



Annual Accounts 2022

until
No Leprosy Remains



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NLR Annual Accounts 2022

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Summary of Finances

These are NLR and LRI's consolidated annual accounts for 2022.

Summary of Consolidated Statement of Income and Expenditure

Description	2022 Actuals	2022 Budget	2021 Actuals
A Total income	11.565.997	9.812.835	9.630.145
B Objectives	11.128.634	11.778.089	9.199.960
C Fundraising	1.703.695	1.820.174	1.577.885
D Management and administration	516.746	507.082	411.221
Total expenditure	13.349.075	14.105.346	11.189.065
Balance of income and expenditure	-1.783.079	-4.292.510	-1.558.920
E Financial income and expenditure	-994.345	400.000	887.295
Balance of income and expenditure	-2.777.423	-3.892.510	-671.625

The total consolidated income in 2022 is above budget. The main contributing factor to this was income from legacies, which totalled €4 million against a budget of €1.6 million.

Total expenditure was below budget, albeit significantly higher than last year. This was mainly due to the ongoing impact of the COVID-19 pandemic.

The financial income and expenditure results were heavily influenced by the war in Ukraine, high inflation, and increasing interest rates.

Financial Ratios

Description	Target percentages	2022 Actuals	2022 Budget	2021 Actuals
1. % Spent on objectives	75%	83%	83%	82%
2. % Fundraising expenditure	20%	13%	13%	14%
3. % Management and administration	5%	4%	4%	4%
Total	100%	100%	100%	100%
4. % Fundraising expenditure of income	25%	15%	19%	16%

In line with the Dutch Accounting Standards Board guidelines for annual reporting (RJ650), ratios are presented as part of the total expenses over the three sections in our Statement of Income and Expenditure. NLR decides which costs are attributed to these categories, provided we apply the method consistently.

The Dutch Charities Branch Association (*Goede Doelen Nederland*) has issued recommendations on the implementation of guidelines to ensure transparency and comparability in our sector. NLR follows these guidelines.

The first three ratios are calculated by dividing the amount spent in the particular section by the total expenditure. The fourth ratio is calculated by dividing the fundraising expenditure by total income raised.

1. Percentage spent on objectives

The total percentage spent on objectives is higher than last year.

2. Percentage of fundraising expenditure

In 2022, NLR continued to invest in our fundraising efforts much as we did in 2021. As a result of higher income from legacies and focus on costs, the total percentage was lower than last year.

3. Percentage spent on management and administration

NLR has set the ratio for expenses on management and administration as 5% of total expenses. We met this ratio in 2022.

4. Percentage of fundraising expenditure of income

The percentage of fundraising expenditure as part of the income raised should not be higher than 25%. However, it should also maintain a certain level ensuring future income and the continuity of our work. In 2022, this percentage was 15%, which came in under budget.

General Information and Accounting Policies

General Accounting Policies

The annual accounts have been prepared on a historical cost basis of accounting and are drawn up with reference to an accounting period of one financial year, which is equal to the calendar year.

These annual accounts have been prepared in accordance with Guideline (*Richtlijn*) 650 for the Reporting of Fundraising Institutions published by the Dutch Accounting Standards Board (*Raad voor de Jaarverslaggeving*). Furthermore, they have been drawn up in accordance with the Guideline for Fundraising Institutions (*Richtlijn Fondsenwervende Instellingen: RJ 650*), part of the standards produced by the Dutch Accounting Standards Board (*Raad voor de Jaarverslaggeving*).

All amounts mentioned are in euro and are compared with 2021 actuals and the 2022 budget.

The financial statements have been prepared in accordance with the principle of continuity.

In general, assets and liabilities refer to the amounts at which they were acquired or incurred, or the current value, unless specifically stated otherwise.

Estimates

In applying the principles and guidelines for preparation of the annual accounts, NLR's management uses different judgements and estimates that may be essential for the amounts in the financial statements. Where necessary, the type of these judgements and estimates are mentioned in notes on the relevant financial statements, including the associated assumptions, in accordance with Section 2:362 (1) of the Dutch Civil Code.

Foreign currency

Transactions in foreign currency are converted to euro at the exchange rate on the date of transaction. At the end of the financial year all accounts receivable and liabilities in foreign currency are converted to euro at the exchange rate on the balance date. Exchange rate results have been added to the Statement of Income and Expenditure.

Accounting Policies for the Valuation of Assets and Liabilities

Fixed assets

Fixed assets and prepayments on tangible fixed assets in the Netherlands are valued at purchase price minus cumulative depreciation. Fixed assets in programme countries are expensed.

Depreciation is on a straight-line basis and based on expected economic life, taking residual value into account.

- Inventory and installations: 20%.
- Hardware and software: 33%.

Investments

Investments are stated at market value, and an increase in value is added to the Statement of Income and Expenditure. Transaction costs are expensed in the Statement of Income and Expenditure. All securities have been administered by an external agency since 2010 with a mandate in line with the NLR investment policy (updated in March 2020). NLR has a conservative and sustainable investment policy that emphasises risk minimisation. In line with this policy, NLR invests a small percentage of the investment portfolio in shares with a low-risk rating.

To be received country offices

This is a part of the total balance held in our country offices at the end of the financial year, including bank balances, cash-in-hand balances, and other outstanding receivables. Even though a part of these balances are cash and bank accounts, it was decided to recognise the total of projects and accounts under receivables. The extent of liquidity (for example, the immediate availability) is on a different level compared to NLR's cash equivalents in our bank accounts in the Netherlands.

Liabilities in our country offices and projects at the end of the year are presented as short-term liabilities.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances, and immediately accessible savings with a maturity of less than 12 months.

Continuity reserve

A continuity reserve has been formed in accordance with a resolution of the Supervisory Board. The continuity reserve has been drawn up to cover risks in the short-term to ensure that NLR can meet its future obligations. According to the conditions of the CBF certification and the guideline of the Dutch Charities Branch Organisation (*Goede Doelen Nederland*), the continuity reserve should not exceed a maximum of one and half times the yearly costs for operational activities.

Earmarked reserves

Earmarked reserves are funds that are set aside and approved by the Supervisory Board for a specific purpose to be spent in the years ahead.

