The committed funding for 2020 amounts to € 902,067. Because the total HSAP budget was not used up in 2019, the budget for 2020 shall be a little higher, namely € 984,225.

In 2018, the IDA Charity Foundation supported Wemos with € 145,000, to be spent in 2018 and 2019. Open Society Foundations contributed \$ 248,800 for the period 1 November 2017 to 1 May 2019 to Wemos and Stichting Dioraphte granted € 78,000 for the period 1 January to 1 May 2019.

In 2015, Adessium had already granted funding for the period 2016-2018 amounting to € 300,000. This funding could also be partly used in January 2019 for the conclusion of the 'Endocrine Disruptors' (EDCs) programme.

THE FOLLOWING COMMITMENTS WERE RECEIVED DURING 2019:

- Open Society Foundations allocated \$ 254,829 to Wemos for the period 1 May 2019 to 15 September 2020. In addition, Open Society Foundations allocated \$ 32,644 to Wemos for the period 1 September 2019 to 1 May 2020 with our Ugandan partner CEHURD as a subgrantee, where Wemos is the secretary.
- Stichting Dioraphte supported Wemos with €75,000 for the period 1 January 2019 to 31 December 2019.
- Share-Net/KIT also contributed in 2019 to the sum of € 10,000.

- In addition, the IDA Charity Foundation has already allocated a sum of € 175,000 for the period 1 January 2020 to 31 December 2020.

Apart from government grants and funds, Wemos has a loyal group of individual donors.

STAFF

Wemos attaches great importance to maintaining and developing the core of our organisation, our employees. The annual social report provides an overview of the social policy pursued. As a relatively small organisation, we have already integrated most elements of a social report into the Management Report of the Annual Financial Report and into the 'Wemos' Strategy for 2019-2023'. For the first time in 2019, the social report is also a separate annual report, which will be further developed in 2020. In the first edition of the annual social report, we look back at the most important developments in the personnel policy of the past year. In 2019, we focused on professionalising the organisation with regard to the code of conduct and integrity and updated and further developed our personnel policy.

In 2019, 5 new employees were appointed, and 4 employees left.

The number of employees as of 31 December 2019 was 16 (2018: 16). The number of FTEs has decreased slightly compared to 2018, from 14.7 FTE to 14.2 FTE.

Absenteeism due to illness, and especially long-term absenteeism due to illness, is a major risk for the organisation due to our small workforce. Prevention and absenteeism management are therefore a priority for the director and the management team. The average absenteeism rate for 2019 is 3.2%. In 2018 this was 2%.

As of 1 January 2019, the switch was made to a different Health and Safety Service, which better suits the wishes and needs of the team members. Wemos' employees were involved in the choice. With this new Health and Safety Service, employees have the opportunity to consult a doctor without informing the employer.

Wemos involves all employees in keeping the employment conditions up-to-date. Personnel meetings are held annually, during which in 2019, besides the employment conditions, the integrity policy was specifically addressed. In 2019, this meeting took place in October.

CORPORATE SOCIAL RESPONSIBILITY

Sustainability is an important aspect of our everyday operations; we prefer to use environmentally friendly, sustainable products.

Our sustainability policy means that we:

- insure our employees with the Pensioenfonds voor Zorg en Welzijn (PFZW), which each year has a high ranking and score in the benchmarking of the Dutch Association of Investors for Sustainable Development (VBDO);
- support conference calls, for example via Skype, to travel as little as possible;
- preferably travel abroad by train. We offset the CO2 emissions from air travel at Trees for All;
- use public transport or bicycle for commuting and visiting business contacts;
- conserve energy: we turn off lights and computers when we leave our office;
- conduct paperless meetings;
- have a cleaning company that works with ecological products;
- use as many organic and fair trade products (coffee/tea/milk) as possible;
- print little as possible, but in any case use two-sided copying and printing;
- have accounts with Triodos and ASN Bank.