Earmarked funds

Earmarked reserves are also funds that are set aside and approved by the Supervisory Board for a specific purpose to be spent in the years ahead. Each year, the balance of the earmarked reserves is evaluated and redefined by the Board.

Retirement system

The current retirement system for Dutch NLR employees is arranged by the Care and Welfare Pension Fund (*Pensioenfonds Zorg en Welzijn*). The contributions and premiums are presented as liabilities in the year they relate to.

Accounting Policies to Determine Results

Revenue and expenses in the Statement of Income and Expenditure are allocated to the period to which they relate. A consistent concept is used to determine its proportion: the difference between income generated by contributions and others on the one hand, and the costs and other charges for the year on the other hand.

Unless otherwise stated, income is shown as gross *before* any deduction of associated costs. Any costs necessary to realise certain benefits are presented in the Statement of Income and Expenditure as an expense.

Donations and gifts in kind

This income consists of proceeds from contributions, donations, grants, and other income and is ascribed to the financial year concerned. Donations are accounted for in the year of receipt. Donations and gifts in kind are valued according to a conventional concept of fair value in the Netherlands.

Legacies

Income from legacies is accounted for once the entitlement has been confirmed, reliably quantified, and the ultimate receipt of that amount is judged to be reasonably certain. Advances are recognised in the year of receipt.

Legacies subject to usufruct

Guideline 650 stipulates that any legacies subject to usufruct must be valued. NLR follows the guidelines for valuation of legacies under usufruct as provided by the Dutch Charities Branch Organisation (*Goede Doelen Nederland*).

Employee benefits

Wages, salaries, and social security charges are recorded in the Statement of Income and Expenditure based on the terms of employment.

Interest paid and received

Interest paid and received is recognised on a time-weighted basis, taking the effective interest rate of the assets and liabilities concerned into account. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Related parties

Related parties are any legal entity over which total control, joint control, or significant influence can be exerted. Statutory Board Members and other key management members and their close relatives are also considered to be related parties.

Significant transactions with related parties are disclosed insofar as they are not transacted under normal market conditions. The nature and size of the transaction and other information necessary for giving insight will be explained.

Cost allocation

All expenditures in our annual accounts are allocated towards their respective section in the Statement of Income and Expenditure. NLR distinguishes between (B) total spent on objectives, (C) fundraising expenditure, and (D) management and administration. These distinctions are reported in accordance with the Dutch Accounting Standards Board guidelines for annual reporting (RJ650).

The expenditure in these sections is divided into direct costs and support costs. The latter are charges of general costs made in support of all activities and departments at NLR international. Direct costs are attributed directly.

Costs related to information and awareness raising (section B2) are aimed at promoting public awareness and support for the fight against leprosy, while fundraising costs are focused on the acquisition of income. Where there are joint information and fundraising activities, costs are divided 50/50.

Management and administration costs are allocated in accordance with the guidelines of the Dutch Charities Branch Organisation (*Goede Doelen Nederland*).

Audit expenses are entirely attributed to management and administration, while bank costs that are directly related to fundraising activities (direct debit) are allocated to fundraising expenditure. All other bank costs are allocated to management and administration.

The salary costs for the director, management support, and finance staff that cannot be allocated directly to (institutionally financed) projects are all allocated to management and administration. All other staff in the organisation department are allocated based on a predefined cost allocation key.

A uniform cost allocation key is used for allocation of all non-staff expenditure in the management and administration section: budgeted or actual number of FTEs per department.

NLR Annual Accounts (Singular)

The singular NLR Annual Accounts consist of the Balance Sheet and the Statement of Income and Expenditure. All line items are specified, and variances are explained in the notes to both the Balance Sheet and Statement of Income.

NLR Balance Sheet (Singular)

Description	31 December 2022	31 December 2021
A Tangible fixed assets	61.138	83.102
B Receivables	6.041.663	5.540.753
C Securities	7.840.179	10.867.243
D Cash and cash equivalents	1.510.989	1.118.755
B, C & D Current Assets	15.392.831	17.526.750
ASSETS	15.453.970	17.609.852
E Continuity reserve	4.708.000	4.647.404
F Earmarked reserves	5.656.643	6.666.911
G Earmarked funds	2.028.400	3.634.959
E, F & G Reserves and funds	12.393.044	14.949.275
H Short-term liabilities	3.060.926	2.660.578
LIABILITIES	15.453.970	17.609.852

Statement of NLR Income and Expenditure (Singular)

Description	2022 Actuals	2022 Budget	2021 Actuals
A1 Income from individuals	6.926.664	4.455.086	4.941.977
A2 Grants from governments	489.594	758.971	598.399
A3 Income from other non-profit organisations	1.645.770	2.059.778	1.506.984
A4 Income from companies	-	-	29.567
A5 Income from lotteries	1.350.000	1.350.000	1.350.000
A6 Income from allied and joint non-profit organisations	-	-	-
A7 Income from sales of products and services	2.588	-	3.424
A8 Other income	57.735	33.000	32.124
Total income	10.472.351	8.656.835	8.462.475
B1 International leprosy programmes	8.707.704	9.268.324	7.727.116
B2 Information and awareness raising	756.091	548.490	591.257
B3 Scientific and operational leprosy research	350.000	350.000	350.000
B Objectives	9.813.795	10.166.813	8.668.373
C Fundraising	1.703.695	1.820.174	1.577.885
D Management and administration	516.746	507.082	411.221
Total expenditure	12.034.236	12.494.070	10.657.479
Balance of income and expenditure	-1.561.886	-3.837.234	-2.195.004
E Financial income and expenditure	-994.345	400.000	887.295
Balance of income and expenditure	-2.556.230	-3.437.234	-1.307.709
Destination of the balance of income and expenses			
Addition / Withdrawal from			
F1 Continuity reserve	60.596		299.804
F2 Earmarked reserves	-1.010.268	-1.762.234	-229.191
F3 Earmarked funds	-1.606.559	-1.675.000	-1.378.322
Total mutation of reserves and funds	-2.556.230	-3.437.234	-1.307.709

Notes on the NLR Balance Sheet (Singular)

A. Tangible fixed assets

Description	BOOK VALUE 31-12-2021	INVESTMENTS 2022	DEPRECIATION 2022	BOOK VALUE 31-12-2022
A1 Office inventory	39.846	0	15.902	23.944
A2 Office installations	14.462	0	5.005	9.457
A3 Hardware and software	28.794	17.532	18.589	27.738
A Tangible fixed assets	83.102	17.532	39.495	61.138

Description	PURCHASE VALUE 31-12-2022	CUMULATIVE DEPR. 2022	PURCHASE VALUE 31-12-2021	CUMULATIVE DEPR. 2021
A1 Office inventory	354.998	331.054	354.998	315.152
A2 Office installations	70.832	61.376	70.832	56.371
A3 Hardware and software	394.932	367.194	377.400	348.606
A Tangible fixed assets	820.762	759.624	803.230	720.128

Limited investments were made in 2022, including upgrading financial software and replacing laptops.

B. Receivables

The balance of prepaid amounts and amounts to be received is shown under B Receivables. All receivables are due within one year.

Description	31 December 2022	31 December 2021
B1 Debtors	6.783	15.769
B2 Legacies to be received	3.450.217	2.475.825
B3 Other amounts to be received	1.368.090	1.515.058
B4 Prepaid amounts	83.075	47.671
B5 To be received country offices	1.133.499	1.486.430
B Receivables	6.041.663	5.540.753

There were a few invoices outstanding to be paid by our debtors at the end of 2022.

The legacies to be received are expected, but not yet received, income. This income is accounted for once the entitlement has been confirmed, reliably quantified, and the ultimate receipt of that amount has become reasonably certain. At the end of 2022, around €3.4 million was to be received in 2023 or later.

Other amounts to be received are mainly from the Dutch Postcode Lottery (€1.35 million) for their annual contribution.

Several invoices from 2022, including office rent and income tax, have been paid in advance for costs applicable to 2023.

To be received country offices refer to the balances of cash, bank, and receivables held in our country offices at the end of the financial year. Around €0.9 million of the total balance relates to cash in bank accounts in country offices, a decrease in comparison to 2021 (€1.3 million).

C. Securities

Those reserves and funds, which are held for continuity or will be spent over the coming years, are invested in our security portfolio. All securities have been administrated by an external agency since 2010. The portfolio investments are in line with the NLR investment policy, which prescribes investments in sustainable, socially responsible, low-risk bonds and stocks. The market value of the portfolio is based on the known market prices for the specific bonds and shares in the portfolio at year's end. The composition and results of the portfolio are as follows:

Description	31 December 2022	31 December 2021
C1 Bonds	6.149.784	7.417.076
C2 Shares	1.520.034	3.059.374
C3 Cash	170.362	390.792
C Securities	7.840.179	10.867.243

The decrease in the balance of the investment account is a direct result of the negative investment result over 2022. This is coupled with minus cash withdrawals made during the year for financing project activities from earmarked funds.

Description	2018	2019	2020	2021	2022
C1 Bonds	7.618.000	7.200.585	6.802.092	7.417.076	6.149.784
C2 Shares	2.582.000	3.492.000	3.291.445	3.059.374	1.520.034
C3 Cash	2.079.756	2.037.297	1.100.978	390.792	170.362
C Securities	12.279.756	12.729.881	11.194.515	10.867.243	7.840.179

In addition to the shares and bonds, cash is held within the security portfolio and additions are bought from this account. All securities are freely available to NLR.

Revenues from securities are classified as financial income and are detailed in section E of our Statement of Income and Expenditure.

D. Cash and cash equivalents

Cash and cash equivalents are cash and bank balances in the Netherlands held by the NLR office in Amsterdam. At year end, NLR holds current accounts at ING and Triodos.

Description	31 December 2022	31 December 2021
D1 Cash	285	1.193
D2 Current accounts	1.510.703	1.117.562
D Cash and cash equivalents	1.510.989	1.118.755

At year end in 2022, our cash position is significantly higher than last year. Funds that are not directly needed are preferably held in our security portfolio rather than in our saving accounts, where almost no interest is received over the outstanding balance.

E., F., and G. reserves and funds

In accordance with the Dutch Accounting Standard for Fundraising Institutions (RJ 650), NLR's equity is divided into reserves and funds.

Description	2021 31 December	2022 Additions	2022 Withdrawals	2022 31 December
E Continuity reserve	4.647.404	60.596		4.708.000
F Earmarked reserves	6.666.911	429.626	1.439.894	5.656.643
F1 Investments	3.077.149	429.626	1.439.894	2.066.880
F2 Projects	3.589.763	-	-	3.589.763
G Earmarked funds	3.634.959	-	1.606.559	2.028.400
G1 Earmarked Fund NPL	3.634.959	-	1.606.559	2.028.400
E, F & G Reserves and funds	14.949.275	490.222	3.046.453	12.393.044

E. Continuity reserve

The continuity reserve covers risks in the continuity of the organisation and ensures that it can meet obligations in the future. According to the guidelines of the Dutch Charities Branch Organisation (*Goede Doelen Nederland*), this reserve can amount to a maximum of 1.5 times the annual organisational costs. NLR aims to keep a continuity reserve of between 0.5 and 1 times the yearly costs of the organisation, including personnel costs, rent for the Amsterdam office, other office and administration costs, and fundraising costs.

The total cost of the work in our 2023 budgets is €4,708,000 (compared to a 2022 budget of €4,647,000). With a ratio of 1.0, this equals the desired maximum of the continuity reserve, and therefore, an addition of €60,596 was made towards the continuity reserve at the end of 2022.

F. Earmarked reserves

Earmarked reserves are reserves set aside for specific purposes approved by our Supervisory Board. At year end in 2022, NLR had two earmarked reserves:

F1. Investments (€2.1 million)

The total withdrawal in this reserve is €1.4 million and consists of investments and capacity building. The largest investments in 2022 included our fundraising programmes (€594k), the development of a Major/Middle Donor programme (€135k), transition of the country offices (€128k), technical capacity building (€93k) and the Knowledge Management and Collaboration project (€44k).