QUALITY LABELS

The certifications and labels below guarantee that we meet good principles and standards in the field of governance. Compliance is regularly assessed externally.

CBF RECOGNITION

Since 2010, Wemos has held a quality certificate from and is recognised by the Central Bureau for Fundraising (CBF).

ED CERTIFICATION

Since 2019, Wemos also holds the US 501 (c) (3) equivalence certification (ED certification), which means that Wemos is equal to an American public charity.

ANBI STATUS

Wemos is classified by the tax authorities as a Public Benefit Organisation (ANBI).

GOVERNANCE

Wemos is a foundation with a Managing Director and a Supervisory Board. The division of roles of both is laid down in the organisation's statutes. The Managing Director's role is to govern the foundation. This includes drafting, adopting and executing a current policy plan, which provides insight into:

- the activities to be carried out by the foundation to achieve its objective;
- the method of income generation;
- the management of the foundation's capital and how it is spent.

The task of the Supervisory Board is to supervise the policy of the Managing Director and the general affairs of the foundation. The board members also provide the Managing Director with advice.

Specific tasks of the Supervisory Board are:

- appointment, suspension, dismissal of the Managing Director;
- annual assessment of the Managing Director;
- appointment and dismissal of the auditor.

The following are some of the matters require approval by the Supervisory Board:

- the multi-year policy plan and the multi-year estimate;
- the annual plan and the annual budget;
- the Annual Financial Report and the annual report;
- sustainable strategic partnerships.

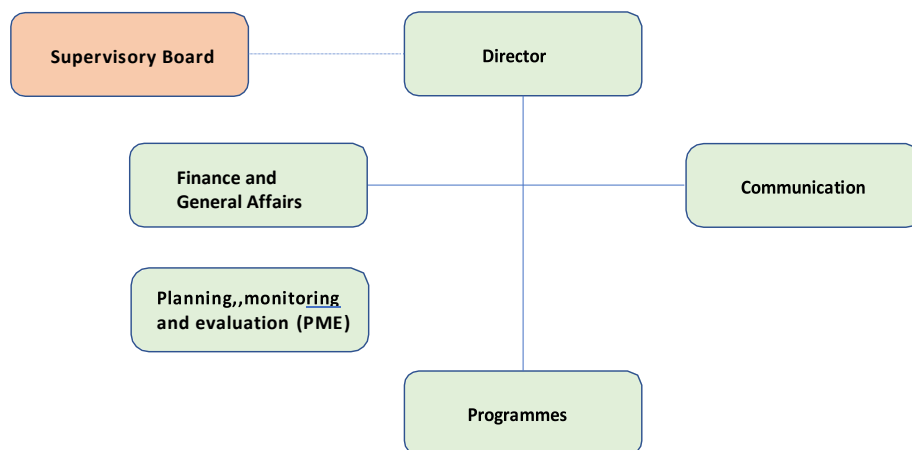
The interim and annual audit are carried out by the accountancy firm Dubois & Co.

On the advice of the remuneration committee, the Supervisory Board has established the remuneration policy, including the amount of the Managing Director's remuneration. The policy is updated periodically. The last evaluation was at the end of 2018. When establishing the remuneration policy and determining the remuneration, Wemos follows the Regulation on the remuneration of directors of charity organisations (see www.goededoelennederland.nl).

The regulation sets a maximum standard for annual income on the basis of weighting criteria. The situation at Wemos was weighted by the remuneration committee. This led to a so-called BSD score (Basic Score for Executive Positions) of 430 points with a maximum annual income of € 121,708 in 2019 (1 FTE / 12 months). For Mariëlle Bemelmans (1 FTE / 12 months), the relevant actual annual income of the managing director - for assessment against the applicable maximum - was € 98,412. This remuneration remained within the applicable maximum. At an amount of € 108,999, the annual income, the taxed allowances / additions, the employer's pension contribution, the pension compensation and the other long-term benefits for Mariëlle Bemelmans, remained within the maximum amount set in the regulations of € 181,000 per year.

The taxed allowances / additions, the employer's pension contribution and other long-term benefits were also in reasonable proportion to the annual income. The amount and composition of the remuneration are explained in the Annual Report in the notes to the Statement of Income and Expenditure.

ORGANOGRAM



Mariëlle Bemelmans has been employed as Managing Director since 1 April 2017.

Wemos has a Supervisory Board consisting of 5 members. The members are:

- A.T.C. (Bart) Bosveld – owner and Director of Bart Bosveld BV science & management; Executive Director SETAC Europe;
- L.J. (Lejo) van der Heiden - Management team member, Management Nature and Biodiversity; Nature Directorate General for Nature, Fisheries and Rural Areas for the Ministry of Agriculture, Nature and Food Quality;
- J.A. (Jannie) Riteco (Secretary/Vice-chairperson) - Chairperson of the Board of Directors De Waerden; Chairperson Supervisory Board Liliane Fonds; Supervisory Board member QuaRijn; Supervisory Board member SWZ;
- E.J. (Ed) Rütters (chairperson) – board member Instituut Verbeeten; chairperson Supervisory Board Lumens Welzijn;
- J.H.P.M. (Joep) Verboeket – Director Kinderfonds MAMAS.

The Supervisory Board and the audit committee met three times in 2019. In 2019, agenda items from the Supervisory Board included the GDPR and the integrity policy, the annual report and the Annual Financial Report 2018, the financial report up to September with annual forecast 2019, fundraising strategy, work plan 2019, HSAP governance, strategic (long-term) policy plan and budget 2020. In January, the annual evaluation with the Managing Director took place.

COMMUNICATION WITH STAKEHOLDERS

Wemos works with various organisations and networks in the Netherlands, Europe and worldwide. Wemos fulfils the role of advocate for global health, also known as a 'global health advocate'. The advocates, or global health advocates, take care of communication with relationships and organisations via email, meetings via Skype or telephone, and direct visits. Wemos has a complaints procedure that describes, among other things, how and the period within which complaints from stakeholders should be handled. The complaints procedure has been published on our website and is currently being revised. No complaints were received in 2019.

THE FUTURE

Since its foundation 40 years ago, Wemos has worked on promoting global access to health. We see health as a universal human right. Based on this conviction, as an independent, social organisation we focus on improving health worldwide.

In line with Sustainable Development Goals (SDGs) and the ambition for Universal Health Coverage (UHC), including access to Sexual Rights and Reproductive Health (SRHR), we research questions such as: How do we achieve a fair and sustainable use of sufficient healthcare personnel worldwide? How do we ensure adequate financial resources to provide everyone with access to good health, including sexual and reproductive health and rights? And what is needed to ensure that medicines are accessible and affordable? Based on our knowledge and experience in the field, we influence governments and international institutions and support local organisations to do the same.

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

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

BUDGET 2020

The budget below was approved by the Supervisory Board in the meeting of 23-01-2020.

All amounts in Euro

WEMOS	Budget 2020
INCOME	
Ministry of Foreign affairs - HSAP	984.225
OSF - Fair Medicines that Matter	65.003
OSF - Finance for Health	70.381
OSF Cehurd Uganda Study	15.945
IDA Charity Foundation - HS Finance 2020	175.020
Pending with 80% chance of approval	196.000
Funds to be raised	0
Donors	6.500
TOTAL INCOME	1.513.073
EXPENDITURES	
Project costs	257.969
Personnel costs	1.095.700
Premises	66.000
Office & general expenses	53.100
Communication & fundraising expenses	25.000
Depreciation	9.000
TOTAL EXPENDITURES	1.506.769
Balance of financial income and expenses	0
BALANCE OF INCOME AND EXPENDITURES	6.304

chargeable to:

Continuity reserve	6.304
Designated reserve innovation	0
Designated reserve relocation	0
Designated reserve fundraising	0
	6.304