In line with our reserves policy, after allocating designated expenditure in all earmarked reserves and funds, the total balance of €0.4 million is added to the investment reserve. At year end, the balance of the investment reserve is €2.1 million, all of which is allocated to the budget for 2023.

F2. Earmarked reserve for projects (€3.6 million)

NLR's reserve policy is linked to the long-term relationship with our country offices and alliance partners. We want them to be able to rely on NLR to fulfil its commitments. Therefore, we hold an earmarked reserve for project funding over the coming years. No extractions or additions have been made for 2022. As a result the balance remains €3.6 million, which equals 60% of the total 2023 country budgets.

G. Earmarked funds

In 2017, the Dutch Postcode Lottery awarded €9,375,000 to NLR for its 'Stop the Transmission of Leprosy' Dreamfund Project. Funds that remained unspent in 2017 were transferred to an earmarked fund. The project was initially planned for a five-year period in three countries with project coordination carried out in the Netherlands. The Dutch Postcode Lottery agrees with the fact that the project takes longer than initially planned.

At year end in 2022, NLR has one earmarked fund, which is for the Dutch Postcode Lottery 'Stop the Transmission of Leprosy' project. The balance of this earmarked fund is as follows:

Description	2017 31 December	2018 31 December	2019 31 December	2020 31 December	2021 31 December	2022 31 December
Starting Balance	9.375.000	8.838.020	7.948.468	6.598.825	5.013.281	3.634.959
NLR International	319.223	353.552	486.214	513.875	434.102	371.524
NHR Brazil	104.855	161.286	248.055	397.532	279.113	357.937
NLR India	53.251	275.107	360.927	414.032	349.905	323.967
NLR Indonesia	59.650	99.608	254.447	260.104	256.662	253.131
NLR Nepal	0	0	0	0	58.541	300.000
Subtotal	536.980	889.552	1.349.643	1.585.544	1.378.322	1.606.559
Ending Balance	8.838.020	7.948.468	6.598.825	5.013.281	3.634.959	2.028.401

2022 activities were planned with a total budget of €1.7 million in mind, and at the end of the year €1.6 million was spent, leaving €2.0 million to be spent in 2023 and beyond.

H. Short-term liabilities

All current liabilities fall due in less than one year. Due to their short-term character, the fair value of the current liabilities approximates the book value.

Description	31 December 2022	31 December 2021
H1 Received project funding	419.027	572.627
H2 Accounts payable/ Creditors	293.468	177.940
H3 Payable staff cost	219.810	186.668
H4 Liabilities Country Offices	620.429	403.423
H5 Other payable cost	287.431	211.899
H6 Intercompany account - LRI	1.220.761	1.108.020
H Short term Liabilities	3.060.926	2.660.578

Payable project costs are funds received by NLR from institutional donors for projects that are currently in progress. At year end in 2022, an amount of €0.4 million qualified for work in progress.

At year end in 2022, we have outstanding invoices that are payable to our vendors for a total of around €0.4 million. All outstanding invoices of less than 60 days will be paid in 2023.

At year end in 2022, accruals are made for payable holiday allowance and holiday leave as well as a reservation for jubilee payments presented as payable staff cost. This amount is slightly higher than last year's closing balance.

Liabilities of country offices relate to the outstanding amounts in our country offices at the end of the financial year. This is higher than last year's balance.

Other payable cost are amounts paid in 2023 that concern activities in 2022. Expenditure includes invoices received in 2023, bank costs, payable taxes, and pensions.

At year end, around €1.2 million is LRI's outstanding intercompany balance. This amount includes an outstanding payable for contribution from NLR to LRI as well as a €1 million cash advance, which is currently being held at NLR on behalf of LRI for cash management purposes.

I. Commitments and rights not included in the balance sheet

Commitments

NLR is housed in the office building at Wibautstraat 135-137, Amsterdam. The long-term contract is agreed-upon until 1 July, 2028. The rental amount is indexed each year and currently stands at €117,219 (including service costs) per year (2022: €110,584). Our copiers and printer are leased for a period of five years until September 2024, with a yearly rent of €2,650.

The total yearly rent in NLR Representative Offices, which have a rental contract that exceeds one year, is €29,000 (2021:€80,000). Rental contracts in Nepal, Indonesia and India have been transferred from the Country Office into the National NGO and therefore no longer accounted for in our Annual Accounts.

To become a fully-fledged independent alliance member some countries need capital reinforcement. For each country, it will be looked at what is needed for this.

Rights

There are four legacies subject to usufruct, one of which is for €21,000. As the usufructuary has the right to use, dispose of, or invest the legacy, the financial benefit of the remaining legacies subject to usufruct cannot be valued.

J. Events after balance date

NLR India and NLR Indonesia signed collaboration agreements with NLR in our alliance. In 2023, both countries will begin to perform their activities as national NGO's with their own Supervisory Board and registration independent from NLR in the Netherlands.

Notes on the NLR Statement of Income and Expenditure (Singular)

A. Income

A1. Income from individuals

Description	2022 Actuals	2022 Budget	2021 Actuals
A11 Regular donors	1.860.443	1.833.193	1.781.385
A12 Middle donors	565.736	632.001	633.590
A13 Major donors	451.691	389.892	620.715
A14 Legacies	4.048.795	1.600.000	1.906.287
A1 Income from individuals	6.926.664	4.455.086	4.941.977

In 2022, NLR received €6.9 million from individual donors, including legacies, which is a significantly higher amount than we budgeted for in 2022 or received in 2021. All our income from individuals is received by donations, except for legacies.

2022 was a difficult year for everyone. So, we are very grateful that our individual donors remained dedicated to our cause. We received almost €2.9 million in donations (against €2.9 million at budgeted level).

The income from legacies totalled €4.0 million (2021: €1.9 million). The average duration for the settlement of legacies is approximately nine months. There are four legacies subject to usufruct, one of which is for €21,000.

A2. Grants from governments

This includes grants obtained from the European Union or similar international institutions, government agencies, and public institutions.