BALANCE

All amounts in Euro

ASSETS	31-12-2019	31-12-2018	LIABILITIES	31-12-2019	31-12-2018
Fixed Assets			Reserves		
Tangible fixed assets	16.925	15.673	Continuity reserve	582.796	544.160
			Designated reserves	88.720	127.004
			Total reserves	671.516	671.164
Current assets			Short term liabilities		
Receivables and accruals	33.485	22.328	Short term liabilities	508.870	638.748
Liquidities	1.129.976	1.271.911			
TOTAL ASSETS	1.180.386	1.309.913	TOTAL LIABILITIES	1.180.386	1.309.913

STATEMENT OF INCOME AND EXPENDITURE

STATEMENT OF INCOME AND EXPENDITURE	actual	budget	actual
<i>All amounts in Euro</i>	2019	2019	2018
INCOME			
Income individual donors	7.501	6.500	8.520
Income from grants and governments	1.032.743	1.114.901	1.117.622
Income from other not-for-profit organisations	385.129	388.634	356.066
Total income raised	1.425.373	1.510.035	1.482.208
Other income	1.000	0	208
Total income	1.426.373	1.510.035	1.482.416
EXPENDITURES			
Expenditure on objectives			
<i>To strengthen national health systems that contribute to the structural improvement of health through advocacy</i>	1.202.113	1.310.348	1.300.178
Total expenditure on objectives	1.202.113	1.310.348	1.300.178
Income acquisition costs	113.837	176.135	99.905
Management and administration costs	110.235	70.568	69.182
Total expenditures	1.426.185	1.557.051	1.469.265
Result before financial income and expenses	188	-47.016	13.151
Balance of financial income and expenses	164	0	481
BALANCE OF INCOME AND EXPENDITURE	352	-47.016	13.632
Result allocation			
Addition/withdrawal for:			
Continuity reserve	38.635	2.984	14.622
Allocated reserves	-38.284	-50.000	-990
Total	352	-47.016	13.632

Key figures	2019	budget	2018
Expenditure on objective / Total income	84,3%	86,8%	87,7%
Expenditure on objective / Total expenditures	84,3%	84,2%	88,5%
Income acquisition costs / Total income	8,0%	11,7%	6,7%
Management and administration / Total expenditures	7,7%	4,5%	4,7%

VALUATION STANDARDS

The annual accounts have been drawn up in accordance with the Directive 650 Fundraising Organisations.

ACCOUNTING PRINCIPLES

TANGIBLE FIXED ASSETS

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

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

RECEIVABLES AND ACCRUALS

Receivables and accruals are valued at nominal value after deduction of impairments.

GRANTS RECEIVED IN ADVANCE/GRANTS TO BE RECEIVED

Some grants exceed the term of one fiscal year. The difference between the advance payment by the grant provider in a financial year and the amount spent in that same financial year on the execution costs of a project is included in the balance sheet as 'grant received in advance'.

RESERVES AND FUNDS

The 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 OF INCOME AND EXPENDITURE

GRANT INCOME

Grants are allocated on the basis of the realised execution costs of a project, within the frameworks fixed in the grant decision.

DONATIONS AND GIFTS

Donations and gifts are recognised 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 Reporting 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 realise it.

EXPLANATORY NOTES TO THE BALANCE SHEET

All amounts are in Euro

ASSETS		
Tangible fixed assets	31-12-2019	31-12-2018
Purchase value opening balance	85.093	101.010
Investments financial year	8.136	16.855
Divestments financial year	0	-32.772
	93.230	85.093
Depreciation up to end previous financial year	69.420	97.808
Depreciation on divestment	0	-32.772
Depreciation financial year	6.885	4.384
	76.304	69.420
Tangible Fixed Assets Book value 31-12-2019	16.925	15.673

All material fixed assets are designated to the organization.