Description	2022 Actuals	2022 Budget	2021 Actuals
A21 Dutch Ministry of Foreign Affairs (LEAP)	-	-	62.774
A22 EU (EDCTP)	489.594	758.971	535.625
A2 Grants from governments	489.594	758.971	598.399

€3,198,356 was awarded in 2018 by the European and Developing Countries Clinical Trials Partnership (EDCTP) for an EDCTP2 project, supported by the European Union and LRI. PEP4LEP compares the effectiveness and feasibility of skin camp intervention to a health centre-based intervention in chemoprophylaxis for leprosy. The trial implementation took place in Mozambique, Ethiopia, and Tanzania. This multi-partner project originally was meant to run for 52 months, from 1 October, 2018, to 31 January, 2023. However, a no-cost extension was approved, and the project will now run until 30 September, 2024.

In 2022, €489,594 was spent in line with this grant and expenditure was lower than the budget due to delays in implementation.

A3. Income from other non-profit organisations

NLR's work is supported by other non-profit organisations through our office in Amsterdam and directly through our country offices.

Description	2022 Actuals	2022 Budget	2021 Actuals
A31 Ready4PEP	602.204	904.939	646.228
A32 Liliane Foundation	632.197	576.697	359.067
A33 COR-NTD	77.506	35.626	165.615
A34 Contributions Infolep & InfoNTD	92.649	108.000	100.585
A35 LRI	29.992	287.000	46.706
A36 Other NGOs	211.222	147.517	188.783
A3 Income from other non-profit organisations	1.645.770	2.059.778	1.506.984

We received around €1.6 million in 2022 from other non-profit organisations. These funds were earmarked and to be spent on specific projects. In line with RJ650 regulations, most of the income recognised under section A3 of our annual accounts equals the expenditure made in 2022.

The income recognised for the Ready4PEP project was related to expenditure by NLR Mozambique for €307,031, LTR Nigeria for €193,111, and expenditure by the international office of NLR for €102,062.

A4. to A8. Other sources of income

Description	2022 Actuals	2022 Budget	2021 Actuals
A4 Income from companies	-	-	29.567
A5 Income from lotteries	1.350.000	1.350.000	1.350.000
A6 Income from allied and joint non profit organisations	-	-	-
A7 Income from sales of products and services	2.588	-	3.424
A8 Other income	57.735	33.000	32.124
A4. to A8. Other sources of income	1.410.322	1.383.000	1.415.115

In 2020, our partnership with the Dutch Postcode Lottery (Nationale Postcode Loterij) received a positive evaluation and was renewed for another five years. This means that NLR can once again count on the continued support of the Dutch Postcode Lottery as well as their annual donation of €1.35 million.

In 2022, we were the beneficiary of product sales through the Jan Kruis Museum, which unfortunately halted operations during the COVID-19 pandemic. However, they still contributed €2.5k to our cause. Recorded under A8 is unearmarked income generated in all our country offices for a total amount of €58k.

Expenditure

NLR distinguishes between (B) spending on objectives, (C) fundraising expenditure, and (D) management and administration expenditure. This distinction is reported in accordance with the Dutch Accounting Standards Board guidelines for annual reporting (RJ650).

The expenditure in these sections is divided into direct costs and support costs. The latter are charges of general costs made in support of all activities and departments at NLR internationally.

The rationale for the allocation of expenditure can be found in the General Information and Accounting Policies chapter. Details on calculations for 2022 are described further under cost allocation schedule RJ650, which is presented at the end of the Notes on the Statement of Income and Expenditure chapter.

B1. International programme activities

Description	2022 Actuals	2022 Budget	2021 Actuals
B11 NHR Brazil	808.180	836.946	727.321
B12 NLR Mozambique	1.101.732	1.097.671	982.566
B13 NLR Indonesia	2.037.403	1.918.725	1.507.130
B14 NLR India	1.112.342	1.043.571	919.197
B15 NLR Nepal	731.589	726.864	475.954
B16 Other country expenses	440.391	803.239	621.194
B17 International Programme & Technical expenditure	2.476.067	2.841.308	2.493.755
B1 International leprosy programmes	8.707.704	9.268.324	7.727.116

To fulfil our mission, we have operations in nine leprosy endemic countries as well the Netherlands. Of the total €8.7 million spent, around €6.2 million was spent in endemic countries. Although all our work was difficult because of COVID-19, we were able to spend almost 97% of our country budgets and continue our work.

B17. International programme and technical expenditure

Description	2022 Actuals	2022 Budget	2021 Actuals
B171 Programme & alliance development and support	169.432	334.000	95.578
B172 Technical advice and support	90.768	112.000	33.942
B173 IT investments	12.138	26.000	77.862
B174 ILEP and GPZL contribution	85.174	89.000	76.628
B175 International office of NLR project expenditure	880.102	280.000	850.015
B176 International staff cost	818.251	1.732.353	1.063.623
B177 Charged support cost	420.201	293.645	252.532
B17 International Programme & Technical expenditure	2.476.067	2.866.999	2.450.180

Around 28% of our international programme activity spending is carried out from our international office in the Netherlands. A breakdown of this expenditure can be seen above.

Expenditures on programmes, technical advice, support, and development were behind budget, which was mainly caused by the COVID-19 pandemic. As a result, we have not been able to travel and organise in-country workshops and visits in 2021 or the first quarter of 2022.

International project expenditure includes recharged staff costs as agreed with the designated institutional donor. While this staff recharge is accounted for in our budget, it is not fully allocated in the numbers—therefore, sections B175 and B176 should be seen combined.

The total of these sections (our NLR international project expenditure and staff costs) combined led to a total of €1.7 million expenditure against a budget of €2.0 million.

B2. Information and awareness raising

Description		2022 Actuals	2022 Budget	2021 Actuals
B21	Brand	119.203	102.368	113.710
B22	Campaigns	133.590	132.200	147.348
B23	International staff cost	310.421	299.872	277.579
B24	Charged support cost	192.876	14.050	52.621
B2.	Information and awareness raising	756.091	548.490	591.257

Due to the COVID-19 pandemic, planned activities to invest further in our brand as well as planned campaigns were halted in 2021. As a result, expenditures in 2022 were higher than the previous year.