This includes office equipment € 2,359, furniture € 7,144 and computers € 7,422.

Current Assets	31-12-2019	31-12-2018
<u>Grants to be received</u>		
Private funds	7.500	0
	7.500	0
<u>Prepayments</u>		
Pension fund	11.201	11.484
Other prepaid expenses	12.862	10.218
	24.063	21.701
<u>Other receivables</u>		
Amounts to be received	1.613	0
Interest	164	481
Deposits paid	146	146
	1.922	627
Total receivables and prepayments	33.485	22.328

Liquid assets	31-12-2019	31-12-2018
ASN savings account	635.075	784.600
Triodos savings account	117.474	117.474
ING savings account	301.028	231.022
Current account (ING and Triodos)	75.912	138.228
Cash Euro	418	256
Cash foreign currencies	69	333
Total liquid assets	1.129.976	1.271.911

LIABILITIES

Reserves	Continuity reserve	Designated reserves		
		Relocation	Innovation	Fundraising
Balance as of January 1	544.160	45.000	32.004	50.000
Mutation	38.635	-10.277	0	-28.007
Balance as of December 31	582.796	34.723	32.004	21.993

The organisation strives to have a continuity reserve equal to 50-75% of the average operating costs. The operating costs for 2019 are € 1,186,054 therefore the continuity reserve as of 31 December 2019 almost meets the criterion (49%).

In 2016, the decision was made to relocate. For this reason, a reserve was retained to (partly) cover the cost of relocation. However, in 2017 it was decided to postpone relocation plans and instead to give priority to the development of the strategic policy plan. In addition, more certainty and diversification of income must first be guaranteed before the relocation can be planned. The designated reserve for relocation has therefore not been used in 2018.

At its meeting on 17 January 2019, the Supervisory Board decided to make this reserve largely available for activities related to Wemos' 40th anniversary in 2019.

The designated reserve for innovation was created in 2013 with the aim of giving the organisation the financial opportunity to develop innovative concepts.

In 2017, almost 84% of our funding came from one source (Dutch Ministry of Foreign Affairs, Dialogue and Dissent programme, through the consortium Health Systems Advocacy Partnership). In 2018, this percentage dropped to 75% and further to 72% in 2019. 2020 is the last year of funding from this grant. By 2021, Wemos aims to have an income portfolio of an amount of approx. € 1.5 million (at least € 1.2 million) where at least 40% of the income is generated by various donors outside the Ministry. To achieve this aim, a reserve of € 50,000 was made in 2018 to attract (incidentally) extra manpower for policy development and implementation. At the beginning of 2019, a fundraiser was recruited whose costs were mainly paid from this provision.

Short-term liabilities	31-12-2019	31-12-2018
<u>Taxes and contributions</u>		
Income tax and social security contributions	24.636	25.439
	24.636	25.439
<u>Grants to be spent and other benefits</u>		
Ministry of Foreign Affairs Alliance HSAP	116.706	315.449
Individual funds	238.856	164.133
	355.562	479.583
<u>Other short-term liabilities</u>		
Payable to co-contractors	22.456	22.456
Creditors	27.132	43.871
Other amounts payable	8.456	7.175
Salaries and holiday allowance	34.838	32.509
Audit costs	16.638	8.950
Leave day reserve	19.152	18.765
	128.672	133.726
Total short-term liabilities	508.870	638.748

OBLIGATIONS NOT INCLUDED IN THE BALANCE

PROJECTS / PROGRAMMES

Wemos is an alliance partner in the 'Health Systems Advocacy Partnership' project. Amref is the secretary for this grant, awarded by the Ministry of Foreign Affairs for the period 2016-2020. The Wemos budget for this entire period is € 5,346,500. However, in 2017, on the initiative of the secretary, a redistribution of funds between the alliance partners took place, resulting in a budget cut of € 330,000 for Wemos. Because Wemos had carried over the shortfall from the 2016 budget to 2017, and because it became clear over the course of the year that (yet again) this amount would not yet be spent, it was decided that a € 130,000 deduction would be applied to the 2017 budget. The remaining €200,000 was evenly deducted from the budgets for 2019 (€100,000) and 2020 (€100,000).