B3. Scientific and operational leprosy research

Description		2022 Actuals	2022 Budget	2021 Actuals
B31	LRI Contribution	350.000	350.000	350.000
B3.	Scientific and operational leprosy research	350.000	350.000	350.000

Last year, and in line with budget, NLR contributed around €350,000 towards the Leprosy Research Initiative. As a major funder of LRI, NLR is committed to scientific leprosy research.

C. Fundraising

Description		2022 Actuals	2022 Budget	2021 Actuals
C1	Acquisition	633.826	755.408	638.788
C2	Retention	307.793	223.985	284.194
C3	Major Donors	136.068	168.959	148.379
C4	Database	70.851	65.647	83.906
C5	International staff cost	363.908	384.187	369.996
C6	Charged support cost	191.248	221.988	52.621
C	Fundraising	1.703.695	1.820.174	1.577.885

Within our 2022 budget, around €1.7 million was spent on fundraising. And in addition to the 2022 budget, early 2022 investments were approved by our Supervisory Board. The additional investments were dedicated to our donor acquisition programmes and our Major/Middle Donor programme.

D. Management and administration

Description	2022 Actuals	2022 Budget	2021 Actuals
D1 Supervisory Board (RvT)	10.387	7.000	21.628
D2 Governance	25.968	45.377	48.358
D3 Finance	119.836	134.000	163.304
D4 IT	155.399	205.000	108.440
D5 Human Resources	155.529	118.000	173.501
D6 Facilities	196.438	116.000	118.489
D7 Staff cost	370.867	332.887	312.572
D8 Charged support cost	-517.678	-451.182	-535.070
D Management and administration	516.746	507.082	411.221

Expenses on management and administration include costs that the organisation incurs in the context of (internal) management, administration, and control and that are not allocated to fundraising objectives.

Rationale for the allocation of expenditure can be found in the general information and accounting policies chapter. Details of the calculation for 2022 are provided in the RJ650 cost allocation schedule presented at the end of the Notes on the Statement of Income and Expenditure chapter.

Before allocation of staff and support costs towards objectives and fundraising (D8), NLR spent €1.1 million against €0.9 million last year.

E. Financial income and expenditure

Our securities portfolio is managed by an investment manager of an external agency who selects bonds and shares that are in line with NLR's investment policy. This is periodically screened.

Description	2022 Actuals	2022 Budget	2021 Actuals
E1 Financial Income	-953.227	450.000	947.062
E11 Interest received	30.968	-	14.567
E12 Dividend received	50.228	-	59.521
E13 Coupons received	60.300	-	91.888
E14 Gains and losses - realised and unrealised	-1.094.722	-	781.086
E2 Financial expenditure	41.118	50.000	59.767
E21 Cost financial asset management	41.118	-	59.767
E22 Interest paid	-	-	-
E Financial income and securities	-994.345	400.000	887.295

2022 was an exceptional year with an -8.8% yield on the portfolio, a number that was significantly lower than the exceptional performance of 2021 (+8%). The (unrealised) results in 2022 were heavily influenced by the war in Ukraine, high inflation, and increasing interest rates.

The development of our financial income and expenditure is shown below.

Description	2019 Actuals	2020 Actuals	2021 Actuals	2022 Actuals
E1 Financial Income	1.074.857	444.933	947.062	-953.227
E11 Interest received	-	10.944	14.567	30.968
E12 Dividend received	99.150	52.868	59.521	50.228
E13 Coupons received	942.707	109.359	91.888	60.300
E14 Gains and losses - realised and unrealised	33.000	271.762	781.086	-1.094.722
E2 Financial expenditure	31.946	28.363	59.767	41.118
E21 Cost financial asset management	31.946	28.363	59.767	41.118
E22 Interest paid		-	-	-
E Financial income and securities	1.042.910	416.569	887.295	-994.345

RJ650 cost allocation schedule (singular)

In line with the prescribed format of RJ650, the specification below presents our 2022 expenditure per section (spending on objectives, fundraising expenditure, and management and administration) and shows the predefined category of costs.

Cat.	Description	B1 International programme activities	B2 Information and awareness raising	B3 Scientific and operational leprosy research	C Fundraising expenditure	D Management and administration	ACTUAL 2022	BUDGET 2022	ACTUAL 2021
CAT01	Grants and contributions	591.463	0	0	0	0	591.463	803.239	828.280
CAT02	Payments to affiliated organisations	5.852.113	0	350.000	0	0	6.202.113	6.062.745	4.959.438
CAT03	Purchases and acquisitions	284.546	23.774	0	75.974	21.726	406.020	2.218.557	407.364
CAT04	Outsources activities	14.488	205.350	0	1.100.782	0	1.320.620	0	1.254.923
CAT05	Communication costs	20	23.669	0	9.184	0	32.873	248.618	14.347
CAT06	Staff costs	1.621.372	396.480	0	410.939	370.867	2.799.658	2.556.517	2.585.533
CAT07	Housing costs	58.020	18.032	0	18.032	31.600	125.683	117.000	113.950
CAT08	Office and general costs	267.451	83.119	0	83.119	82.623	516.312	447.392	453.154
CAT09	Depreciation	18.232	5.666	0	5.666	9.930	39.495	40.000	40.490
Total		8.707.704	756.091	350.000	1.703.696	516.747	12.034.237	12.494.069	10.657.479

Rationale for the allocation of expenditure can be found in the general information and accounting policies chapter.

Specification of staff expenditure

Description	2022 Actuals	2022 Budget	2021 Actuals
CAT0601 Salaries	2.220.461	2.507.089	2.210.401
CAT0602 Social benefits	353.848		322.170
CAT0603 Pensions	264.198		252.053
CAT0604 Staff allowances	39.151		25.834
CAT0605 Volunteers	-		-
CAT0606 Hiring of staff	76.280		3.146
CAT0607 Other staff cost	156.435	49.428	67.587
CAT0608 Reimbursements staff	-118.188		-98.703
CAT0609 Charged to related parties	-192.528		-196.955
CAT06 Staff expenditure	2.799.658	2.556.517	2.585.533

In 2022, NLR's total staff expenditure amounted to €2.8 million, which was above budget. A total of €193k was recharged outside of NLR to LRI. Other staff costs were higher than expected, mainly due to recruitment costs to find two heads of departments.