For the period from 15 March 2019 to 15 September 2020, the Open Society Foundations has continued the funding for the Aid for Trade and Medicines that Matter programmes completed in 2019. This concerns the Fair Medicines that Matter (\$ 129,829) and Finance for Health (\$ 125,000) programmes.

In addition, the Open Society Foundations has granted funding of \$ 32,644 for the joint governance project with the Ugandan CEHURD research project on governance and the GFF in Uganda for the period from 1 September 2019 to 1 May 2020.

IDA Charity Foundation has granted funding of up to € 500,000 for the period from 1 January 2020 to 31 December 2022, mainly for continuation of the international programmes Human Resources for Health and Finance for Health.

PREMISES

Wemos has a rental contract with a tacit extension every two months. The notice period is also two months. The rent is indexed annually in June. As of 31 December 2019, the rent is € 39,497 per year; this is not subject to VAT. A bank guarantee of € 15,160 has been issued by ING bank for the rental contract. This amount is included under the liquid assets.

COPYING MACHINE/PRINTER

Wemos has a service agreement for consumables and maintenance costs of its copying machine/printer. This agreement ran until 31 December 2019, but has been extended for 1 year. The annual costs are € 1,533 incl. VAT.

EXPLANATORY NOTES TO THE STATEMENT OF INCOME AND EXPENDITURES

All amounts are in Euro

INCOME	actual 2019	budget 2019	actual 2018
Individual donors			
Donations and gifts	7.501	6.500	8.520
Government grants			
Ministry of Foreign Affairs, alliance HSAP	1.032.743	1.114.901	1.117.622
Not-for-profit organisations			
Dioraphte - Medicines that Matter	13.275	13.275	64.725
Adesium	6.184	6.184	88.982
OSF - Medicines that Matter	13.128	13.128	44.651
OSF - Aid for Trade	40.907	40.907	106.348
OSF - Fair Medicines that Matter	68.451		10.000
OSF - Finance for Health	40.958		
OSF - Uganda Study met Cehurd	13.606		
IDA Charity Foundation	103.620	103.640	41.360
Dioraphte - Advocating health for all	75.000		
ShareNet	10.000		
Funds pending / yet to be raised		211.500	
Sub total not-for-profit organisations	385.129	388.634	356.066
Other income			
Income from services rendered	1.000		208
General total	1.426.373	1.510.035	1.482.416
EXPENDITURES	actual 2019	budget 2019	actual 2018
Expenditures on the objectives:			
Health Systems Advocacy International	170.613	205.740	186.543
Health Systems Advocacy the Netherlands	25.130	43.000	75.170
Aid-for-Trade & Health Finance	31.254	16.918	66.333
Medicines	3.591	6.000	4.579
Endocrine Disruptors (EDC)	0	84	13.829
	230.588	271.742	346.454
Allocated costs own organisation	971.525	1.038.606	953.724
Total objectives	1.202.113	1.310.348	1.300.178
Expenditure on income acquisition	9.544	35.000	8.133
Allocated costs own organisation	104.293	141.135	91.772
Total income acquisition	113.837	176.135	99.905
Expenditure on management and administration			
Allocated costs management and administration	110.235	70.568	69.182
Total management and administration	110.235	70.568	69.182
General total	1.426.185	1.557.051	1.469.265

FINANCIAL INCOME AND EXPENSES	actual 2019	budget 2019	actual 2018
Balance of financial income and expenses	164	0	481
BALANCE OF INCOME AND EXPENDITURES	352	-47.016	13.632
<i>Addition / withdrawal:</i>			
Continuity reserve	38.635	2.984	14.622
Designated reserve fundraising	-28.007	-50.000	
Designated reserve relocation/40 years Wemos	-10.277		
Designated reserve innovation	0		-990
BALANCE INCOME AND EXPENDITURES	352	-47.016	13.632

REMUNERATION OF SENIOR OFFICIALS WNT

All amounts are in Euro

Senior executive officer with employment contract

Name	Mariëlle Bemelmans	
Position	Managing Director	
Employment contract	2019	2018
Nature (duration)	permanent	permanent
Hours per week	36	36
Scope of employment (in FTEs)	1,0	1,0
Period	1-1 to 31-12	1-1 to 31-12
Former senior official	no	no
(Implied) contract	yes	yes
Remuneration	EUR	EUR
Annual income		
Gross wages / salary	91.241	88.902
Holiday pay	7.171	7.112
Fixed year-end bonus	0	0
Payment of residual holidays	0	0
Total annual income	98.412	96.014
Taxed allowances / additions	0	0
Pension contribution (employer's part)	10.587	10.047
Pension compensation	0	0
Other long-term benefits	0	0
Payment for termination of employment	n/a	n/a
Total remuneration	108.999	106.061
Individual maximum applicable remuneration (WNT)	181.000	174.000
-/- Amount unduly paid	n/a	n/a

The annual income of the Managing Director (with an employment contract) remains within the maximum of € 121,708 (BSD score 430; BSD points H 411-450) according to the Regulations for the remuneration of directors of charity organisations. The annual income, the taxed allowances/additions, the pension costs and the other long-term benefits together also remain within the maximum amount of € 181,000 per year set in the regulations. On 20 September 2018, the Supervisory Board determined the BSD score of 430 on the basis of the Regulations for remuneration of directors of charitable organisations.

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

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

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

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

EXPLANATORY NOTES EXPENDITURES

All amounts are in Euro

Allocation	Objectives							Acquisition of income	Management & Administration	Total 2019	Budget 2019	Total 2018
	Health Systems Advocacy International	Health Systems Advocacy the Netherlands	Aid-for-Trade & Health Finance	Medicines	Endocrine disruptors	Dioraphthe	Total spent on objectives					
International advocacy	170.613	25.130	31.254	3.591			230.588			230.588	271.742	346.454
Other activity costs							0	9.544		9.544	35.000	8.133
Personnel costs	475.776	124.344	127.507	65.434	4.434	53.774	851.269	91.384	96.590	1.039.243	1.116.609	979.254
Premises costs	28.907	7.555	7.747	3.976	269	3.267	51.720	5.552	5.869	63.141	66.700	62.437
Office costs	35.153	9.187	9.421	4.835	328	3.973	62.896	6.752	7.137	76.785	62.800	68.604
Depreciations	3.152	824	845	433	29	356	5.639	605	640	6.885	4.200	4.383
Total	713.600	167.039	176.774	78.269	5.060	61.371	1.202.113	113.837	110.235	1.426.185	1.557.051	1.469.265

In accordance with Directive 650 for Fundraising Institutions, costs are allocated to the objectives, fundraising, and management & administration. Allocation is carried out on the basis of 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	13.06 FTE
Fundraising	1.40 FTE
<u>Management & Administration</u>	<u>1.48 FTE</u>
Total	15.94 FTE

(the FTEs include the interim manager F&O and the Global Health Advocate, who lives in Africa).

Personnel costs can be split into:

	actual 2019	budget 2019	actual 2018
Salaries	773.818	795.460	715.007
Social security costs	125.212	138.380	110.952
Pension costs	73.180	90.935	68.206
Other personnel costs	67.032	91.834	85.088
	1.039.243	1.116.609	979.253

The number of FTEs with fixed-term or permanent contracts as of 31-12-2019, is 14.22 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 2019 included in the annual report

Our opinion

We have audited the financial statements 2019 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 2019 and of its result for 2019 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 2019;
2. statement of income and expenditures for 2019; 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, 13 May 2020

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser RA