NLR has its own employment regulations, salary structure, and job classifications. Salary scales are also generally indexed annually. NLR follows the Statistics Netherlands (*Centraal Bureau voor de Statistiek* or CBS) index, which resulted in a salary scale increase in 2022 of 1.8% compared to 2021. (2021 to 2020: 2.7%). The total overview of average FTEs after recharging is as follows:

Description	2022 Actuals	2022 Budget	2021 Actuals
1 ED office	1,00	1,84	1,63
2 Organisational department	6,93	6,32	6,16
3 Fundraising and communication	9,05	8,39	7,24
4 Medical Technical	6,39	5,97	7,01
5 Programmes	8,17	9,67	10,37
Total Staff in fte's	31,54	32,19	32,41

In total, 34.8 FTEs were budgeted for 2022, including LRI staff (2.6 FTEs) before recharging.

Specification of the remuneration of the Chief Executive Officer can be found in our Annual Report.

Remuneration of the Supervisory Board

No remuneration was paid to the Supervisory Board members in 2022, and no loans, advances, or guarantees were given. No expenses were reimbursed either.

Annual Accounts NLR (Consolidated)

General Information on Consolidation

Consolidation includes the financial information of NLR, its group companies, and other entities over which it exercises control or whose central management it conducts. Group companies are entities in which NLR exercises direct or indirect control based on a shareholding of more than half of the voting rights, or of which it has the authority to otherwise govern their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also considered.

Group companies and other entities over which NLR exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group results are disclosed separately, while participating interests over which no control can be exercised (associates) are not included in the consolidation. The Board and Supervisory Board of both entities are the same.

NLR's interests in joint ventures are accounted for by proportionate consolidation. An entity qualifies as a joint venture if its participants exercise joint control under a collaborative agreement.

Intercompany transactions, profits, and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. Unrealised losses on intercompany transactions are also eliminated, unless such a loss qualifies as an impairment. The accounting policies of group companies and other consolidated entities have been changed where necessary to align them to the prevailing group accounting policies.

The consolidated organisations are listed below:

- NLR, Amsterdam, the Netherlands (100%)
- Leprosy Research Initiative, Amsterdam, the Netherlands (100%)

NLR (also known in Dutch as *Nederlandse Stichting voor and Leprastichting*), with the Chamber of Commerce Number 41199723, is located at Wibautstraat 137k, 1097 DN Amsterdam, the Netherlands, and is committed to a world without leprosy and its consequences. The objectives of the foundation are described in detail in the Annual Report.

LRI (Leprosy Research Initiative), located at Wibautstraat 137k, 1097 DN Amsterdam, is a combined foundation that manages a joint-funding mechanism of NLR, American Leprosy Missions (ALM), German Leprosy and Tuberculosis Relief Association (GLRA), The Leprosy Mission International (TLMI), Damien Foundation, and the Anesvad Foundation. Guided by a policy with clearly defined research priorities, the partners have established a joint fund to support leprosy research that is exclusively or strongly related to leprosy.

All accounting policies for the consolidated NLR annual accounts are the same as those of the singular NLR annual accounts.

NLR Balance Sheet (Consolidated)

Description	31 December 2022	31 December 2021
A Tangible fixed assets	61.138	83.102
B Receivables	6.041.663	4.472.262
C Securities	7.840.179	10.867.243
D Cash and cash equivalents	2.255.911	1.921.361
B, C & D Current Assets	16.137.753	17.260.865
ASSETS	16.198.892	17.343.967
E Continuity reserve	4.708.000	4.647.404
F Earmarked reserves	7.052.544	8.284.006
G Earmarked funds	2.028.400	3.633.447
E, F & G Reserves and funds	13.788.945	16.564.857
H Short-term liabilities	2.409.947	779.110
LIABILITIES	16.198.892	17.343.967

Statement of NLR Income and Expenditure (Consolidated)

Description	2022 Actuals	2022 Budget	2021 Actuals
A1 Income from individuals	6.926.664	4.455.086	4.941.977
A2 Grants from governments	489.594	758.971	598.399
A3 Income from other non-profit organisations	2.474.770	2.888.778	2.381.178
A4 Income from companies	-	-	29.567
A5 Income from lotteries	1.350.000	1.350.000	1.350.000
A6 Income from allied and joint non-profit organisations	-	-	-
A7 Income from sales of products and services	18.065	14.000	46.820
A8 Other income	306.904	346.000	282.204
Total income	11.565.997	9.812.835	9.630.145
B1 International Leprosy programmes	8.707.704	9.268.324	7.727.116
B2 Information and awareness raising	756.091	548.490	591.257
B3 Scientific and operational leprosy research	1.664.839	1.961.276	881.587
B Objectives	11.128.634	11.778.089	9.199.960
C Fundraising	1.703.695	1.820.174	1.577.885
D Management and administration	516.746	507.082	411.221
Total expenditure	13.349.075	14.105.346	11.189.065
Balance of income and expenditure	-1.783.079	-4.292.510	-1.558.920
E Financial income and expenditure	-994.345	400.000	887.295
Balance of income and expenditure	-2.777.423	-3.892.510	-671.625
Destination of the balance of income and expenses			
Addition / Withdrawal from			
Continuity reserve	60.596	-	299.804
Earmarked reserves	-1.231.461	-2.217.510	408.405
Earmarked funds	-1.606.559	-1.675.000	-1.379.834
Total mutation of reserves and funds	-2.777.424	-3.892.510	-671.625

Notes on the NLR Balance Sheet (Consolidated)

In the Notes on the Balance Sheet section, only variances against the NLR singular balance sheet are elaborated upon further.

B. Receivables

LRI's income from contributions is accounted for once the commitment has been confirmed.

Intercompany receivables between NLR and LRI with a total of €1,220,761 are eliminated in the consolidated balance sheet, which is thereby lowered.

C. Cash and cash equivalents

The LRI cash and cash equivalents balance for the year ending 31 December, 2022, is €744,922. Cash and cash equivalents are cash and bank balances in euro held by the LRI office in Amsterdam in its main current account with ING Bank in the Netherlands. An amount of €1 million has been temporarily deposited into the account of NLR as part of LRI's cash management strategy and is included in the intercompany amount.

F. Earmarked reserves

Part of the consolidated reserves is the LRI earmarked reserve for projects. Within the LRI balance sheet, an amount is reserved for future research projects. At the end of 2022, this reserve totals €1,395,902 (2021: €1,617,095). The negative result of LRI in 2022 amounted to €221,193 and is added to the earmarked reserves of LRI.

H. Short-term liabilities

LRI accounts payable refers mainly to audit and research costs in 2022, which is not yet formally invoiced by the researchers and institutes concerned. Amounts received in advance (a total of €341,528) are also categorised as short-term liabilities, which are unspent funds from Turing Foundation and other contributors towards research projects.

I. Commitments and rights not included in the balance sheet

In addition to the commitments made by NLR, LRI has made commitments to running research projects for a total value of €1,782,602 for 2023 and beyond. These are multi-annual financial commitments and are covered by future income from LRI partners.

Notes on the Statement of NLR Income and Expenditure (Consolidated)

In the Notes on the Consolidated Statement of Income and Expenditure section, only variances against the NLR singular Statement of Income and Expenditure are elaborated on further.

A3. Income from other non-profit organisations

LRI receives income from partners, each of which has committed an annual contribution to the joint LRI research fund and an equal share to LRI's running costs. In 2022, the current partners are: American Leprosy Missions (ALM), German Leprosy and Tuberculosis Relief Association (GLRA/DAHWA), The Leprosy Mission International (TLMI), Action Damien, Anesvad Foundation, and NLR. LRI's total income from other non-profit organisations in 2022 was €1,179,000.

Income received from NLR by LRI (€350,000) is eliminated in the Consolidated Statement of Income and Expenditure.

A4. to A8. Other sources of income

We received a contribution of €155,756 from Turing Foundation for the running costs of LRI. The Turing Foundation contributes 5% of their co-funded allocated budget on project funding towards running costs as realised at the end of 2022. Additional funds were received in surplus funds after completing projects. LRI received an amount of €15,477 as a contribution to the Global Partnership for Zero Leprosy. This contribution went towards salary cost for the LRI coordinator for a specific assignment.

B3. Scientific and operational leprosy research

All LRI expenditure is categorised as spent on objectives. In 2022, LRI spent €1,411,106 on research projects, which was around 85% of the budget, due to the ongoing impact of the COVID-19 pandemic. Several newly granted projects started activities in the second half of 2022, though the budget foreseen had been for a full calendar year.

A total of €253,733 was spent on running costs, including salaries, pension costs, and social security charges of €190,529. €37,000 was spent on housing and office costs.

The contribution paid to LRI by NLR of €350,000 is eliminated in the consolidated Statement of Income and Expenditure.

RJ650 cost allocation schedule (consolidated)

In line with the prescribed format of RJ650, the specification below presents our 2022 expenditure per section (spending on objectives, fundraising expenditure, and management and administration) and shows the predefined category of costs.

Cat.	Description	B1 International programme activities	B2 Information and awareness raising	B3 Scientific and operational leprosy research	C Fundraising expenditure	D Management and administration	Actual 2022	Budget 2022	Actual 2021
CAT01	Grants and contributions	591.463	0	1.411.106	0	0	2.002.569	2.507.915	1.400.971
CAT02	Payments to affiliated organisations	5.852.113	0	0	0	0	5.852.113	5.712.745	4.656.144
CAT03	Purchases and acquisitions	284.546	23.774	26.204	75.974	21.726	432.224	2.255.157	434.598
CAT04	Outsources activities	14.488	205.350	0	1.100.782	0	1.320.620	0	1.254.923
CAT05	Communication costs	20	23.669	0	9.184	0	32.873	248.618	14.347
CAT06	Staff costs	1.621.372	396.480	190.529	410.939	370.867	2.990.187	2.739.517	2.782.488
CAT07	Housing costs	58.020	18.032	20.000	18.032	31.600	145.683	137.000	134.950
CAT08	Office and general costs	267.451	83.119	17.000	83.119	82.623	533.312	464.392	470.154
CAT09	Depreciation	18.232	5.666	0	5.666	9.930	39.495	40.000	40.490
Total		8.707.704	756.091	1.664.839	1.703.696	516.747	13.349.076	14.105.345	11.189.064

Rationale for the allocation of expenditure can be found in the general information and accounting policies chapter.

INDEPENDENT AUDITOR'S REPORT

To: the Director and the Supervisory Board of the Netherlands Leprosy Relief.

A. Report on the audit of the financial statements 2022 included in the annual report.

Our opinion

We have audited the financial statements 2022 of the Netherlands Leprosy Relief based in Amsterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Netherlands Leprosy Relief at 31 December 2022 and of its result for 2022 in accordance with the 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations') of the Dutch Accounting Standards Board).

The financial statements comprise:

1. the company and consolidated balance sheet as at 31 December 2022;
2. the company and consolidated statement of income and expenditure 2022; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

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

We are independent of the Netherlands Leprosy Relief 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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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 Management 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, being the Management Board's report in accordance with Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations').

C. Description of responsibilities regarding the financial statements

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

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with the Guideline for annual reporting 'RJ-Richtlijn 650 Fondsenwervende organisaties' (Guideline for annual reporting 650 'Fundraising Organisations'). Furthermore, the Director is responsible for such internal control as the Director 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 Director is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Director should prepare the financial statements using the going concern basis of accounting, unless the Director either intends to dissolve the foundation or to cease operations, or has no realistic alternative but to do so.

The Director should disclose events and circumstances that may cast significant doubt on the foundation'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 organization.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement 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, ethical requirements and independence requirements.

Our audit included among others:

- 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 entity's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of the Director'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 foundation'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 a foundation 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, 29 June 2023

Dubois & Co. Registeraccountants


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A.P. Buteijn RA


Digitaal ondertekend door A. Koek RA
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www.leprastichting.nl
www.nlrinternational.org



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